

the event that the student fails to fulfill the terms of the grant, only the portion of the grant awarded for terms completed and partial terms attempted up to the date of determination will be honored. Any portion of the grant scheduled to be awarded after the date of determination becomes null and void.

6. In the event the student drops a course(s), withdraws, or does not successfully complete the minimum rate of pursuit in an academic term, the student is not eligible for the Grant. However, the student may be eligible for the Grant in future academic terms when she or he successfully completes the minim rate of pursuit in an academic term and meets all VA and institutional academic criteria.

Gainful Employment

The following Gainful Employment statements are added to the program pages for each respective degree program beginning on page 13 of the current catalog:

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Applied Science degree in Culinary Management:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/229
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1360

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Associate of Applied Science degree in Culinary Arts:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/228
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1356

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Science degree in Hospitality Management:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/2289
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/2968

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Associate of Applied Science degree in Hospitality Management:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/2064

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Arts degree in Advertising:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/227
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/243

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Graphic Design:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/3105
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/3106
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/249

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Associate of Applied Science degree in Graphic Design:

Location	Gainful Employment URL
The Illinois Institute of Art -Chicago	ge.artinstitutes.edu/programoffering/236
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1358
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/250

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Illustration & Design:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/2896
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/3544

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Interior Design:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/239
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1364
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/252

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Associate of Applied Science degree in Interior Design:

Location	Gainful Employment URL
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/2741

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Web Design & Interactive Media:

Location	Gainful Employment URL
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1363
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/251

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Associate of Applied Science degree in Web Design & Interactive Media:

Location	Gainful Employment URL
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1359
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/1778

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Fashion Design:

Location	Gainful Employment URL
The Illinois Institute of Art - Chicago	ge.artinstitutes.edu/programoffering/231
The Illinois Institute of Art - Schaumburg	ge.artinstitutes.edu/programoffering/1908

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Arts degree in Fashion Marketing & Management:

Location	Gainful Employment URL
The Illinois Institute of Art – Chicago	ge.artinstitutes.edu/programoffering/232
The Illinois Institute of Art – Schaumburg	ge.artinstitutes.edu/programoffering/247
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1362

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Associate of Applied Science degree in Fashion Merchandising:

Location	Gainful Employment URL
The Illinois Institute of Art – Chicago	ge.artinstitutes.edu/programoffering/233
The Illinois Institute of Art – Schaumburg	ge.artinstitutes.edu/programoffering/3542
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/1357

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Science degree in Audio Production:

Location	Gainful Employment URL
The Illinois Institute of Art – Chicago	ge.artinstitutes.edu/programoffering/2292
The Illinois Institute of Art – Schaumburg	ge.artinstitutes.edu/programoffering/1907
The Art Institute of Michigan	ge.artinstitutes.edu/programoffering/2736

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Digital Filmmaking & Video Production:

Location	Gainful Employment URL
The Illinois Institute of Art – Chicago	ge.artinstitutes.edu/programoffering/230
The Illinois Institute of Art – Schaumburg	ge.artinstitutes.edu/programoffering/245

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Digital Photography:

Location	Gainful Employment URL
The Illinois Institute of Art Chicago	ge.artinstitutes.edu/programoffering/2188
The Illinois Institute of Art Schaumburg	ge.artinstitutes.edu/programoffering/246
The Art Institute of Michigan Detroit	ge.artinstitutes.edu/programoffering/2375

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Game Art & Design:

Location	Gainful Employment URL
The Illinois Institute of Art Chicago	ge.artinstitutes.edu/programoffering/235
The Illinois Institute of Art Schaumburg	ge.artinstitutes.edu/programoffering/248

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Media Arts & Animation:

Location	Gainful Employment URL
The Illinois Institute of Art Chicago	ge.artinstitutes.edu/programoffering/240
The Illinois Institute of Art Schaumburg	ge.artinstitutes.edu/programoffering/253
The Art Institute of Michigan Detroit	ge.artinstitutes.edu/programoffering/3047

Please visit the following Gainful Employment links for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info on the Bachelor of Fine Arts degree in Visual Effects & Motion Graphics:

Location	Gainful Employment URL
The Illinois Institute of Art Schaumburg	ge.artinstitutes.edu/programoffering/255

1200 Lincoln Street , Denver, CO, 80203-2172 - 800-275-2420

Name of Student: _____
 (Last Name) (First Name) (Middle Name)

Present Address: _____
 (Street Address) (City) (State) (Zip)

Telephone: _____

Desired Start Date: _____

This Enrollment Agreement does not obligate you to begin classes at The Art Institute of Colorado. Rather, this Enrollment Agreement has legally binding terms and conditions of your enrollment once you choose to begin classes at The Art Institute of Colorado.

Facts You Should Know

- I acknowledge that I have received the *Facts You Should Know* single page disclosure.
- The *Facts You Should Know* single page disclosure was explained to me and I had an opportunity to ask questions, which have been answered to my satisfaction.

TO BE CONSIDERED ONLY IF YOU ATTENDED AN IN-PERSON MEETING

- I acknowledge that I have received a printed copy of the *Facts You Should Know* single page disclosure.

Program of Study	Degree	Credit Hours	Program Length (Qtrs)	Instructional Weeks	Tuition per Credit Hour	Lab Fee	Digital Textbooks	Starting Kit	Approx. Total Cost / Program†
Associate of Applied Science (AAS)									
Baking & Pastry	AAS	90	6	66	\$487	\$2,125	\$1,400	\$645	\$48,000
Culinary Arts	AAS	90	6	66	\$487	\$2,125	\$1,400	\$645	\$48,000
Digital Filmmaking & Video Production	AAS	90	6	66	\$487		\$1,400	\$0	\$45,230
Digital Photography	AAS	90	6	66	\$487		\$1,400	\$0	\$45,230
Graphic & Web Design	AAS	90	6	66	\$487		\$1,400	\$229	\$45,459
Bachelor of Arts (BA)									
Audio Production	BA	180	12	132	\$487		\$2,800	\$879	\$91,339
Culinary Management	BA	180	12	132	\$487	\$2,750	\$2,800	\$645	\$93,855
Design & Technical Graphics	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Design Management	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Digital Filmmaking & Video Production	BA	180	12	132	\$487		\$2,800	\$0	\$90,460
Digital Photography	BA	180	12	132	\$487		\$2,800	\$0	\$90,460
Fashion Design	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Fashion Marketing & Management	BA	180	12	132	\$487		\$2,800	\$0	\$90,460
Food & Beverage Management	BA	180	12	132	\$487	\$2,175	\$2,800	\$645	\$93,280
Game Art & Design	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Graphic & Web Design	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Interior Design	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Media Arts & Animation	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Visual Effects & Motion Graphics	BA	180	12	132	\$487		\$2,800	\$229	\$90,689
Diploma (D)									
Baking & Pastry	D	55	5	55	\$487	\$1,750	\$600	\$645	\$29,780
Culinary Arts	D	55	5	55	\$487	\$1,625	\$600	\$645	\$29,655
Web Design & Interactive Communications	D	48	4	44	\$487		\$600	\$0	\$23,976

The table above is calculated at full load, which is an average of 15 credit hours per quarter. The calculation would be based on 12 credit hours per quarter if a student were to take the minimum allowable credits required to still be considered a full time student.

Labs fees above represent the total for the program and are charged per course or quarter. Lab fees are treated as tuition for refund purposes.

