

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

SOLLERS, INC., a corporation, and

SOLLERS EDUCATION, LLC, a limited liability
company, also d/b/a Sollers College,

Defendants.

Case No. 2:23-cv-21250

**COMPLAINT FOR PERMANENT
INJUNCTION, MONETARY
RELIEF, AND OTHER RELIEF**

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), for its Complaint alleges:

1. The FTC brings this action under Sections 5(a), 13(b), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 53(b), 57b, and the Trade Regulation Rule Concerning Preservation of Consumers’ Claims and Defenses (“Holder Rule”), 16 C.F.R. Part 433, which authorize the FTC to seek, and the Court to order, permanent injunctive relief, monetary relief, and other relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and in violation of the Holder Rule in connection with their deceptive marketing and sale of educational services.

SUMMARY OF CASE

2. Defendants operate Sollers College, a for-profit school in New Jersey, primarily focused on short-term certificate programs in the fields of information technology and life sciences.

3. Since at least 2018, Defendants have used false or unsubstantiated representations to convince consumers to enroll at Sollers College. Specifically, Defendants lure consumers with inflated job placement rates and by falsely representing that their relationships with prominent employers create jobs for their graduates.

4. Defendants also have encouraged students to pay for their education using income share agreements (“ISAs”). ISAs are a financing option where students cover the cost of attendance by agreeing to pay the school a share of their future income.

5. Defendants’ ISAs are unlawful because they omit legally mandated disclosures that contain key consumer protections.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345.

7. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (b)(2), (c)(1), and (c)(2), and 15 U.S.C. § 53(b).

PLAINTIFF

8. The FTC is an independent agency of the United States Government created by the FTC Act, which authorizes the FTC to commence this district court civil action by its own attorneys. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

The FTC also enforces the Holder Rule, 16 C.F.R. Part 433, which protects consumers in connection with credit contracts.

DEFENDANTS

9. Defendant Sollers, Inc. is a New Jersey corporation with its principal place of business at the Menlo Park Office Building, located at 100 Menlo Park, Ste. 550, Edison, New Jersey, 08837. At times relevant to this Complaint, it has also used 55 Parsonage Road, Unit 1850, Edison, New Jersey 08837, the address for the Menlo Park Mall located adjacent to the Menlo Park Office Building, and 33 Wills Way, Building 9, Piscataway, New Jersey 08854 to transact business. At all times relevant to this Complaint, Sollers, Inc. transacts or has transacted business in this District and throughout the United States.

10. Defendant Sollers Education, LLC, also doing business as Sollers College, (hereinafter, “Sollers College”) is a New Jersey limited liability company with its principal place of business at 33 Wills Way, Building 9, Piscataway, New Jersey 08854. At times relevant to this Complaint, it has also used the Menlo Park Office Building and the Menlo Park Mall, located at 100 Menlo Park, Ste. 550, Edison New Jersey, 08837 and 55 Parsonage Road, Unit 1850, Edison, New Jersey 08837 respectively, to transact business. Sollers College is a wholly owned subsidiary of Sollers, Inc. At all times relevant to this Complaint, Sollers College transacts or has transacted business in this District and throughout the United States. At all times relevant to this Complaint, acting alone or in concert with others, Sollers College has advertised, marketed, distributed, or sold educational services to consumers throughout the United States.

COMMON ENTERPRISE

11. Defendants Sollers, Inc. and Sollers College (collectively, “Sollers”) have operated as a common enterprise while engaging in the deceptive acts and practices and other violations of law alleged below. Sollers has conducted the business practices described below through interrelated companies that have common ownership, officers, office locations and lack any real distinction. Because Sollers, Inc. and Sollers College have operated as a common enterprise, each of them is liable for the acts and practices alleged below.

COMMERCE

12. At all times relevant to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

Overview of Defendants’ Business

13. Defendants operate Sollers College, a for-profit school with a single campus in New Jersey, as well as online course offerings. Defendants target consumers who have some education or work experience and are seeking a career change, claiming to “upskill[] America for the jobs of the future.”

