

The Commonwealth of Massachusetts

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FOR IMMEDIATE RELEASE

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AG HEALEY SECURES OVER \$1 MILLION IN RELIEF FOR STUDENTS UNDER SETTLEMENT WITH FOR-PROFIT SCHOOL IN PITTSFIELD

The Mildred Elley School Resolves Allegations that it Failed to Follow State Disclosure Regulations

BOSTON — Attorney General Maura Healey announced that a for-profit school in Pittsfield has agreed to provide over one million dollars in relief to hundreds of former students to resolve allegations that the school used high pressure enrollment tactics and failed to provide proper disclosures about the program, in violation of the AG's For-Profit School Regulations.

The assurance of discontinuance, <u>filed</u> in Suffolk Superior Court, alleges that from January 2015 to March 2017, the Mildred Elley School, based in New York, violated the state's for-profit and occupational school regulations designed to curb deceptive and unfair practices and increase protections for prospective students.

"Our for-profit school regulations ensure that prospective students have the information they need to make informed decisions about their education and are protected from deceptive enrollment practices," **AG Healey** said. "This settlement stops this school from using these tactics on students moving forward and secures relief for the harm done."

The Mildred Elley School has one campus in Massachusetts, located in Pittsfield, and offers a variety of certificate programs in vocational fields such as business technologies, clinical medical assisting, cosmetology, massage therapy, medical office assisting, and practical nursing. These programs take on average 15 months to complete.

According to the allegations in the AG's settlement, the school repeatedly failed to make certain disclosures to consumers and prospective students at least 72 hours prior to entering into enrollment agreements. The school also allegedly engaged in high-pressure sales tactics by contacting prospective students more than twice in a seven-day period. The settlement also alleges that the school's published placement rates for certain programs were above 70%, when placement rates calculated under the AG's regulations were significantly lower.

Under the terms of the settlement, The Mildred Elley School is required to pay \$600,000 that the AG's Office will distribute to students of the school, and will discharge over \$420,000 in debts owed by students to the school.

The Mildred Elley School is the most recent for-profit school to be held to account for violations of the AG's for-profit school regulations. Previously, the AG's Office settled with <u>Bay State College for</u> \$1,100,000 and the <u>Jolie Hair and Beauty Academy for over \$160,000 in relief</u> for students harmed by their alleged unfair and deceptive practices.

Addressing fraud and abuse in for-profit school and student lending industry has been a top priority for AG Healey since taking office, whether taking predatory schools to court, changing the practices of student loan servicers, going after unlawful student loan "debt relief" companies, or helping student borrowers find more affordable repayment solutions through her first-in-the-nation <u>Student</u> <u>Loan Assistance Unit</u>. The AG's Office also houses the <u>state's Student Loan Ombudsman</u>, who advocates for student borrower rights.

Massachusetts borrowers who are looking for student loan help or information should visit the AG's <u>Student Loan Assistance page</u> or call the Student Loan Assistance Unit Hotline at 1-888-830-6277.

This case was handled by Assistant Attorney General Lilia DuBois, Legal Analyst Amanda Hesse, and Paralegal Bridget Menkis of AG Healey's Insurance and Financial Services Division.

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