Approximate total cost is based on the current tuition credit hour rate. Total cost will increase with each per credit hour tuition increase. In-state and out-of-state tuition are the same. On-ground enrolled students taking online PLUS courses will be charged the same per-credit tuition for the online PLUS courses as the on-ground courses. Registering over 18 credit-hours per quarter requires the permission of the Program Director, Program Coordinator or Dean of Academic Affairs at the student's home campus.

Not all courses include a Digital Textbook. Courses that include a Digital Textbook will be noted in the registration material and the Digital Textbook will be charged in addition to tuition unless the student chooses to opt out. Students who do not opt out will not need to purchase textbooks for courses using a Digital Textbook. The purchase of the Digital Textbook is not refundable. Students who do opt out will be responsible for purchasing the required textbook. If a course does not use a Digital Textbook, the student is responsible for purchasing the required textbook. The Digital Textbook charge is \$50 per course for most courses; however, some courses may have more than one Digital Textbook and carry a Digital Textbook charge of \$75 per course.

The starting kit is optional and consists of basic equipment and materials needed for beginning each program. A list of the components of the starting kit is provided to each enrolled student. These materials may be purchased at the school or at most supply stores. Kit prices do not include applicable sales tax and are subject to change.

Please visit our [Student Consumer Information](#) page to find the average time to completion for continuously enrolled students for each credential level offered. This data is available at the average credit load, full-time or at full load. Changing programs, beginning programs at the mid-term start date, taking remedial courses, taking time off from coursework, registering for fewer

hours or unsuccessful attempts at course completion will increase the total length of the program and overall cost of education from what is disclosed. Transfer credits awarded toward your program will likely decrease the overall length and cost of education.

REFUNDS, CANCELLATIONS & ADJUSTMENTS OF CHARGES

Examples of the calculations for these policies are available in the Student Accounting Office.

As allowed under Federal, state, and accreditation agency rules, the refund policy may be changed. Students will be notified approximately sixty (60) calendar days in advance of any changes. Students dropping all courses in a term are considered withdrawn for refund purposes. All students will be subject to the institutional refund policy. In addition, students who receive Federal student aid are also subject to the Return of Title IV Funds Policy.

Initial Period of Enrollment and Cancellation Refund Policy for First-Time Undergraduate Students Enrolled On-Ground

For purposes of this Initial Period of Enrollment Policy, a first-time undergraduate student is defined as a student who is not currently enrolled, is not a prior graduate from an undergraduate program, and does not have a prior enrollment in a withdrawn or dismissal status.

For students in graduate programs and undergraduate students who have previously attended, please see the Refund Policy Prior to Class Start section of the enrollment agreement and catalog.

The school provides all new applicants seeking a first-time enrollment in any on-ground undergraduate program of study, including hybrid programs, an Initial Period of Enrollment. The Initial Period of Enrollment allows first-time undergraduate students the ability to begin classes as a non-regular student, without any financial penalty, to determine if our school and educational program are right for the student. Students who enroll may cancel their enrollment prior to the start of the term or within seven (7) calendar days following the first day of the student's first scheduled class, whichever is later (referred to as the "Initial Period").

The chart below illustrates the days in the Initial Period for a non-regular student:

Class Days	Initial Period Days	Number of Calendar Days in Initial Period
April 28th = 1st Scheduled Class		1
April 29th	1st Day of Initial Period	2
April 30th	2	3
May 1st	3	4
May 2nd	4	5
May 3rd	5	6
May 4th	6	7
May 5th	7 = Last Day of Initial Period	8
May 6th	Initial period over – student is eligible to be reviewed for full admission	9

A first-time undergraduate student who notifies the school of the intent to withdraw in person or in writing, or simply stops attending and does not attend classes past the seventh (7th) calendar day following the student's first day of the term or first scheduled class, whichever is later, will be considered a cancellation. The school will refund any monies paid on the student's behalf and will remove any charges from the student's account. All refunds will be made within thirty (30) calendar days of the date of the cancellation.

During a first-time student's Initial Period of Enrollment in an undergraduate program, the student is considered a non-regular student for federal student aid purposes and is not eligible to receive federal, state or any other types of aid during this period.

Please note, a first-time undergraduate student who is receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid if the student cancels within the seventh (7th) calendar day following the student's first scheduled class or does not meet the requirements for admission to the school.

Students who complete the Initial Period of Enrollment will be reviewed for full admission into the school as a regular student on the ninth (9th) respective calendar day (the day after the first calendar day plus seven (7) calendar days). Students are required to meet all school admission requirements and any additional programmatic admission requirements that apply to the student's program of study. Students completing the Initial Period of Enrollment who continue in the educational program will be subject to all student policies back to the first day of the student's first term or first scheduled class day, whichever is later, including the withdrawal, refund and Return to Title IV policy should the student cease attending at a later date.

In order to qualify for aid, students must be a regular student and meet all federal, state, or other types of aid eligibility requirements.

Cancellation Refund Policy Student Examples for On-Ground Students:

Example 1:

1. Student's first scheduled class is January 5th.
2. Student ceases to attend and his or her last date of attendance is January 9th (the 4th day).
3. Student would no longer be enrolled and would not be eligible for any Title IV, state aid and other aid program funding nor would the student be charged tuition or fees for any portion of his or her Initial Period or for the term.
4. Students receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid.

Example 2:

1. Student's first scheduled class is January 5th.
2. Student remains enrolled and attends class through January 14 (the 9th day), then ceases enrollment and attendance.
3. Student would be charged for the full class amount and his or her refund, if any, would be calculated based on withdrawal on day ten (10) of the class.
4. Student would be eligible for Title IV, veteran's benefits, state aid, and other aid programs, if all other conditions are met for admission and aid eligibility, since he or she became a regular student after January 11th (the 7th day).
5. Students receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid.

Starting kits purchased from The Art Institute will only be subject to the refund provisions, found above, if returned to the school in condition for resale within twenty-one (21) calendar days from the first scheduled class.

Refund Policy Prior to Class Start

Applicants may cancel their enrollment by notifying the school prior to the beginning of classes.

1. The school will notify the student, in writing, of his or her acceptance or rejection. In the event that an applicant is rejected by the school, all tuition, fees, and other charges will be reversed and any payments made will be refunded.
2. The applicant may cancel the contract and receive a full refund of all monies paid if cancellation is requested by the applicant prior to the beginning of classes or within five (5)

business days after submitting an application, whichever is later, and making an initial payment.

3. If the student has not visited the school prior to enrollment, all tuition and fee monies paid by an applicant will be refunded if requested within five (5) business days after his/her first tour of the school and inspection of equipment or if requested within five (5) business days of his/her attendance at the regularly scheduled orientation program for his/her starting quarter, whichever is sooner.
4. Refunds will be made within thirty (30) calendar days after the applicant's/student's request or within thirty (30) calendar days after the school has determined that the student is not intending to begin his or her program.