14. Defendants offer, among other things, short-term certificate programs in the fields of information technology and life sciences with durations ranging from a few weeks to several months. Examples of courses they offer include big data engineering, clinical trial management, and drug safety. Defendants charge consumers tuition ranging from \$4,000 to \$27,000, depending on the program selected.

15. Defendants advertise and market Sollers College to prospective students via the internet, including on employment websites such as Indeed.com. Defendants also market their educational services with email and social media campaigns.

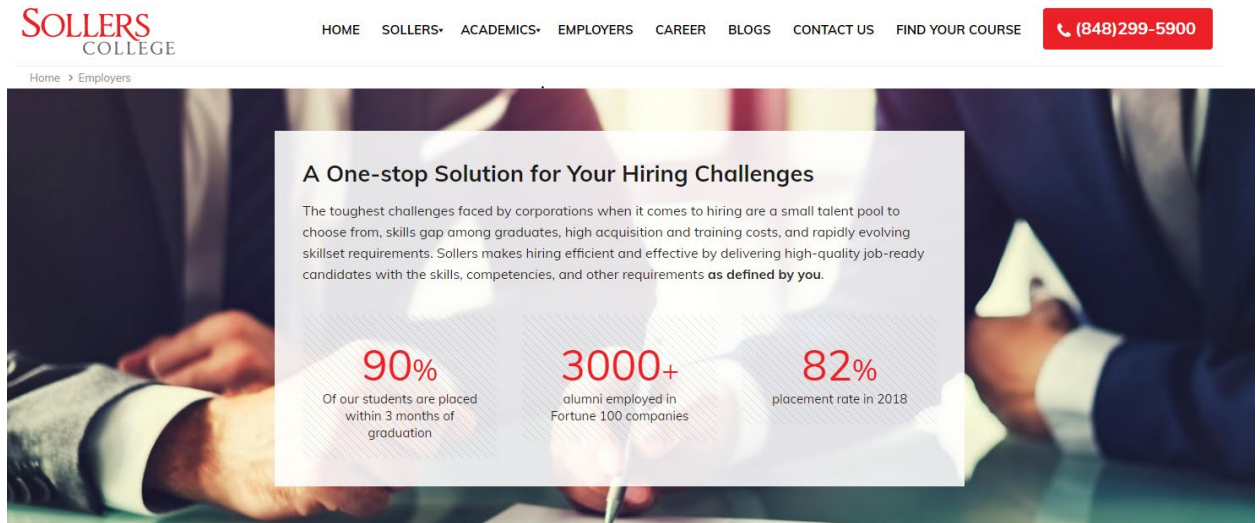
Job Placement Misrepresentations

16. Since at least 2018, Sollers has represented to consumers that the vast majority of Sollers graduates are placed in jobs, including within three months of graduation. For example, Sollers ran a Facebook advertising campaign touting, in red text, its “82% placement” rate directly under text stating “Sollers makes you a ready-on-day-one job candidate.”



Ex. 1



17. Similar job placement claims have been repeated throughout Sollers' website, www.sollers.edu. For example, clicking on the "Employers" tab on Sollers' main navigation bar would bring consumers to a webpage, www.sollers.edu/corporate-partners, where the statement "90% of our students are placed within 3 months of graduation" was prominently displayed in large red text.





Ex. 2

18. Likewise, the claim that Sollers "record[s] an 82% placement rate within three months of graduation" (orange box added for emphasis) has appeared on Sollers' "Testimonials" (www.sollers.edu/testimonials/) and "Success Stories" (www.sollers.edu/success-stories/) webpages.

Our Employer Partners Include:


Cognizant  L&T Infotech 


 Weill Cornell Medicine 

OUR STUDENTS WORK AT

Sollers partners with industry-leading corporations and provides them with ready-on-day-one employees. We record an 82% placement rate within three months of graduation.

