

BBB OF METROPOLITAN HOUSTON

1333 W. Loop South Ste. 1200, Houston, TX 77027
(713) 868-9500 FAX (713) 867-4947 bbbinfo@bbbhou.org

February 3, 2006

Mr. [Redacted by HELP Committee]
Universal Technical Institute/TX
721 Lockhaven Drive
Houston, TX 77073

RE: [Redacted]

Enclosed is a copy of a complaint filed about your company. Your company's response, regardless of your membership status, is very important to us. Please respond with your side of the issue and how your company has/or will be addressing this issue. We strongly encourage your company to contact the complainant directly at any time during the complaint process.

*It is the responsibility of all member AND non-member companies to respond in WRITING ONLY to this complaint WITHIN 10 calendar (not business) days. Please mail, fax, or email your response. Verbal responses are NOT accepted due to the volume of complaints we process.

*Please keep a copy of this complaint for your records. If you require additional copies at any time there will be a fee assessed.

*Lack of response to complaints will be reflected in your public company report on our website, our automated phone system, and via our operators when consumer call in. We receive over 1000 calls a day from potential customers checking out area business records.

*If you are a member and no response is received it will jeopardize your membership. Please return this page with corrections if your company contact information has changed or email the updates to bbbinfo@bbbhou.org

Please note that your response will be copied and mailed to the consumer for their review and response. We report on closed complaints only, how or if the company answered the complaint, and how or if it was resolved. To check out your current company report visit our website at www.bbbhou.org Please keep a copy of this complaint for your records. If you have any questions please feel free to contact us at 713.341.6116. ** This will be your last notification of this complaint. ** Please send your replies to the address listed above and to the ATTENTION: DISPUTE RESOLUTION DEPARTMENT. Please do not address your replies to individual BBB staff members.

Regards,
The Dispute Resolution Department
Greater Houston Better Business Bureau

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BBB of Metropolitan Houston
1333 W. Loop South
Houston, TX 77027
(713) 868-9500 FAX: (713) 867-4947 bbbinfo@bbbhou.org

COMPANY INFO

CO. NAME: Universal Technical Institut ID#: 11448 MEM: yes
ADDRESS : 721 Lockhaven Drive Houston, TX 77073 CARE: yes
PHONE# : Redacted by HELP Committee REPORT CODE: CT
CONTACT NAME: Mr. Redacted by HELP Committee CASE#: [REDACTED]

CONSUMER INFO

NAME : [REDACTED] DATE OPENED: 02/03/2006
ADDRESS: [REDACTED] ASSIGN TO: dr
PHONE# : [REDACTED] EMAIL: [REDACTED]

CUSTOMER VERSION:

WHEN MY SON WAS 17 HE MET WITH Redacted by HELP Committee A REPRESENTATIVE OF UNIVERSAL TECHNICAL INSTITUTE IN AVONDALE, AZ. MY SON AND HIS FATHER SIGNED A CONTRACT FOR ENROLLMENT UPON GRADUATION. THE PRICES WERE STATED FOR EACH PHASE. HE WANTED TO ATTEND THEIR MASTER MECHANIC PROGRAM. THERE ALSO WAS AN ADDITIONAL COURSE HE COULD ALSO TAKE A COURSE SPECIALIZING IN FORDS. MY SON WASN'T SURE HE WANTED TO ENROLL IN THE FORD PROGRAM BUT THE REPRESENTATIVE TOLD HIM IF HE DID HE COULD DROP THE COURSE AT ANY TIME WITHOUT IT AFFECTING ANYTHING AS LONG AS HE DROPPED THE COURSE PRIOR TO STARTING THE CLASS. MY SON WILL SOON COMPLETE THE MASTER MECHANIC PROGRAM BUT DOES NOT WISH TO TAKE THE FORD CLASS. MY SON WISHES TO DROP THE FORD CLASS. WE ARE BEING TOLD THAT DROPPING THIS COURSE CHANGES THE WHOLE PROGRAM NOW AND HE IS BEING CHARGED A HIGHER RATE FOR COURSES HE HAS ALREADY COMPLETED. WHEN I SPOKE TO DOUG KINNEY HE CONFIRMED WHAT MY SON AND AUTUMN FROM FINANCIAL AID HAD TOLD ME. I TOLD DOUG IT DOES NOT STATE ANYWHERE INT HE CONTRACT THAT PRICES WILL NOT BE EFFECTIVE IF HE DROPS THE FORD COURSE. DOUG POINTED OUT TO ME THAT IT DOES STATE IN THE CONTRACT & THE SCHOOL CATALOG * CATALOG ADDENDUMS ARE BINDING. NO CATALOG WAS READ PRIOR TO SIGNING THIS BUT EVEN SO THE CONTRACT DOES NOT REFER TO AN EXACT CATALOG OF A SPECIFIC DATE. CATALOG OR CATALOG ADDENDUMS LEAVES A OPEN CONTRACT ON THEIR SIDE. NOW IT IS BEING POINTED OUT TO US THAT IT STATES IN THE CATALOG THAT THEY CAN CHANGE THE PRICES IF YOU MAKE ANY CHANGES TO YOUR COURSES. I FEEL THIS IS VERY MISLEADING. I DO NOT UNDERSTAND WHY BECAUSE MY SON IS DROPPING A COURSE THAT HASN'T STARTED YET THAT NOW THEY CAN GO BACK AND INCREASE THE PRICES FOR COURSES HE HAS ALREADY COMPLETED. I FEEL THEY ARE LESS THAN UP FRONT ABOUT THIS.