Refund Policy After Class Start

In the event of withdrawal by the student or termination by the school during any quarter of study:

1. Prepaid tuition and fees for any period beyond the current quarter will be refunded in full.
2. The student will officially withdraw from school by notifying the Office of the Registrar in person or in writing. The termination date will be the student's last date of attendance. If the student stops attending without notifying the Office of the Registrar, the school shall determine the date of withdrawal. This determination date will be considered the notification date for refunding purposes. Refunds due shall be paid within thirty (30) calendar days of the notification date, unless the student is withdrawing at the end of the quarter.
3. Refunds for a student notifying the school prior to the end of a quarter that he/she will be withdrawing at the end of that quarter will be paid within thirty (30) calendar days of the last day of that quarter.
4. For a student who attended a previous quarter of study and did not indicate that he/she was not returning, refunds will be made within thirty (30) calendar days of the first scheduled day of class in the quarter in which the student was expected to return.
5. The refund shall be paid to the student, unless payment to a lender or other entity is required by the terms of a student financial aid program in which the school participates.
6. In the event of a fully documented extreme illness or personal emergency that makes it impractical for the student to complete the program, the school may modify the tuition refund policy as deemed appropriate to the circumstances.
7. A separate lease Agreement and refund policy exists for students who lease housing accommodations arranged by the school. The school reserves the right to apply any student payment, or any refund due to a student, to any student financial account that is in arrears.
8. Each academic quarter is eleven (11) weeks in duration. The calculation of refunds is based upon the last day of attendance within the quarter. Any portion of a day's attendance is considered a full day of attendance for refund purposes.
9. Session II academic terms are approximately five and one-half (5 ½) weeks in duration. The calculation of refunds is based upon the last day of attendance within the term. Any portion of a week's attendance is considered a full week of attendance for refund purposes. Information in the catalog or student handbook will apply except for the following changes specific to Session II classes. For students only scheduled to attend Session II, the add/drop period is four (4) days from the start of Session II classes. If you add or drop one or more classes, your financial aid eligibility may change. Please see your Financial Aid Officer before you add or drop a class.
10. In the event the school cancels or changes a course or program of study in such a way that a student who had started the program or course is unable to complete it, the school will refund all monies paid by the student for the course or program within thirty (30) calendar days.
11. If a student has not attended sixty (60) percent of the academic term, the school shall not retain or be entitled to payment for a percentage of any tuition and fees or other educational costs for a session that was scheduled to be taken during the relevant academic term but was not attended because the student withdrew from school prior to the commencement of the session. For example, if a student is enrolled for multiple sessions within the term but withdraws completely from school prior to the start of a subsequent session within the academic term, the adjustment of charges based on the student's last date of attendance will be applied to the applicable period of attended session(s) using the session(s) charges and the start date of the first attended session through the end date of the last attended session within the academic term. Charges for the unattended session(s) after the student's last date of attendance within the academic term will be reversed for the Institutional Refund Policy, or State Refund Policy, where applicable. The reversal of applicable charges will be completed after the Return of Title IV Policy. For the Return of Title IV, the evaluation period and term charges include the entire period in which the student registered.
12. If a student has attended sixty (60) percent of the academic term, the evaluation period and academic term charges include the entire period in which the student registered. The Institutional Refund Policy, or State Refund Policy, where applicable, shall be applied based on the student's last date of attendance in the academic term using the academic term charges, aid disbursed during the academic term, and the start date of the first session through the end date of the last session within the academic term. For the Return of Title IV, the evaluation period and academic term charges include the entire period in which the student registered.

Adjustment of Charges

In accordance with school policy, The Art Institute will earn tuition and fees as follows, based on the week in which the student withdraws:

Week 1	25% of the term's tuition and fees
Week 2	50% of the term's tuition and fees
Week 3	75% of the term's tuition and fees
After Week 3	100% of the term's tuition and fees

Return of Federal Title IV Aid

In compliance with Federal regulations, the school will determine how much Federal student financial assistance the student has earned or not earned when a student who is a Title IV recipient withdraws from school.

The school will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through the sixty (60) percent point of the term or session if the student is only attending a session. If the student has completed more than sixty (60) percent of the term, the student earns one hundred (100) percent of the Federal student financial assistance.

The amount earned will be based on the percentage of the term that was completed in days up to and including the last date of attendance. To calculate the amount earned, the school will determine the percentage by dividing the number of calendar days completed in the term up to and including the last date of attendance by the total number of calendar days in the term. If there is a scheduled break of five (5) or more days, then it will reduce the term length and if the scheduled break is before the student's last day of attendance, it will reduce the calendar days completed. If the student received more than the amount of Federal student financial assistance earned, the difference will be returned to the Federal student financial assistance programs from which funds were received in the following order: Federal Unsubsidized Direct Loans, Federal Subsidized Direct Loans, Federal Perkins Loans, Federal PLUS Loans, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant. Funds will be returned to the aid source within forty-five (45) calendar days of the date that the school determines that the student has withdrawn.

If more Federal student financial assistance has been earned than has been received, the student may be eligible for a post-withdrawal disbursement. The school will notify the student of any post-withdrawal disbursement loan funds for which the student may be eligible and what steps need to be taken for the Federal financial assistance funds to be received. The student or parent, in the case of the Federal PLUS Loans, needs to provide permission before any loan funds may be disbursed on the student's account or disbursed to the student or parent. However, the school may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school), and, with the student's authorization, the school may automatically use the grant funds for other educationally-related charges. Any balance of grant funds that may be available will be offered the student.

If Federal student financial assistance funds need to be returned, the institution must return a portion or all of the unearned funds equal to the lesser of:

- The institutional charges multiplied by the percentage of the unearned Federal student financial assistance funds; or
- The entire amount of unearned funds.

If there are remaining unearned Federal financial aid funds to be returned, the student must return any loan funds that remain to be returned in accordance with the terms and conditions of

the promissory note. If the remaining amount of funds to be returned includes grant funds, the student must return any amount of the overpayment that is more than half of the grant funds received. The school will notify the student as to the amount owed and how and where it should be returned.

If students are only scheduled to attend Session I or Session II, the Return of Title IV calculation as described in the Enrollment Agreement will be applied to the applicable session attended using the session start and end dates.

Refund Policy for Online Course Withdrawal

Students who withdraw from a Session I or Session II online class after the add/drop period are treated the same as if they withdrew from an on-ground class. Session II classes begin approximately the day after Session I classes end and run approximately five and one-half (5 ½) weeks. The ending date of Session II classes may not coincide with the ending date of on-ground classes.

Financial Aid Refund Distribution Policy

All students receiving financial aid who withdraw from the program may have to return any refund amount to the appropriate Student Financial Aid Program in accordance with the refund distribution schedule which follows:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Perkins Loan
4. Federal PLUS
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant
7. Other federal, state, private, or institutional aid programs, if required by the program
8. Students

Kits, Components of Kits, Books or Supplies Return Policy

Students who leave school during the first four weeks of the first quarter of attendance may return the starting kit and/or individual components of the starting kit within twenty (20) calendar days of the student's last day of class attendance. A refund or a credit will be given if the item returned is in good condition and is resalable. Unused equipment purchased from the Supply Store may also be returned directly to the Supply Store provided the item is in good condition, is resalable, and is accompanied by a receipt.

All refunds and return of funds will be made within thirty (30) calendar days of the date the student notifies the school of the withdrawal.

Official and Unofficial Withdrawal

To officially withdraw, the student will need to notify the Office of the Registrar in person or in writing. The Registrar will assist the student to complete the withdrawal process and will determine the last date of attendance and the date of determination. The date of determination would be the earlier of the date the student begins the school's withdrawal process or the date the student provides notice. For students who unofficially withdraw, the Registrar will determine the last date of attendance using attendance records. The refund policies shall apply in the event that a student withdraws, is suspended, or is terminated from school.

A student who withdraws from a program before the end of week nine (9) of an eleven (11) week term (before the end of week four (4) of a five and one-half (5 1/2) week term) will be assigned a "W" code for each course within that quarter. Every course for which a student receives an "F", a "UF", or a "W" grade/code must be repeated and completed with a passing grade in order to graduate. The original grade/code and the subsequent passing grade(s) will remain on the record for reference purposes. However, when a course is successfully repeated, only the passing grade will be computed in the grade point average. Tuition is charged for repeated courses.