Information Technology






Student Success Stories

Syune arrived at Sollers, having completed her PhD in Biology at a Swedish University. Despite having worked as a research scientist in Armenia, Poland, and Sweden, she had no US-based experience, which was limiting her ability to pursue a satisfying science focused career.

After finishing the Clinical Trial Management program at Sollers in Jan. 2019, Syune was hired by Catalyst Pharmaceuticals as a Clinical Research Associate.

Clinical Trial industry 🍷”



Sampada Lokhande
Clinical Trial Management

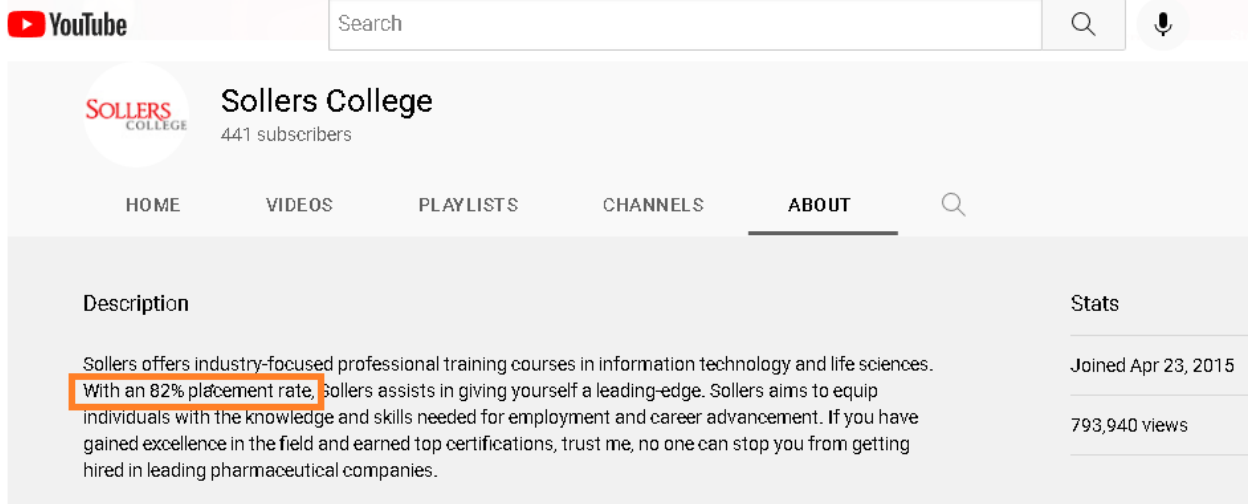
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What Our Students Say

“Sollers has great certificate and internship programs in Clinical Trials domain. I have recently completed Clinical Data Science program with Sollers. Their faculty, facilitators, career...

