

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF WASHINGTON

TENTH JUDICIAL DISTRICT

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Court File No.: \_\_\_\_\_  
Case Type: 7 - Employment Discrimination

Heidi Weber,

Plaintiff,

v.

**AMENDED  
COMPLAINT AND  
JURY DEMAND**

Minnesota School of Business, Inc.  
d/b/a Globe University,

Defendant.

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The Plaintiff, Heidi Weber (“Plaintiff”), for her Complaint against Minnesota School of Business, Inc. d/b/a Globe University (“Defendant”), states and alleges as follows:

**PARTIES**

1. Plaintiff is resident of the City of Prescott, County of Pierce, State of Wisconsin. Plaintiff’s most recent location of employment was at Defendant’s Woodbury, Minnesota campus.

2. Defendant is a consortium of private institutions that provides education for various careers. Defendant’s home jurisdiction is the State of Minnesota and its principal place of business is located in the City of Woodbury, County of Washington, State of Minnesota. Defendant is incorporated according to the laws of the State of Minnesota.

3. Defendant conducts a significant amount of business within the State of Minnesota. At all times relevant to this lawsuit, Plaintiff and Defendant were “employee” and “employer,” respectively, as those terms are defined in Minn. Stat. § 363A.03.

**JURISDICTION AND VENUE**

4. The jurisdiction of this Court is invoked as violations occurred in the State of Minnesota and involve state and common law.

5. Venue is appropriate because Defendant transacts a substantial amount of business in the State of Minnesota and a substantial amount of the facts giving rise to this action occurred within the borders of the State of Minnesota.

### FACTS

6. Plaintiff was employed by Defendant from October 1, 2008 until her termination on April 29, 2011. She was hired as an Adjunct Instructor for the Medical Assistant Program at Defendant's Sioux Falls, SD campus.

7. Defendant promoted Plaintiff to Network Medical Assistant Program Dean in February 2010. This promotion required her to move from Sioux Falls, SD to the Minneapolis/St. Paul, MN metro area.

8. After Plaintiff's promotion in February 2010, Defendant changed the Medical Assistant Program's accreditation from the Commission on Accreditation of Allied Health Education Programs ("CAAHEP") to the Accrediting Bureau of Health Education Schools ("ABHES"). Defendant said this change was necessary because they were unlikely to continue to meet CAAHEP's more stringent accreditation standards. Chief Compliance Officer, Karan Krna ("Krna"), further articulated to Plaintiff that the reason was to get Defendant's new schools accredited faster.

9. Plaintiff continually voiced opposition to the change in accreditation to her supervisors for months, verbally and via email. Plaintiff believed that students were being misled because Defendant did not apprise students of the potential impact of the accrediting

change on post-graduation employment prospects, among a host of other concerns related to Defendant's noncompliance with both CAAHEP and ABHES accreditation standards.

10. Defendant's violations of ABHES's accreditation standards include but are not limited to:

- Violating ABHES's mission. *Accreditation Manual, Accrediting Bureau of Health Education Schools*, Chp. 1, Sec. A, Subsec. 1, 11 (2011).
- Failing to provide continuous education by not having the externship sites available to students. *Id.* at Chp. 5, Sec. B, Subsec. 4, (b).
- Violating Title IV federal student aid programs. *Id.* at Chp. 1, Sec. B, Subsec. 1.
- Failing to ensure that students attain entry-level competencies for the Medical Assisting program. *Id.* at Chp. 2, Sec. A, Subsec. 1, (b)(5)(a).
- Submitting advertising material to the public that is not clear and provable. *Id.* at Chp. 4, Sec. E, Subsec. 1.
- Violating recruiting methods and the ban on commissions for admissions representatives based on enrollment numbers. *Id.* at Chp. 4, Sec. E, Subsec. 2, (d).
- Enrolling students that cannot be reasonably expected to benefit from instruction. *Id.* at Chp. 4, Sec. E, Subsec. 3.
- Failing to meet the requirements of Defendant's enrollment agreements. *Id.* at Chp. 4, Sec. E, Subsec. 4.
- Failing to disclose circumstances that could affect students prior to their enrollment, most notably the effect a felony could have on their job prospects. *Id.* at Chp. 4, Sec. E, Subsec. 6.
- Requiring students to travel unreasonable distances for their externships without having them agree to it prior to enrollment, in writing. *Id.* at Chp. 5, Sec. B, Subsec. 4, (b).
- Bribing students with free textbooks to keep them quiet for having to travel unreasonable distances for their externships. *Id.*
- Failing to inform and misrepresenting Defendant's accreditation status to the public during the switch from CAAHEP to ABHES. *Id.* at Chp. 5, Sec. H, Subsec. 1.