When a final course grade has been established and recorded in the student record, the grade may not be changed without approval by the Academic Director or Chair and the Dean of Academic Affairs. Withdrawals and failed courses can affect the student's Incremental Completion Rate and ability to succeed.

For the purpose of determining a refund, a student is deemed to have withdrawn from a course of instruction when any of the following occur:

1. The student notifies the school of withdrawal or of the date of withdrawal.
2. The school terminates the student's enrollment in accordance with institutional policies.
3. The student exceeds the number of absences allowed in accordance with institutional policies, and must be withdrawn from school. The date of withdrawal shall be deemed the last date of recorded attendance.
4. All refunds and return of funds will be made within thirty (30) calendar days of the date of determination.

ADDITIONAL FINANCIAL INFORMATION

Financial Information

Tuition and Fees Subject to Change:

The per credit hour rate is subject to an increase at least once per calendar year, and supply kit prices, fees, or program length may also increase periodically. Such changes will increase the total cost of the program and may occur before the student begins classes.

In the event of a change in per credit hour rate, fees, and/or program length, my program cost will be recalculated. Any changes to tuition, fees, or program length will be communicated to students. Reentering students will be subject to the current per credit tuition charge at the time of reenrollment.

Re-entering students will be subject to the current per credit tuition charge at the time of re-enrollment.

Each academic quarter is typically eleven (11) weeks.

Special U.S. and overseas trips are voluntary and are not included in regular tuition and fees.

Non-Payment of Charges

Non-payment of tuition, fees and/or other charges due to the school will result in the student being obligated for interest, collection agency costs and additional collection costs, and legal costs. In addition, the school reserves the right to report the student's failure to pay amounts owed to one or more national credit bureau organizations and not release the student's academic transcript until all debts to the school are paid in full.

Financial Plan

If a student elects a financial plan, it will comply with the Truth in Lending Regulation Z and is part of this Agreement. ANY CHANGES IN THE STUDENT FINANCIAL PLAN MUST BE UPDATED WITH EACH CHANGE OCCURRENCE.

Interest on Outstanding Balance

Students who have entered into a retail installment contract with the school may be subject to interest being charged. Please reference the retail installment contract and disclosure documents to understand the interest rate that may be charged and how interest charges are computed.

GENERAL INFORMATION

Accreditation

The Art Institute of Colorado is in transition during a change of ownership. We remain accredited as a candidate school seeking accreditation under new ownership and our new non-profit status. Our students remain eligible for Title IV. Higher Learning Commission (230 S. LaSalle Street, Suite 7-500, Chicago, IL 60604-1413, 1.800.621.7440, www.hlcommission.org/).

Colorado State Licensing

The Art Institute of Colorado is authorized to award diplomas, Associate of Applied Science degrees and Bachelor of Arts degrees by the Colorado Commission on Higher Education, 1560 Broadway, Suite 1600 Denver, CO 80202.

General Student Complaint Procedure

If you have a complaint or problem you are encouraged to follow the Student Complaint Procedure outlined in the catalog.

Jury Waiver and Agreement to Binding, Individual Arbitration

Student and The Art Institute of Colorado irrevocably waive our rights to a trial by jury and agree instead that any and all disputes, no matter how described, pleaded or styled, between me and The Art Institute of Colorado (including its parent and past and present affiliates, employees, agents, and lenders) or related to any aspect of my relationship with or any act or omission by The Art Institute of Colorado ("Claim") shall be resolved by individual binding arbitration, conducted by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules and applicable Supplementary Procedures for Consumer-Related Disputes ("AAA Rules") and in accordance with the terms of this Jury Waiver and Agreement to Binding, Individual Arbitration ("Arbitration Agreement"). Student can obtain a copy of the AAA Rules at www.adr.org or by calling 1-800-778-7879. This Arbitration Agreement, however, does not modify Student's right, if any, to file a grievance with any state educational licensing agency or accrediting body.

1. Student is strongly encouraged to first attempt to resolve the Claim by using the General Student Complaint Procedure outlined in the Catalog.
2. Neither party shall file or maintain any lawsuit in court against the other, and any suit filed in violation of this Arbitration Agreement shall be dismissed by the court in favor of arbitration conducted pursuant to this Arbitration Agreement. The parties agree that the moving party shall be entitled to an award of costs and fees of compelling arbitration.
3. The arbitration shall take place before a single, neutral arbitrator in the federal judicial district in which Student resides, unless the parties agree otherwise.
4. Student will be responsible for paying a portion of the AAA filing fee at the time his/her Claim is filed in an amount equal to \$200 or the applicable filing fee of the court of general jurisdiction in the district/circuit near me, whichever fee is less. The parties shall bear the expense of their own attorneys, experts and witnesses, unless the applicable law provides, and the arbitrator determines, otherwise.
5. Student agrees not to combine or consolidate any Claims with those of other students, such as in a class or mass action, or to have any Claims be arbitrated or litigated jointly or consolidated with any other person's claims. Further, the parties agree that the arbitrator shall have no authority to join or consolidate claims by more than one person. **I understand that I may opt out of this single-case provision by delivering via certified mail return receipt a written statement to that effect to the Vice President and Senior Counsel of The Art Institute of Colorado/DCEH, 1400 Penn Avenue, Pittsburgh, PA 15222 within 30 days of my first execution of an Enrollment Agreement.**
6. The Federal Arbitration Act (FAA), including all its substantive and procedural provisions, and related federal decisional law shall govern this Arbitration Agreement to the fullest extent possible. All determinations as to the scope, enforceability, validity and effect of this Arbitration Agreement shall be made by the arbitrator, and not by a court. However, any issue concerning the validity of paragraph 5 above must be decided by a court, and an arbitrator does not have authority to consider the validity of paragraph 5. If for any reason, paragraph 5 is found to be unenforceable, any putative class or mass action may only be heard in court on a non-jury basis and may not be arbitrated under this Agreement.
7. The arbitrator shall have the power to award any remedy that directly benefits the parties to this Arbitration Agreement (provided the remedy would be available from a court under the law where the Arbitration Agreement was executed) but not the power to award relief for the benefit of anyone not a party to this Arbitration Agreement.
8. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.
9. Notwithstanding any provision in the Catalog or Enrollment Agreement, this Arbitration Agreement shall not be modified except by written agreement signed by both parties. Any or all of the provisions set forth in this Arbitration Agreement may also be waived by the party against whom the Claim is asserted, but such waiver shall be in writing, physically signed (not merely electronically signed) by the party waiving, and specifically identify the provision or provisions being waived. Any such waiver shall not waive or affect any other portion of the Arbitration Agreement.
10. This Arbitration Agreement shall survive the termination of Student's relationship with The Art Institute of Colorado.
11. If any part(s) of this Arbitration Agreement are found to be invalid or unenforceable, then such specific part(s) shall be of no force and effect and shall be severed, but the remainder of the Arbitration Agreement shall continue in full force and effect.

STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HE IS WAIVING HIS/HER RIGHT TO A JURY TRIAL, TO ENGAGE IN DISCOVERY (EXCEPT AS PROVIDED IN THE AAA RULES), AND TO LITIGATE THE DISPUTE OR CLAIM IN ANY COURT. FURTHER, STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HE WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS ACTION AGAINST The Art Institute of Colorado.