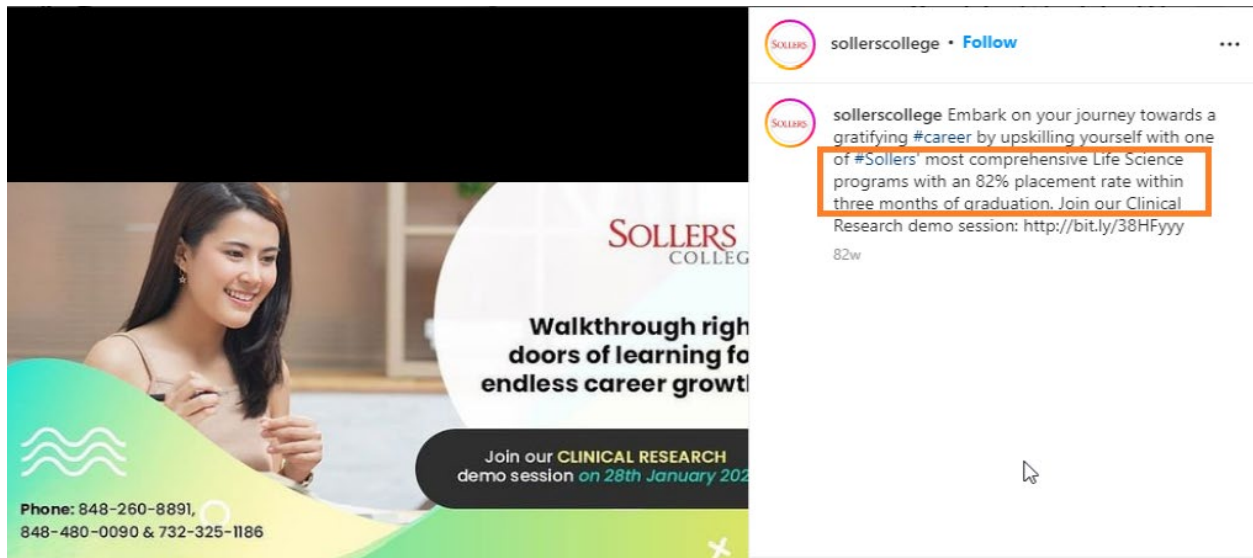
Ex. 3

19. Sollers reinforces these claims in recorded information sessions available on its YouTube channel, where school representatives highlight the school’s 80% placement rate. Sollers also touts its “82% placement rate” in the “About” section of its YouTube channel.

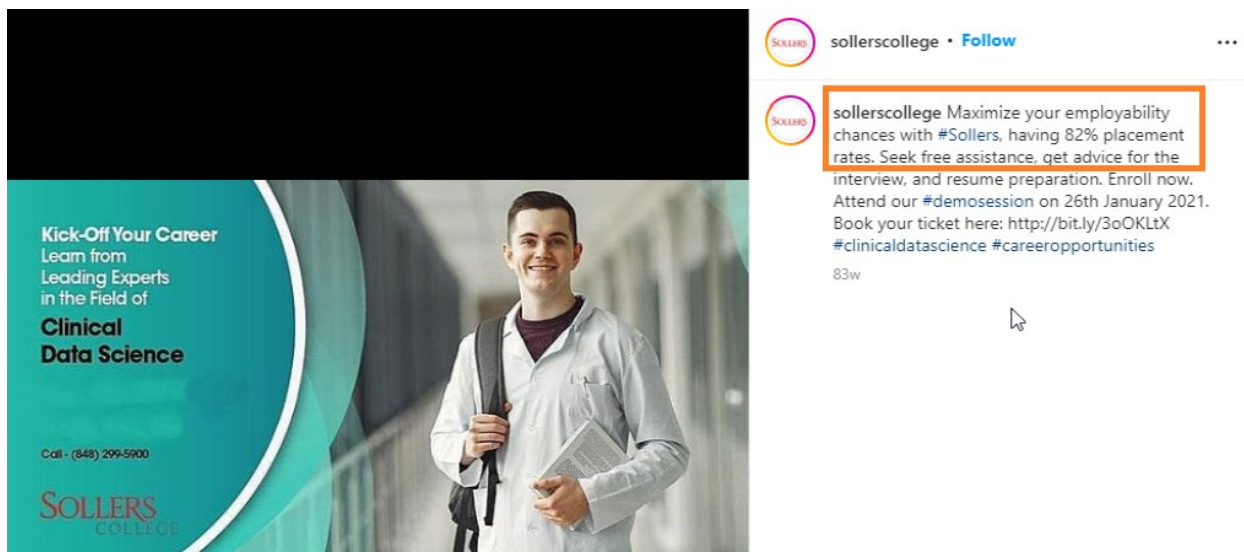


Ex. 4 (orange box added for emphasis).

20. Likewise, Sollers’ Instagram posts promote its “82% placement rate within three months of graduation” and its “82% placement rate.” (orange boxes added for emphasis).



Ex. 5



Ex. 6

21. Sollers has also sent emails to prospective students claiming to have a “near perfect” success rate in placing graduates of its training programs in jobs.