SETTLEMENT: Other (requires explanation)

SETTLEMENT EXPLANATION:

THE TOTAL TUITION ON THE CONTRACT IS \$30250. THE PORTION FOR THE FORD CLASS IS \$4,640.00. IF YOU DEDUCT \$4,640.00 FROM \$30,250 THAT LEAVES A TOTAL OF \$25,610. UTI IS ADDING \$2,200

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TO THAT TOTAL. I WOULD BE HAPPY IF MY SON & I WERE CHARGED
\$25,610 INSTEAD OF \$27810.00

PRODUCT: TUITION

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Texas Campus (Main Campus)

721 Lockhaven Drive / Houston, Texas 77073

Phone 281.443.6262 / Fax 281.443.0610 / Toll Free 1.800.325.0354

www.uticorp.com

February 21, 2006

Better Business Bureau of Metropolitan Houston
1333 W. Loop South
Houston, TX 77027

RE: [REDACTED] complaint/Universal Technical Institute

Dear Sir or Madam:

This letter is in response to a notification from the Better Business Bureau received at the Universal Technical Institute (UTI) of Texas, located in Houston. We appreciate the Bureau providing UTI an opportunity to address this consumer concern and to fully explain the situation.

The complainant, [REDACTED] who lives in California, has filed a complaint with the Houston BBB in the name of her son, [REDACTED], a student at the Avondale, Arizona campus of UTI. We are not sure why the complaint was routed to Houston, but since it was, the Houston campus is addressing this concern in conjunction with the Arizona campus. Below, we have addressed each of her stated concerns, in the order in which she presented them.

[REDACTED] was originally enrolled in the Automotive/Diesel and Industrial Technology w/Ford FACT program at the Avondale campus in July of 2004. He subsequently cancelled his enrollment. [REDACTED] then reenrolled with the Avondale campus, in the same program, in November of 2004. UTI has spoken to the admissions representative, [REDACTED] regarding his initial conversation with [REDACTED] and his family. Mr. [REDACTED] states that he would not have told [REDACTED] or his family that [REDACTED] could drop the Ford program at anytime without consequence. Even if there had been any confusion about UTI policy regarding program downgrades, [REDACTED] would have received that information in numerous contexts following that initial meeting, including in the catalog, in the Student Success Guide (distributed on the first day of class), and during a presentation given to all first term students in their first week of class.

UTI policy states that all prospective students are to receive a catalog at the time of enrollment. Although [REDACTED] claims that [REDACTED] did not receive a catalog prior to signing the enrollment agreement, the enrollment agreement clearly states that the student (and in this case, his parent) are bound to the catalog and addenda. Regardless of whether a catalog was provided at that time, a party to a contract must read and understand what s/he is signing. If [REDACTED] and his parents did not receive the catalog, they should not have signed the agreement binding themselves to its policies.