Transferability of Credits

TRANSFERABILITY OF CREDIT TO OTHER INSTITUTIONS

In the U.S. higher education system, transferability of credit is determined by the receiving institution taking into account such factors as course content, grades, accreditation and licensing. For this reason this institution does not imply, promise, or guarantee that credits earned will be accepted by another college or university. If the credits or degree, diploma, or certificate that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. Students considering transferring to another college or university are responsible for determining whether that school will accept this institution's credits. Students are encouraged to initiate discussions with the potential transfer school as early as possible.

Career Services

The Art Institute of Colorado does not guarantee employment or any particular level of compensation following graduation. The Art Institute of Colorado does, however, offer assistance in finding employment to eligible graduates at no additional charge. Graduates who confine employment considerations to a particular metropolitan area may limit the particular employment opportunities available to them.

Curriculum

The Art Institute of Colorado reserves the right to change or modify the program contents, sequence of courses, equipment, staff or materials as it deems necessary. In no event will any such changes result in additional tuition charges.

Student Right to Know

According to regulations published by the Department of Education based on the Student Right-to-Know Act, the graduation/completion rates for first-time, full-time students who entered school and graduated/completed within 150% of the normal time to complete the program, as published in the catalog, must be made available to current and prospective students. You may obtain this information by contacting an Admissions representative or in the Consumer Information section of the school's website [Student Consumer Information](#).

Cancellation of Start Date

Cancellation of a scheduled class start date for any program shall entitle the enrollee to elect either: (1) a guaranteed reservation in the next scheduled class for that program, or (2) cancellation of enrollment with a full refund of all monies paid. The Art Institute of Colorado reserves the right to cancel a start date due to any circumstances that it deems would be in the students' best interest.

Holder in Due Course

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. Recover hereunder by the debtor shall not exceed the amounts paid by the debtor. (FTC Rule effective 05/14/1976)

Non-Discrimination Policy

The Art Institute of Colorado does not discriminate or harass on the basis of race, color, national origin, sex, gender, sexual orientation, gender identity or expression, disability, age, religion, veteran's status, genetic marker, or any other characteristic protected by state, local, or federal law in our programs and activities. The Art Institute of Colorado provides reasonable accommodations to qualified individuals with disabilities. The Art Institute of Colorado will not retaliate against persons bringing forward allegations of harassment or discrimination. The Dean of Student Affairs has been designated to handle inquiries and coordinate the institution's compliance efforts regarding the Non-Discrimination and can be contacted at 1200 Lincoln Street, Denver, CO, 80203-2172 or by telephone at 303-824-4919.

Gainful Employment & Student Consumer Information

See [Gainful Employment Information](#) for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info. Important student consumer information located at [Student Consumer Information](#).

All pages of this Enrollment Agreement and the financial plan (if elected) constitute the complete Enrollment Agreement.

Student Acknowledgements

- I have received a copy of The Art Institute of Colorado's current Academic Catalog, which is accessible to me at <https://www.artinstitutes.edu/denver/academic-catalog>. I understand that the Catalog contains information describing programs offered, academic requirements, and other important policies and procedures. I understand that it is my responsibility as a student to read and understand the catalog and to direct any questions I may have to my Admissions Representative.
- I understand that my enrollment and The Art Institute of Colorado's obligations under this Enrollment Agreement – EXCEPT the cancellation, refund, and arbitration provisions – may be terminated by The Art Institute of Colorado if I fail to comply with The Art Institute of Colorado's attendance, conduct, academic, and/or financial requirements.
- I understand that my financial obligations to The Art Institute of Colorado must be paid in full before a diploma or degree may be awarded and before transcripts will be released. I accept that, to the extent permitted by law, I am responsible for all reasonable collection agency and attorney fees incurred in attempting to collect my unpaid debts to The Art Institute of Colorado.
- I understand that the tuition, fees and other charges stated in this Enrollment Agreement are subject to change. The per credit hour rate is subject to an increase at least once per calendar year, which will increase the total amount for the program. The adjustment to the per credit hour rate may occur before I begin classes and my program will be calculated using the new rate. Any changes to tuition and fees will be published to students.
- I understand that The Art Institute of Colorado provides average time to completion and average credit loads for each type of program offered at this campus. Please visit our Student Consumer Information page to find the average time to completion for continuously enrolled students for each program type. Changing programs, taking remedial courses, taking time off from coursework and/or registering for fewer hours or unsuccessful attempts at course completion will likely increase the total length of the program and overall cost of education from what is disclosed. Transfer credits awarded toward your program will likely decrease the overall length and cost of education.
- I understand that The Art Institute of Colorado does not guarantee job placement to graduates upon program completion or graduation.
- The Art Institute of Colorado's Refund and Cancellation policies have been reviewed with me. I understand that they are contained in this Enrollment Agreement and in the Academic Catalog. I had the opportunity to ask questions about these policies and am satisfied with the answers/explanation I received.
- The Art Institute of Colorado's Student Consumer Information has been reviewed with me. I understand that this information is accessible to me at all times at <https://www.artinstitutes.edu/denver/student-consumer-information/>. I had the opportunity to ask questions about this information and am satisfied with the answers/explanation I received.
- I understand that if I sign this Enrollment Agreement, I can choose not to start classes at The Art Institute of Colorado and, therefore, will not incur any financial obligations.
- I understand that if I have a criminal history, it may disqualify me from employment in my chosen field or a related field of employment.
- I understand that changes to this Enrollment Agreement will not be binding on either me or The Art Institute of Colorado unless such changes have been acknowledged in writing by an authorized representative of The Art Institute of Colorado and by me and/or my guardian (if applicable).
- I have read and understood this entire Enrollment Agreement. Before signing, I had an opportunity to ask questions, which have been answered to my satisfaction.

Student's Right to Cancel

YOU, THE STUDENT, MAY CANCEL YOUR ENROLLMENT WITHOUT ANY PENALTY OR OBLIGATION AT ANY TIME PRIOR TO THE START OF THE TERM OR WITHIN SEVEN (7) CALENDAR DAYS FOLLOWING THE FIRST DAY OF THE STUDENT'S FIRST SCHEDULED CLASS, WHICHEVER IS LATER, FOR A FIRST-TIME UNDERGRADUATE STUDENT OR AT ANY TIME BEFORE STARTING CLASS OR UNTIL MIDNIGHT OF THE FIFTH (5TH) BUSINESS DAY AFTER SIGNING THE ENROLLMENT AGREEMENT, WHICHEVER IS LATER, FOR ALL OTHER STUDENTS. YOU MAY ALSO CANCEL YOUR ENROLLMENT IF THE SERVICES CEASE TO BE OFFERED. IF YOU CANCEL YOUR ENROLLMENT FOR THIS REASON, The Art Institute of Colorado MAY KEEP ONLY A PORTION OF THE TUITION OR OTHER CHARGES. YOU MAY ALSO CANCEL THE AGREEMENT AT ANY TIME AND RECEIVE A REFUND OF ALL MONIES PAID WITHIN THIRTY (30) CALENDAR DAYS OF CANCELLATION. SEE THE REFUND POLICY SECTION OF THE AGREEMENT FOR ADDITIONAL INFORMATION.

Please do not sign this Enrollment Agreement before you read it in its entirety. You will be given an exact copy of the Agreement you sign. Please also note that the provisions of any attached rider(s) signed by you are also part of this Agreement.

NOW, THEREFORE, having read and received a copy of this Enrollment Agreement, and intending to be legally bound by it, the parties have signed this Enrollment Agreement on the dates below written. I also authorize The Art Institute of Colorado to receive a copy of my high school and/or college transcript(s).