11. Defendant informed Plaintiff that the selection of accreditation standards is not within her job duties or any of her concern. Krna and Chief Education Officer, Dr. Michele Ernst, outlined this point in multiple correspondences with Plaintiff.

12. Defendant also informed Plaintiff that it was not within her job duties to provide operational direction regarding enrollment numbers or admission policies.

13. In July 2010, ABHES began visiting Defendant's campuses for the accreditation process. ABHES quickly found that four of the fifteen campuses had a shortage of available externship placements and/or lacked proper documentation because of over-enrollment in the Medical Assistant Program.

14. In December 2010, Allina Health Systems ("Allina") notified Defendant that they would no longer accept students for externship placement because of Defendant's change in accreditation to ABHES. Further, Allina would no longer consider Defendant's graduates for employment for the same reason. This exacerbated the shortage of externships problem. Previously, Allina was one of Defendant's largest employers of its Medical Assistant Program graduates.

15. Defendant continues to enroll students in the Medical Assistant Program knowing that qualified externships are not available, in violation of ABHES standards.

16. In November 2010, Plaintiff discovered that Defendant's reports to ABHES contained false representations. Prior to Defendant's submission of these representations, discussions were held regarding this problem. Defendant submitted the information anyway in order to avoid delaying the accreditation process. Plaintiff again voiced her opposition and continued to report to Defendant that the Medical Assistant Program was failing to meet accreditation and education standards that could result in legal liability to students and already constituted consumer fraud.

17. During the first quarter of 2011, Plaintiff became more vocal in her concerns as the shortage of externships grew. Three campuses contacted her directly asking for help, which she relayed to her supervisors because students were not being placed in externships. Plaintiff

continued to push Defendant to slow enrollment and hire additional experts to correct the situation.

18. In April 2011, Plaintiff contacted Jeff Myhre (“Myhre”), Defendant’s President. Myhre scheduled three group meetings on April 11th, 18th, and 25th, to discuss issues Plaintiff brought to his attention. The whole of Defendant’s Woodbury campus leadership was present at each of these meetings, including Provost David Metzen (“Metzen”). Krna directed Plaintiff not to inform ABHES about Defendant’s violations or to contact them for any reason during this period.

19. Prior to the April meetings, Metzen threatened to terminate Plaintiff if she did not cease her activities regarding compliance and operational issues in private meetings.

20. During the April meetings, Defendant’s leadership discussed the above issues. Specifically, Plaintiff reported that she was concerned about Defendant misleading students regarding the guaranteed availability of Medical Assisting externships Defendant knew were not available. Defendant’s leadership and Plaintiff went through numerous scenarios relating to Defendant’s potential legal liability.

21. On April 26, 2011, three days before Plaintiff’s termination, Chief Operating Officer, Jeanne Hermann (“Hermann”), proposed that Plaintiff consider increasing the number of externships by lowering the standards for placement. Plaintiff refused Hermann’s proposal. Plaintiff stated that the program was already in violation of numerous ABHES standards and that she would not violate them further by sending students to sites that did not provide opportunities to demonstrate the required Medical Assisting competencies.

22. On April 29, 2011, Metzen terminated Plaintiff.

23. Defendant recognized that slowing enrollment in order to match up the number of students with the number of externships and/or raise admission standards, would negatively impact their accreditation status. Further, Plaintiff recognized that Defendant misled consumer students into believing that they would be able to obtain gainful employment, as Medical Assistants, after graduation when it was extremely unlikely.

24. Defendant failed to inform students of the accreditation change, over-enrollment and the limitations this change would have on their graduation and employment prospects. Defendant was unable to fulfill its guarantee that externship opportunities would be available to fulfill the accreditation requirements. The move to ABHES also damaged alumni in the job market and prevented current students from graduating on time. Further, Defendant failed to inform students that Allina would no longer accept any of Defendant's students for externships or consider any of its graduates for employment, misleading current and potential students.

25. Plaintiff received an annual performance review about six weeks before her termination. Her performance was characterized as superior and she received a raise in pay after the review.

26. Shortly after Plaintiff's termination, Krna wrote a letter to Allina, signed by Metzen, that indicated Plaintiff had taken the program in the wrong direction and that, because of her termination, she no longer presented a problem for the program. It imputed that the mistakes made in the changing accreditation process and the negative reactions of employers that followed were Plaintiff's fault.