22. Defendants have possessed no reasonable basis for their 80%, 82%, 90%, or “near perfect” job placement claims, much less that they are able to do so within 3 months of graduation. Defendants inflate the number of students they claim to “place” by including anyone who does not communicate with Sollers after graduating. In addition, Sollers does not generally track the employment start dates for its students, and thus, lacks the information needed to support its claim that students were placed in jobs within 3 months of graduation.

23. In fact, even using the data Sollers possessed, the job placement rate for Sollers graduates is substantially lower than then the 80%, 82%, 90% or “near perfect” rates featured prominently on its website and in its advertising campaigns. For example, while the placement rates for graduates of Sollers’ IT programs have improved in recent years, Sollers’ own data suggests that the current job placement rate for graduates of its Life Sciences programs remains as low as 52%.

24. Job placement rates are material to consumers who, during the admissions process, routinely ask questions about how their training will affect their ability to obtain a job. Sollers has highlighted its job placement rate throughout its website and in its advertisements, indicating that such information is relevant to a consumers' selection of a school. If consumers knew that the job placement rate was lower than advertised, it would likely affect their conduct, including whether to attend Sollers.

Employer Partnership Misrepresentations

25. Sollers also has represented on its website that its partnerships with leading businesses in the clinical research, drug safety, and information technology fields result in jobs for its graduates at companies such as Pfizer, Weill Cornell Medicine, and Infosys.

26. For example, navigating to the "Testimonials" (www.sollers.edu/testimonials/) or "Success Stories" (www.sollers.edu/success-stories/) webpages from Sollers' home page or main navigation bar brings a consumer to webpages that, at various times, have listed Cognizant, L&T Infotech, Pfizer, Weill Cornell Medicine and Wipro as "Our Employer Partners."

Our Employer
Partners Include:

Cognizant



L&T Infotech

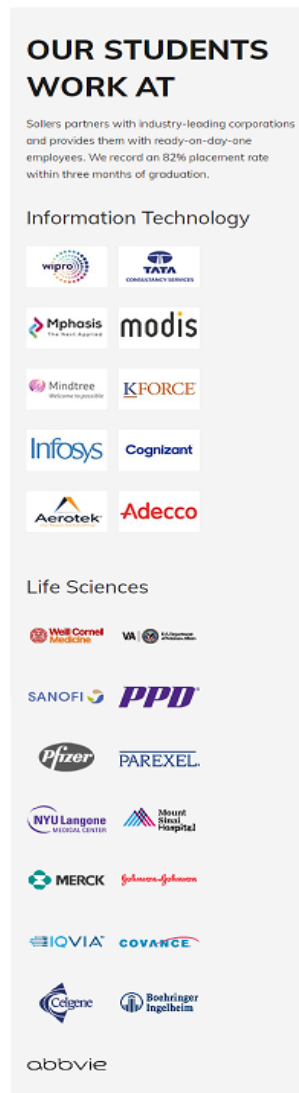


Weill Cornell
Medicine



Ex. 7

27. Both webpages have also featured the logos of over 20 other companies listed underneath text stating that “Sollers partners with industry-leading corporations and provides them with ready-on-day-one employees,” and that Sollers “record[s] an 82% placement rate within three months of graduation.”



Ex. 8

28. The main webpages for its information technology and life sciences programs, accessible by clicking red “browse courses” buttons on Sollers’ main webpage, once again have highlighted the businesses that Sollers claims to “partner” with in close proximity to its claim that they have an “82% placement rate.”

OUR STUDENTS WORK AT

Sollers partners with industry-leading corporations and provides them with ready-on-day-one employees. We record an 82% placement rate within three months of graduation.



Ex. 9

OUR STUDENTS WORK AT

Sollers partners with industry-leading corporations and provides them with ready-on-day-one employees.
We record an 82% placement rate within three months of graduation.



Ex. 10

29. Finally, the “Corporate Partners” page, which has been accessible from the main navigation bar or by clicking a red button labeled “our partners” from Sollers’ main webpage, also has displayed prominently the logos of over a dozen different leading businesses in the

fields of information technology and life sciences.