Student's Signature

Date

Parent's (or Guardian's) Signature (if student is under 18 years of age)

Date

Signature of Accepting Official from School

Date

Parent's (or Guardian's) Address

Title of Accepting Official

City

State

Zip

350 N. Orleans Street Suite 136-L, Chicago, IL, 60654-1593 - 800-314-3450

Name of Student: _____
 (Last Name) (First Name) (Middle Name)

Present Address: _____
 (Street Address) (City) (State) (Zip)

Telephone: _____

Desired Start Date: _____

This Enrollment Agreement does not obligate you to begin classes at The Illinois Institute of Art - Chicago. Rather, this Enrollment Agreement has legally binding terms and conditions of your enrollment once you choose to begin classes at The Illinois Institute of Art - Chicago.

Facts You Should Know

I acknowledge that I have received the *Facts You Should Know* single page disclosure.

The *Facts You Should Know* single page disclosure was explained to me and I had an opportunity to ask questions, which have been answered to my satisfaction.

TO BE CONSIDERED ONLY IF YOU ATTENDED AN IN-PERSON MEETING

I acknowledge that I have received a printed copy of the *Facts You Should Know* single page disclosure.

Program of Study	Degree	Credit Hours	Program Length (Qtrs)	Instructional Weeks	Tuition per Credit Hour	Lab Fee	Digital Textbooks	Starting Kit	Approx. Total Cost / Program†
Associate of Applied Science (AAS)									
Culinary Arts	AAS	90	6	66	\$483	\$2,100	\$950	\$645	\$47,165
Fashion Merchandising	AAS	90	6	66	\$483		\$800	\$349	\$44,619
Graphic Design	AAS	90	6	66	\$483		\$250	\$349	\$44,069
Hospitality Management	AAS	90	6	66	\$483		\$450	\$400	\$44,320
Bachelor of Applied Science (BAS)									
Culinary Management	BAS	180	12	132	\$483	\$2,100	\$1,250	\$645	\$90,935
Bachelor of Arts (BA)									
Advertising	BA	180	12	132	\$483		\$450	\$349	\$87,739
Fashion Marketing & Management	BA	180	12	132	\$483		\$1,300	\$349	\$88,589
Bachelor of Fine Arts (BFA)									
Digital Filmmaking & Video Production	BFA	180	12	132	\$483		\$1,100	\$701	\$88,741
Digital Photography	BFA	180	12	132	\$483		\$1,000	\$349	\$88,289
Fashion Design	BFA	180	12	132	\$483		\$1,100	\$630	\$88,670
Game Art & Design	BFA	180	12	132	\$483		\$1,600	\$349	\$88,889
Graphic Design	BFA	180	12	132	\$483		\$450	\$349	\$87,739
Illustration & Design	BFA	180	12	132	\$483		\$750	\$349	\$88,039
Interior Design	BFA	180	12	132	\$483		\$1,600	\$627	\$89,167
Media Arts & Animation	BFA	180	12	132	\$483		\$1,350	\$349	\$88,639
Bachelor of Science (BS)									
Audio Production	BS	180	12	132	\$483		\$1,150	\$879	\$88,969
Hospitality Management	BS	180	12	132	\$483		\$850	\$400	\$88,190
Diploma (D)									
Baking & Pastry	D	51	5	55	\$483	\$1,400	\$700	\$645	\$27,378
Culinary Arts	D	53	4	44	\$483	\$1,400	\$650	\$645	\$28,294

The table above is calculated at full load, which is an average of 15 credit hours per quarter. The calculation would be based on 12 credit hours per quarter if a student were to take the minimum allowable credits required to still be considered a full time student.

Labs fees above represent the total for the program and are charged per course or quarter. Lab fees are treated as tuition for refund purposes.

† Approximate total cost is based on the current tuition credit hour rate. Total cost will increase with each per credit hour tuition increase. In-state and out-of-state tuition are the same. On-ground enrolled students taking online PLUS courses will be charged the same per-credit tuition for the online PLUS courses as the on-ground courses. Registering over 18 credit-hours per quarter requires the permission of the Program Director, Program Coordinator or Dean of Academic Affairs at the student's home campus.

Not all courses include a Digital Textbook. Courses that include a Digital Textbook will be noted in the registration material and the Digital Textbook will be charged in addition to tuition unless the student chooses to opt out. Students who do not opt out will not need to purchase textbooks for courses using a Digital Textbook. The purchase of the Digital Textbook is not refundable. Students who do opt out will be responsible for purchasing the required textbook. If a course does not use a Digital Textbook, the student is responsible for purchasing the required textbook. The Digital Textbook charge is \$50 per course for most courses; however, some courses may have more than one Digital Textbook and carry a Digital Textbook charge of \$75 per course.

The starting kit is optional and consists of basic equipment and materials needed for beginning each program. A list of the components of the starting kit is provided to each enrolled student. These materials may be purchased at the school or at most supply stores. Kit prices do not include applicable sales tax and are subject to change.

Please visit our [Student Consumer Information](#) page to find the average time to completion for continuously enrolled students for each credential level offered. This data is available at the average credit load, full-time or at full load. Changing programs, beginning programs at the mid-term start date, taking remedial courses, taking time off from coursework, registering for fewer

hours or unsuccessful attempts at course completion will increase the total length of the program and overall cost of education from what is disclosed. Transfer credits awarded toward your program will likely decrease the overall length and cost of education.

REFUNDS, CANCELLATIONS & ADJUSTMENTS OF CHARGES

Examples of the calculations for these policies are available in the Student Accounting Office.

As allowed under Federal, state, and accreditation agency rules, the refund policy may be changed. Students will be notified approximately sixty (60) calendar days in advance of any changes. Students dropping all courses in a term are considered withdrawn for refund purposes. All students will be subject to the institutional refund policy. In addition, students who receive Federal student aid are also subject to the Return of Title IV Funds Policy.

Initial Period of Enrollment and Cancellation Refund Policy for First-Time Undergraduate Students Enrolled On-Ground

For purposes of this Initial Period of Enrollment Policy, a first-time undergraduate student is defined as a student who is not currently enrolled, is not a prior graduate from an undergraduate program, and does not have a prior enrollment in a withdrawn or dismissal status.

For students in graduate programs and undergraduate students who have previously attended, please see the Refund Policy Prior to Class Start section of the enrollment agreement and catalog.

The school provides all new applicants seeking a first-time enrollment in any on-ground undergraduate program of study, including hybrid programs, an Initial Period of Enrollment. The Initial Period of Enrollment allows first-time undergraduate students the ability to begin classes as a non-regular student, without any financial penalty, to determine if our school and educational program are right for the student. Students who enroll may cancel their enrollment prior to the start of the term or within seven (7) calendar days following the first day of the student's first scheduled class, whichever is later (referred to as the "Initial Period").

The chart below illustrates the days in the Initial Period for a non-regular student:

Class Days	Initial Period Days	Number of Calendar Days in Initial Period
April 28th = 1st Scheduled Class		1
April 29th	1st Day of Initial Period	2
April 30th	2	3
May 1st	3	4
May 2nd	4	5
May 3rd	5	6
May 4th	6	7
May 5th	7 = Last Day of Initial Period	8
May 6th	Initial period over – student is eligible to be reviewed for full admission	9

A first-time undergraduate student who notifies the school of the intent to withdraw in person or in writing, or simply stops attending and does not attend classes past the seventh (7th) calendar day following the student's first day of the term or first scheduled class, whichever is later, will be considered a cancellation. The school will refund any monies paid on the student's behalf and will remove any charges from the student's account. All refunds will be made within thirty (30) calendar days of the date of the cancellation.

