



PRESS RELEASE

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APALC SUES MONTECITO SCHOOL DIRECTORS FOR FRAUD TARGETING CHINESE AND TAIWANESE IMMIGRANT COMMUNITY

LOS ANGELES – June 29, 2010. Today, 77 defrauded parents and students filed a lawsuit against Trisha Ying Zi Zhang and Edgar Kuckelkorn, the former president and vice president of Montecito Fine Arts School and its related entities (“Montecito”). The complaint was filed in Los Angeles County Superior Court. The Plaintiffs are represented by the non-profit civil rights organization, the Asian Pacific American Legal Center, a member of the Asian American Center for Advancing Justice, and the private law firm of Kirkland & Ellis LLP, which is providing *pro bono* assistance.

Defendants Zhang and Kuckelkorn ran schools located in Arcadia, Brea and Monrovia, where they offered art classes, 3D animation and a private high school. To lure students to their schools, Defendants Zhang and Kuckelkorn made numerous false representations using Chinese language radio, Chinese newspapers, Spanish language advertisements, appearances at college fairs and in-person meetings. These representations included touting the high quality and value of Montecito courses, guaranteed internships with prominent companies due to Defendants’ “connections,” portfolio development in art design and improved chances of admission to prestigious universities. Defendants also lied about Montecito’s financial stability, collecting payment for classes up to the month they closed their doors, all the while promising the courses would be continued. In August 2009, Montecito filed for bankruptcy. Plaintiffs paid collectively over \$1.5 million in tuition.

“This was a concerted, well-orchestrated scam by two individuals to cheat parents out of their hard-earned money by promising benefits to their children and by exploiting immigrant communities’ uncertainties about how best to navigate the American educational system,” said **Julie A. Su**, Litigation Director at the Asian Pacific American Legal Center. “Through high-pressure sales tactics

and constant advertisements through trusted media in ethnic communities, Defendants Zhang and Kuckelkorn made families believe that these were offers they could not refuse, when in fact, they had no intention of fulfilling the promises made.”

Defendants Zhang and Kuckelkorn personally made the misrepresentations, and directed their agents to do so. They knew that the Chinese immigrant community in particular was vulnerable to the fraudulent promises regarding the benefits of Montecito’s educational and vocational services and utilized Trisha Zhang’s shared Chinese background as a way to gain and exploit Plaintiffs’ trust. Specifically, Zhang and Kuckelkorn scammed immigrant parents and students by claiming that upon signing up for Montecito, they would provide courses of a certain substance, including professional help with art portfolios. Zhang and Kuckelkorn falsely represented that they would provide a 20-course curriculum in 3D animation, completion of which would bring specific benefits and skills development, including selective internship placements and certifications. Zhang and Kuckelkorn promised that enrollment in Montecito’s private high school would result in particular academic and college admissions outcomes as well.

The former directors lured in immigrant community members by providing fraudulent “deals” on grossly-inflated tuition, representing that these “discounts” would expire quickly or were only available to a small number of consumers, when in fact this was untrue. They also represented that all prepaid tuition would be safely kept in a trust account, and that Montecito was properly accredited when it was not. The complaint includes claims for fraud, negligent misrepresentation and violations of various California consumer protection statutes.

Ms. **Yu-Chen Lin**, a single mother defrauded by Zhang and Kuckelkorn, enrolled all four of her children in Montecito’s 3D animation portfolio program, at Zhang’s repeated urging. She paid \$75,240 in advance for years of courses that none of her children were ultimately given the opportunity to complete.

“I paid my hard-earned money to Trisha and Ed because they said Montecito would grant each of my children a Master’s degree after they finished these courses. Now I know that was just a lie,” said Plaintiff Yu-Chen Lin. “I lost all my savings for my children’s education, and now my children have lost interest in art. I got involved in this lawsuit to stand up for my rights, and so that other parents don’t get taken advantage of the way I did.”

The lawsuit seeks a court order that restrains Zhang and Kuckelkorn from engaging in further similar unfair business practices, rescinds the parties’ contracts and awards money damages to the parents and students affected.

“Zhang and Kuckelkorn specifically preyed on Chinese and Taiwanese families, knowing that these community members would believe their lies about Montecito’s wonderful educational opportunities, and would be willing to pay for such benefits,” said **Christina Yang**, Public Interest Fellow at APALC. “They violated the trust placed in them by these parents and students, and the courts serve as the only avenue that our clients can use to hold them accountable.”

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Founded in 1983, the Asian Pacific American Legal Center (APALC) is a nonprofit organization dedicated to advocating for civil rights, providing legal services and education, and building coalitions to positively influence and impact Asian Pacific Americans and to create a more equitable and harmonious society. APALC is a member of Asian American Center for Advancing Justice, which also includes Asian American Institute (Chicago, IL), Asian American Justice Center (Washington, DC) and Asian Law Caucus (San Francisco, CA).