Our Students Work At



Ex. 11

30. In fact, many of the businesses featured on Sollers' website have no partnership with the school whatsoever, much less one that results in Sollers graduates getting jobs at those companies.

31. In May 2022, Weill Cornell Medicine sent Sollers a cease-and-desist letter demanding that Sollers remove its logo from the school's website because it was "not an 'employer partner' or 'corporate partner'" and use of its logo was therefore "false and misleading." That same month, Aerotek, a staffing company, also sent Sollers a letter demanding that Sollers immediately remove its name and logo from the school's website. In the

wake of those letters, and after becoming aware of the FTC's investigation, Sollers removed these and a few other employer logos from some, but not all, places on its website.

32. Employer partnerships that result in jobs are material to consumers who, during the admissions process, routinely ask questions about the employment outcomes and job prospects of Sollers graduates. Sollers' decision to prominently—and repeatedly—display the logos of well-known companies on its website demonstrates that Sollers was aware that its relationship with a well-respected employer would be a key factor in a consumer's decision to attend. If consumers knew that such employment partnerships were non-existent, it would likely affect their decision making, including whether to attend Sollers.

33. Students have complained to Sollers that they had been misled by its job placement rates, including via the Washington Attorney General's Office.

Use of Illegal Consumer Credit Contracts

34. Sollers has encouraged students to pay for their education via income share agreements ("ISAs") that do not contain legally required disclosures. ISAs are a credit option where students cover the cost of attendance by agreeing to pay the school a share of their future income.

35. Under the specific terms of Sollers' ISAs, students agree to pay Sollers a fixed percentage of their future income on a monthly basis, typically for two years. Ex. 12 (Sample ISA). This fixed percentage, known as the "Income Share," generally ranges between 10% and 20% of a student's monthly earned income.

36. Students receive no money from Sollers as part of these agreements. Instead, the cost of the program is converted into a debt obligation that the students have to repay.

37. Failure to comply with the terms of the ISA allows Sollers to collect a lump-sum payment, generally around \$45,000 (plus fees and collection costs), and refer consumers to debt collection agencies. The ISAs also authorize Sollers to run a credit check on potential students and warn that late payments, missed payments, or other defaults may be reported to credit bureaus.

38. Following a one-month grace period, students who graduate or withdraw from Sollers' programs and whose earned income is above a specific minimum annual amount are obligated to make monthly payments. Throughout the duration of the ISA, students are required to promptly provide Sollers with documentation of any change to their earned income.

39. Payment is deferred for any month in which students can demonstrate that their earned income is less than the monthly equivalent of the minimum annual amount. In the event of deferment, Sollers may extend the total payment term by as many months as were deferred, generally up to an additional forty-eight months. Thus, the period during which a student is obligated to pay back a percentage of their income can range from a minimum of two years to a maximum of six years, depending on the specific ISA and the number of deferments.

40. Once a student has made monthly payments for the maximum payment term, their obligation is satisfied, regardless of whether they have paid more or less than the price of enrollment. Though the repayment formula for Sollers' ISAs can result in monthly payments being equal to zero, for the duration of the payment term students have an obligation to pay whenever their income exceeds the deferment threshold.

41. Typically, the ISA requires students who want to meet their payment obligations before the payment term ends to pay \$18,000 within one month of graduation or withdrawal, or \$45,000 thereafter, plus fees and less payments already made.

42. Approximately 90% of students who entered into ISAs with Sollers are either actively in repayment or defaulted on their agreements and now owe Sollers a fixed amount. Sollers has taken action against students who defaulted by sending them demand letters and referring them to debt collection agencies.

43. Defendants' ISAs fail to include legally required Holder Rule notices. The Holder Rule requires any seller that takes or receives a consumer credit contract to include the Holder Rule notice in such contracts informing consumers of their right to assert claims and defenses about seller misconduct — such as a seller's misrepresentations — against any holder of the contract.