During a first-time student's Initial Period of Enrollment in an undergraduate program, the student is considered a non-regular student for federal student aid purposes and is not eligible to receive federal, state or any other types of aid during this period.

Please note, a first-time undergraduate student who is receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid if the student cancels within the seventh (7th) calendar day following the student's first scheduled class or does not meet the requirements for admission to the school.

Students who complete the Initial Period of Enrollment will be reviewed for full admission into the school as a regular student on the ninth (9th) respective calendar day (the day after the first calendar day plus seven (7) calendar days). Students are required to meet all school admission requirements and any additional programmatic admission requirements that apply to the student's program of study. Students completing the Initial Period of Enrollment who continue in the educational program will be subject to all student policies back to the first day of the student's first term or first scheduled class day, whichever is later, including the withdrawal, refund and Return to Title IV policy should the student cease attending at a later date.

In order to qualify for aid, students must be a regular student and meet all federal, state, or other types of aid eligibility requirements.

Cancellation Refund Policy Student Examples for On-Ground Students:

Example 1:

1. Student's first scheduled class is January 5th.
2. Student ceases to attend and his or her last date of attendance is January 9th (the 4th day).
3. Student would no longer be enrolled and would not be eligible for any Title IV, state aid and other aid program funding nor would the student be charged tuition or fees for any portion of his or her Initial Period or for the term.
4. Students receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid.

Example 2:

1. Student's first scheduled class is January 5th.
2. Student remains enrolled and attends class through January 14 (the 9th day), then ceases enrollment and attendance.
3. Student would be charged for the full class amount and his or her refund, if any, would be calculated based on withdrawal on day ten (10) of the class.
4. Student would be eligible for Title IV, veteran's benefits, state aid, and other aid programs, if all other conditions are met for admission and aid eligibility, since he or she became a regular student after January 11th (the 7th day).
5. Students receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid.

Starting kits purchased from The Art Institute will only be subject to the refund provisions, found above, if returned to the school in condition for resale within twenty-one (21) calendar days from the first scheduled class.

Refund Policy Prior to Class Start

An applicant may cancel his/her enrollment in person or in writing before the beginning of classes. An applicant not requesting cancellation before the scheduled starting date indicated on the Enrollment Agreement will be considered a student.

1. The school will notify the student, in writing, of his/her acceptance or rejection. In the event that a student is not accepted by the school, all tuition, fees, and other charges will be reversed and any monies paid will be refunded.

- The applicant may cancel the contract and receive a full refund of all monies paid if cancellation is made in writing to the Director of Admissions and mailed or delivered to the school at the address stated herein prior to the beginning of class or within six (6) business days of signing the Enrollment Agreement, whichever is later, and making an initial payment.
- If the student has not visited the school prior to enrollment, all tuition and fee monies paid by an applicant will be refunded if requested within three (3) business days after his/her first tour of the school and inspection of equipment or if requested within three (3) business days of his/her attendance at the regularly scheduled orientation program for his/her starting quarter, whichever is sooner.
- Refunds will be made within thirty (30) calendar days after the applicant's/student's request or within thirty (30) calendar days after his/her first scheduled class day.

Refund Policy After Class Start

In the event of withdrawal by a student or termination by the school during any quarter of study:

- Prepaid tuition and fees for any period beyond the current quarter will be refunded in full.
- The student may officially withdraw from school by notifying the Office of the Registrar in person or in writing. The termination date will be the student's last date of attendance. If the student stops attending without notifying the Office of the Registrar, the school shall determine the date of withdrawal. This determination date will be considered the notification date for refunding purposes. Refunds due shall be paid within thirty (30) calendar days of the notification date, unless the student is withdrawing at the end of the quarter.
- Refunds for a student notifying the school prior to the end of a quarter that he/she will be withdrawing at the end of that quarter will be paid within thirty (30) calendar days of the last day of that quarter.
- For a student who attended a previous quarter of study and did not indicate that he/she was not returning, refunds will be made within thirty (30) calendar days of the first scheduled day of class in the quarter in which the student was expected to return.
- The refund shall be paid to the student, unless payment to a lender or other entity is required by the terms of a student financial aid program in which the school participates.
- In the event of a fully documented extreme illness or a personal emergency that makes it impractical for a student to complete the program, the school may modify the tuition refund policy as deemed appropriate to the circumstances.
- A separate lease agreement and refund policy exist for a student who leases housing accommodations arranged by the school. The school reserves the right to apply any student payment or any refund due to a student to any student financial account that is in arrears.
- Each academic quarter is eleven (11) weeks in duration. The calculation of refunds is based upon the last day of attendance within the quarter. Any portion of a day's attendance is considered a full day of attendance for refund purposes.
- Session II academic terms are approximately five and one-half (5 ½) weeks in duration. The calculation of refunds is based upon the last day of attendance within the term. Any portion of a day's attendance is considered a full day of attendance for refund purposes. Information in the catalog or student handbook will apply except for the following changes specific to Session II classes. For students only scheduled to attend Session II, the add/drop period is two (2) days from the start of Session II classes. If you add or drop one or more classes, your financial aid eligibility may change. Please see your Financial Aid Officer before you add or drop a class.
- If a student has not attended sixty (60) percent of the academic term, the school shall not retain or be entitled to payment for a percentage of any tuition and fees or other educational costs for a session that was scheduled to be taken during the relevant academic term but was not attended because the student withdrew from school prior to the commencement of the session. For example, if a student is enrolled for multiple sessions within the term but withdraws completely from school prior to the start of a subsequent session within the academic term, the adjustment of charges based on the student's last date of attendance will be applied to the applicable period of attended session(s) using the session(s) charges and the start date of the first attended session through the end date of the last attended session within the academic term. Charges for the unattended session(s) after the student's last date of attendance within the academic term will be reversed for the Institutional Refund Policy, or State Refund Policy, where applicable. The reversal of applicable charges will be completed after the Return of Title IV Policy. For the Return of Title IV, the evaluation period and term charges include the entire period in which the student registered.
- If a student has attended sixty (60) percent of the academic term, the evaluation period and academic term charges include the entire period in which the student registered. The Institutional Refund Policy, or State Refund Policy, where applicable, shall be applied based on the student's last date of attendance in the academic term using the academic term charges, aid disbursed during the academic term, and the start date of the first session through the end date of the last session within the academic term. For the Return of Title IV, the evaluation period and academic term charges include the entire period in which the student registered.

Adjustment of Charges

In accordance with The Illinois Institute of Art policy, the school will earn tuition and fees as follows, based on the week in which the student withdraws:

Quarter Start:	
Day 1	\$50 total
Days 2 and 3	\$300 total
Day 4 through Week Four	20%
Weeks Five and Six	70%
After Week Six	100%

Mid-Quarter Start:	
Week One	25%
Week Two	50%
Week Three	75%
After Week Three	100%

Return of Federal Title IV Aid

In compliance with Federal regulations, the school will determine how much Federal student financial assistance the student has earned or not earned when a student who is a Title IV recipient withdraws from school.

The school will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through the sixty (60) percent point of the term or session if the student is only attending a session. If the student has completed more than sixty (60) percent of the term, the student earns one hundred (100) percent of the Federal student financial assistance.

The amount earned will be based on the percentage of the term that was completed in days up to and including the last date of attendance. To calculate the amount earned, the school will determine the percentage by dividing the number of calendar days completed in the term up to and including the last date of attendance by the total number of calendar days in the term. If there is a scheduled break of five (5) or more days, then it will reduce the term length and if the scheduled break is before the student's last day of attendance, it will reduce the calendar days completed. If the student received more than the amount of Federal student financial assistance earned, the difference will be returned to the Federal student financial assistance programs from which funds were received in the following order: Federal Unsubsidized Direct Loans, Federal Subsidized Direct Loans, Federal Perkins Loans, Federal PLUS Loans, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant. Funds will be returned to the aid source within forty-five (45) calendar days of the date that the school determines that the student has withdrawn.