[REDACTED] also states that the enrollment agreement "does not refer to an exact catalog." While the agreement does not specifically site a date of publication, there is only one catalog in effect at any given time, and the date of enrollment would correspond with the effective date of the catalog. Because the prospective student receives the catalog at the time of enrollment, this is not generally an issue. It is understood that the catalog s/he received is that to which s/he will be bound. If a school policy changes, current students are generally not held to the new policy, but rather are held to the policy in effect at the time of enrollment, as stated in the catalog in effect at that time. In the rare instance where a policy change affects all students, notification is provided to every enrolled student to explain the reason for the change and how it will affect him/her. The policy in question here has not changed since 2003.



Universal Technical Institute, Inc. Companies

Universal Technical Institute
Arizona, California, Illinois & Texas

Motorcycle Mechanics Institute
Arizona and Florida

Marine Mechanics Institute
Florida

NASCAR Technical Institute
North Carolina

Custom Training Group
Arizona, California, Florida, Georgia,
Illinois, New Jersey, Pennsylvania & Texas

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Below is the policy as it appeared in the catalog at the time [REDACTED] enrolled, and today (downgrade language is underlined for ease of reference):

PROGRAM CHANGES

Upgrades or downgrades to programs must be made through the Student Services department. Revisions to existing Enrollment Agreements and tuition schedules must be completed before enrollment in a program is official. A program change may affect the student's financial aid eligibility.

Students may upgrade their program at any time and be charged the price per course in effect at the time of their original enrollment for the new courses being added under the new program. Students may, before the completion of their first three courses, downgrade their program and be charged the tuition price at the time of their enrollment. After the completion of their first three courses, students who want to shorten/downgrade their program will be subject to the price-per-course in effect at the time of the program change, which includes previously completed courses. Students may upgrade their program at any time at no additional cost. A \$100 administrative fee will be charged for all program downgrades requested after completion of the first three courses (Arizona, California, Florida, Pennsylvania, and Texas, campuses only). The administrative fee cannot be covered by financial aid and must be paid prior to processing the change.

Program changes are at the discretion of the school and can be denied due to, but not limited to, excessive absences, space availability and any balance owed the school. The institute cannot allow a program change into a program that is no longer offered by the school or that the school is no longer licensed and approved to offer.

There are a number of reasons for this policy. Students are charged tuition for the entire program, not on a credit hour basis. The cost of a total program varies based on a number of factors. If a student changes into a different program, he essentially must re-enroll into that new program, the tuition for which may be different from that in which he originally enrolled. By limiting the changes to the start of a program, it is easier to reassess total cost and address it, than it is after the student has completed a major part of his training.

Also, a student's financial student aid is also affected by the shortening of a program. If a student is packaged for federal aid in, for example, a 72 week program, and late in that program decides to shorten to a 52 week program, the amount of aid for which that student is eligible decreases, leaving the student with a larger uncovered balance. Thus, UTI attempts to limit this consequence by having students downgrade earlier in the program, before all of their aid has been disbursed.

[REDACTED] also states that she feels UTI is not "up front" about its downgrade policy. This claim has no basis. Not only is this policy provided to all students in two different publications (as shown above), it is also explained, again, when the student begins their coursework.

During the first week of each student's program, a presentation is given to the group on the program change policy. This presentation refers students to this policy and explains the ramifications of upgrading and downgrading a program. This gives students the opportunity to ask questions and learn more about how to change their program. This presentation has been given in each new class for the past five years. A check of [REDACTED]'s attendance records shows him in attendance on the day the presentation was given to his class.

While we deny the allegations presented by [REDACTED] we are still willing to work with [REDACTED] to come to a positive conclusion. Because it is clear that [REDACTED] did not understand the importance of changing his program during the first nine weeks of his course, [REDACTED] the school director for the Avondale

campus will contact [REDACTED] and work with him to adjust the tuition to match what would have been available had he enrolled directly into the Automotive/Diesel and Industrial Technology program (without Ford FACT) in November of 2004. We believe this is a fair compromise in this situation.

If you have any questions or further information is required, don't hesitate to contact me at

Redacted by HELP Committee

Sincerely,

Redacted by HELP Committee

School Director
Universal Technical Institute of Texas

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