27. This letter diminished Plaintiff's standing in the medical community. The letter achieved this goal, as Plaintiff was unable to secure employment in the medical education community in the Minneapolis/St. Paul, MN metro area, despite her superior qualifications.

28. As a direct and proximate result of Defendant's illegal conduct, Plaintiff has suffered from distress, humiliation and embarrassment, loss of reputation, loss of enjoyment in life, loss of wages and benefits, and has incurred attorneys' fees and other expenses.

## CLAIMS

### COUNT ONE VIOLATIONS OF THE MINNESOTA WHISTLEBLOWER ACT

Plaintiff realleges each and every paragraph of this Complaint.

29. The Minnesota Whistleblower Act ("MWA") prohibits retaliation against employees for making good-faith reports of violations of law. Minn. Stat. § 181.932,

30. Subd. 1 provides:

- a. An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:
  - (1) the employee ... in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;
  - (2) .....
  - (3) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason.

31. Plaintiff reported what she reasonably and in good faith believed to be violations of state law. She expressed concern about Defendant's legal liability for consumer fraud to Defendant's leadership during three April 2011 meetings. Plaintiff's reports included, but are not limited to: the above mentioned April meetings and numerous other reports, emails and protestations to her superiors regarding ABHES accreditation violations, and; the accreditation change, and over-enrollment which, as represented to students by Defendant, constituted

violations of Minn. Stat. § 325D.44 and Minn. Stat. § 325F.67. In general terms, Plaintiff knew that the students were grossly not “getting what they paid for” and that violated the law.

32. Plaintiff refused to participate in any type of consumer fraud including, but not limited to, Defendant suggesting she increase the number of externship opportunities by lowering the standards for placement.

33. The laws Plaintiff believed Defendant violated include, but are not limited to: Minn. Stat. § 325D.44 (a person engages in deceptive trade practices when, during the course of business, the person represents that services have uses or benefits they do not have or engages in similar conduct codified above that creates a likelihood of confusion or misunderstanding), and; Minn. Stat. § 325F.67 (a person, firm, or corporation with the intent to sell services or anything else offered that advertises in a variety of forms offered to the public, violates this law if that advertisement contains any material assertion or representation, or statement of fact that is untrue, deceptive or misleading).

34. Defendant retaliated against Plaintiff as a result of her reported objections by terminating her employment.

35. The adverse employment actions as alleged herein constitute violations of the MWA, Minn. Stat. §§ 181.931 *et seq.*

36. The unlawful employment practices complained of above were intentional and were performed by Defendant with malice and/or with reckless indifference to the MWA, which protects Plaintiff.

37. As a direct and proximate result of Defendant’s illegal conduct, Plaintiff has suffered, and continues to suffer, emotional distress, humiliation, embarrassment, pain and suffering, loss



of reputation, loss of enjoyment of life, lost wages and benefits, and has incurred attorneys' fees and expenses and other serious damages.

**COUNT TWO**  
**WRONGFUL DISCHARGE**  
**IN VIOLATION OF PUBLIC POLICY**

Plaintiff realleges each and every paragraph of this Complaint.

38. Minnesota common law recognizes a cause of action for an employee who refuses to work under conditions or refuses to perform actions that contravene public policy.

39. Defendant, through its managers and officials acting on behalf of Defendant and within the scope of their employment, engaged in unlawful employment practices. These practices include, but are not limited to: terminating Plaintiff for her refusal to increase the number of externship opportunities by lowering standards below ABHES levels, and; for her numerous reports to Defendant about the legal implications of Defendant's practices and noncompliance with the provisions of ABHES.

40. The actions described above contravened public policy.

41. The effect of the practices complained of above has been to deprive Plaintiff of equal employment opportunities and otherwise adversely affecting her status as an employee because of her refusal to engage in these actions.

42. The unlawful employment practices complained of above were intentional and were performed by Defendant with malice and/or reckless indifference to the laws, which protect Plaintiff.

43. As a direct and proximate result of Defendant's illegal conduct, Plaintiff has suffered, and continues to suffer, emotional distress, humiliation, embarrassment, pain and suffering, loss

of reputation, loss of enjoyment of life, lost wages and benefits, and has incurred attorneys' fees and expenses and other serious damages.

**COUNT THREE**  
**VIOLATIONS OF MINN. STAT. § 181.64 FALSE STATEMENTS AS**  
**INDUCEMENT TO ENTERING EMPLOYMENT**

Plaintiff realleges each and every paragraph of this Complaint.