44. Between August 2018 and April 2021, Sollers extended 392 ISAs, none of which included the disclosures mandated by the Holder Rule. Sollers subsequently sold a portion of its ISAs to third-party investors.

45. Based on the facts and violations of law alleged in this Complaint, the United States has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission because their business is ongoing and their website appears active as of the date of filing this Complaint.

VIOLATIONS OF THE FTC ACT

46. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

47. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count I

48. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of educational services, including through the means described in Paragraphs 16 - 24, Defendants represent, directly or indirectly, expressly or by implication, that the vast majority of Sollers' graduates (such as 80%, 82%, or 90%) are placed in jobs, including within three months of graduation.

49. The representations set forth in Paragraph 48 are false or misleading or were not substantiated at the time the representations were made.

50. Therefore, the making of the representations as set forth in Paragraph 48 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. §45(a).

Count II

51. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of educational services, including through the means described in Paragraphs 25 - 33, Defendants represent, directly or indirectly, expressly or by implication, that Sollers College's partnerships with prominent employers, such as Pfizer, Weill Cornell Medicine, and Infosys, result in jobs for its graduates at those companies.

52. The representations set forth in Paragraph 51 are false or misleading or were not substantiated at the time the representations were made.

53. Therefore, the making of the representations as set forth in Paragraph 51 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE HOLDER RULE

54. The Holder Rule, promulgated by the Commission under Section 18 of the FTC Act, 15 U.S.C. § 57a, became effective in its entirety on May 14, 1976, and since that date has remained in full force and effect.

55. “Creditor” means a person who, in the ordinary course of business finances the sale of goods or services to consumers on a deferred payment basis. 16 C.F.R. § 433.1(c). Defendants Sollers, Inc. and Sollers College are “creditors” as defined in the Holder Rule because they finance the sale of goods or services to consumers on a deferred payment basis in the ordinary course of business.

56. “Seller” means a person who, in the ordinary course of business, sells or leases goods or services to consumers. 16 C.F.R. § 433.1(j). Defendants Sollers, Inc. and Sollers College are “sellers” as defined in the Holder Rule because they sell goods or services to consumers in the ordinary course of business.

57. “Consumer credit contract” means, in relevant part, “any instrument which evidences or embodies a debt arising from. . . a ‘financed sale.’” 16 C.F.R. § 433.1(i). “Financ[ing] a sale,” is defined in turn, as “extending credit to a consumer in connection with a ‘credit sale’ within the meaning of the Truth in Lending Act and Regulation Z.” 16 C.F.R. § 433.1(e). Sollers’ ISAs are consumer credit contracts because they “evidence or embody a debt” arising from an “exten[sion] of credit” to a consumer in connection with a “credit sale” as those terms are defined and used in the Holder Rule.

58. Defendants Sollers, Inc. and Sollers College take or receive consumer credit contracts in the form of Income Share Agreements.

59. The Holder Rule prohibits sellers from taking or receiving a consumer credit contract which fails to contain the following provision in at least ten point, bold face type:

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

16 C.F.R. § 433.2(a).

60. Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the Holder Rule constitutes an unfair or deceptive act or practice in violation of Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1).

Count III

61. In numerous instances, in connection with the selling or offering for sale of goods or services to consumers in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44, Defendants have violated the Holder Rule by taking or receiving consumer credit contracts without the Notice required by 16 C.F.R. § 433.2(a).

CONSUMER INJURY

62. Consumers are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants’ violations of the FTC Act and the Holder Rule. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

PRAYER FOR RELIEF

Wherefore, Plaintiff requests that the Court:

- A. Enter a permanent injunction to prevent future violations of the FTC Act and the Holder Rule by Defendants;
- B. Award monetary and other relief within the Court's power to grant; and
- C. Award any additional relief as the Court determines to be just and proper.

Respectfully submitted,

Dated: 10/18/2023

s/ Wendy Miller

WENDY MILLER

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