44. Defendant, through its managers and officials acting on behalf of the Defendant and within the scope of their employment, engaged in unlawful employment practices involving Plaintiff in violation of Minn. Stat. § 181.64. These practices include, but are not limited to: fraudulently inducing Plaintiff to move from her previous position in Sioux Falls, SD to the Minneapolis/St. Paul, MN metro area by knowingly using false representations concerning the character of her work. Plaintiff was not aware that part of her duties would be to conceal and get around Defendant's ABHES accreditation violations.

45. Plaintiff sustained damages in consequence of the false and deceptive representations concerning the duties of her job promotion that Defendant used to induce Plaintiff to change the place of her employment.

46. Plaintiff would not have accepted the promotion that moved her to the Minneapolis/St. Paul, MN metro area, but for these fraudulent inducements.

47. The unlawful employment practices complained above were intentional and were performed by Defendant with malice or reckless indifference to the laws that protect Plaintiff.

48. As a direct and proximate result of Defendant's illegal conduct, Plaintiff has suffered, and continues to suffer, emotional distress, humiliation, embarrassment, pain and suffering, loss of reputation, loss of enjoyment of life, lost wages and benefits, and has incurred attorneys' fees and expenses and other serious damages.

**COUNT FOUR**  
**DEFAMATION**

Plaintiff realleges each and every paragraph of this Complaint.

49. Defendant made false statements about Plaintiff's conduct that damaged her reputation in the medical community. Specifically, in a letter written by Krna to Allina, with Metzen's signature, Defendant tried to reestablish their relationship with Allina, which was severed after Defendant's switch to ABHES. The letter stated that the former Dean, Plaintiff, took the program in the wrong direction and, therefore, she is no longer a concern for the Medical Assisting Program.

50. This false information damaged Plaintiff's reputation by inferring that the negative fallout after Defendant switched accreditors was Plaintiff's fault. On the contrary, Plaintiff vocalized her dissent for months. This letter projected Plaintiff in a completely false light to one of the largest medical employers in the State of Minnesota. Further, its contents were disseminated to other employers in the medical community and diminished her professional reputation.

51. Plaintiff was unable to get a job in the Minneapolis/St. Paul, MN medical education community because of this damage. She interviewed with four different institutions and was denied employment each time, with one interview specifically noting that she was the most qualified candidate, but nonetheless she could not be offered employment based on her "history."

52. Defendant, through its agents, published the aforementioned defamatory statements with knowledge of their falsity and with negligent disregard or with actual malice and wanton, reckless disregard for their effect on Plaintiff and her professional reputation.

53. As a direct result of Defendant's defamatory statements, Plaintiff has suffered and will continue to suffer humiliation, embarrassment, and harm to her professional reputation.

**PRAYER FOR RELIEF**

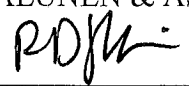
WHEREFORE, Plaintiff respectfully prays:

- a. That the practices of Defendant complained of herein be adjudged, decreed and declared to be in violation of the rights secured to Plaintiff by state and common law.
- b. That Defendant be required to make Plaintiff whole for its adverse, retaliatory and unlawful actions through restitution in the form of back pay, with interest of an appropriate inflation factor.
- c. That Plaintiff be awarded front pay and the monetary value of any employment benefits she would have been entitled to as an employee of Defendant.
- d. That a permanent prohibitory injunction be issued prohibiting Defendant from engaging in the practices complained of herein.
- e. That Plaintiff be awarded compensatory damages in an amount to be determined at trial.
- f. That Plaintiff be awarded punitive damages as permitted by statute.
- g. That Plaintiff be awarded treble damages as permitted by statute.
- h. That the Court award Plaintiff her attorneys' fees, costs and disbursements pursuant statute.
- i. That the Court grant such other and further relief as it deems fair and equitable.

PLAINTIFF DEMANDS TRIAL BY JURY ON ALL COUNTS WHERE TRIAL BY JURY IS AVAILABLE.

Dated this 12<sup>th</sup> day of April, 2012.

HALUNEN & ASSOCIATES



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**ACKNOWLEDGMENT**

The undersigned hereby acknowledges that costs, disbursements, and reasonable attorney's fees may be awarded pursuant to Minn. Stat. § 549.211 to the party against whom the allegations in this pleading are asserted.

Dated this 12<sup>th</sup> day of April, 2012.



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Ross D. Stadheim