If more Federal student financial assistance has been earned than has been received, the student may be eligible for a post-withdrawal disbursement. The school will notify the student of any post-withdrawal disbursement loan funds for which the student may be eligible and what steps need to be taken for the Federal financial assistance funds to be received. The student or parent, in the case of the Federal PLUS Loans, needs to provide permission before any loan funds may be disbursed on the student's account or disbursed to the student or parent. However,

the school may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school), and, with the student's authorization, the school may automatically use the grant funds for other educationally-related charges. Any balance of grant funds that may be available will be offered the student.

If Federal student financial assistance funds need to be returned, the institution must return a portion or all of the unearned funds equal to the lesser of:

- The institutional charges multiplied by the percentage of the unearned Federal student financial assistance funds; or
- The entire amount of unearned funds.

If there are remaining unearned Federal financial aid funds to be returned, the student must return any loan funds that remain to be returned in accordance with the terms and conditions of the promissory note. If the remaining amount of funds to be returned includes grant funds, the student must return any amount of the overpayment that is more than half of the grant funds received. The school will notify the student as to the amount owed and how and where it should be returned.

If students are only scheduled to attend Session I or Session II, the Return of Title IV calculation as described in the Enrollment Agreement will be applied to the applicable session attended using the session start and end dates.

Refund Policy for Online Course Withdrawal

Students who withdraw from a Session I or Session II online class after the add/drop period are treated the same as if they withdrew from an on-ground class. Session II classes begin approximately the day after Session I classes end and run approximately five and one-half (5 ½) weeks. The ending date of Session II classes may not coincide with the ending date of on-ground classes.

Financial Aid Refund Distribution Policy

All students receiving financial aid who withdraw from the program may have to return any refund amount to the appropriate Student Financial Aid Program in accordance with the refund distribution schedule which follows:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Perkins Loan
4. Federal PLUS
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant
7. Other federal, state, private, or institutional aid programs, if required by the program
8. Students

Kits, Components of Kits, Books or Supplies Return Policy

If kits, components of the kit, books, supplies, or uniforms, are returned to the Supply Store in resalable, completely unused condition within twenty-one (21) calendar days of withdrawal, a credit will be given. Students who leave the school during the first three weeks of the mid-quarter session may return the starting kit and/or individual components of the starting kit in resalable, completely unused condition within ten (10) calendar days of the student's last date of attendance of the mid-quarter.

All refunds and return of funds will be made within thirty (30) calendar days of the date the student notifies the school of the withdrawal.

Official and Unofficial Withdrawal

To officially withdraw, the student will need to notify the Office of the Registrar in person or in writing. The Registrar will assist the student to complete the withdrawal process and will determine the last date of attendance and the date of determination. The date of determination would be the earlier of the date the student begins the school's withdrawal process or the date the student provides notice. For students who unofficially withdraw, the Registrar will determine the last date of attendance using attendance records. The refund policies shall apply in the event that a student withdraws, is suspended, or is terminated from school.

A student who withdraws from a program before the end of week nine (9) of an eleven (11) week term (before the end of week four (4) of a five and one-half (5 1/2) week term) will be assigned a "W" code for each course within that quarter. Every course for which a student receives an "F", a "UF", or a "W" grade/code must be repeated and completed with a passing grade in order to graduate. The original grade/code and the subsequent passing grade(s) will remain on the record for reference purposes. However, when a course is successfully repeated, only the passing grade will be computed in the grade point average. Tuition is charged for repeated courses.

When a final course grade has been established and recorded in the student record, the grade may not be changed without approval by the Academic Director or Chair and the Dean of Academic Affairs. Withdrawals and failed courses can affect the student's Incremental Completion Rate and ability to succeed.

For the purpose of determining a refund, a student is deemed to have withdrawn from a course of instruction when any of the following occur:

1. The student notifies the school of withdrawal or of the date of withdrawal.
2. The school terminates the student's enrollment in accordance with institutional policies.
3. The student exceeds the number of absences allowed in accordance with institutional policies, and must be withdrawn from school. The date of withdrawal shall be deemed the last date of recorded attendance.
4. All refunds and return of funds will be made within thirty (30) calendar days of the date of determination.

ADDITIONAL FINANCIAL INFORMATION

Financial Information

Tuition and Fees Subject to Change:

The per credit hour rate is subject to an increase at least once per calendar year, and supply kit prices, fees, or program length may also increase periodically. Such changes will increase the total cost of the program and may occur before the student begins classes.

In the event of a change in per credit hour rate, fees, and/or program length, my program cost will be recalculated. Any changes to tuition, fees, or program length will be communicated to students. Reentering students will be subject to the current per credit tuition charge at the time of reenrollment.

Re-entering students will be subject to the current per credit tuition charge at the time of re-enrollment.

Each academic quarter is typically eleven (11) weeks.

Special U.S. and overseas trips are voluntary and are not included in regular tuition and fees.

Non-Payment of Charges

Non-payment of tuition, fees and/or other charges due to the school will result in the student being obligated for interest, collection agency costs and additional collection costs, and legal costs. In addition, the school reserves the right to report the student's failure to pay amounts owed to one or more national credit bureau organizations and not release the student's academic transcript until all debts to the school are paid in full.

Financial Plan

If a student elects a financial plan, it will comply with the Truth in Lending Regulation Z and is part of this Agreement. ANY CHANGES IN THE STUDENT FINANCIAL PLAN MUST BE UPDATED WITH EACH CHANGE OCCURRENCE.

Interest on Outstanding Balance

Students who have entered into a retail installment contract with the school may be subject to interest being charged. Please reference the retail installment contract and disclosure documents to understand the interest rate that may be charged and how interest charges are computed.

GENERAL INFORMATION

Accreditation

The Illinois Institute of Art is in transition during a change of ownership. We remain accredited as a candidate school seeking accreditation under new ownership and our new non-profit status. Our students remain eligible for Title IV. Higher Learning Commission (230 S. LaSalle Street, Suite 7-500, Chicago, IL 60604-1413, 1.800.621.7440, www.hlcommission.org).

General Student Complaint Procedure

If you have a complaint or problem you are encouraged to follow the Student Complaint Procedure outlined in the catalog.

Jury Waiver and Agreement to Binding, Individual Arbitration

Student and The Illinois Institute of Art - Chicago irrevocably waive our rights to a trial by jury and agree instead that any and all disputes, no matter how described, pleaded or styled, between me and The Illinois Institute of Art - Chicago (including its parent and past and present affiliates, employees, agents, and lenders) or related to any aspect of my relationship with or any act or omission by The Illinois Institute of Art - Chicago ("Claim") shall be resolved by individual binding arbitration, conducted by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules and applicable Supplementary Procedures for Consumer-Related Disputes ("AAA Rules") and in accordance with the terms of this Jury Waiver and Agreement to Binding, Individual Arbitration ("Arbitration Agreement"). Student can obtain a copy of the AAA Rules at www.adr.org or by calling 1-800-778-7879. This Arbitration Agreement, however, does not modify Student's right, if any, to file a grievance with any state educational licensing agency or accrediting body.

1. Student is strongly encouraged to first attempt to resolve the Claim by using the General Student Complaint Procedure outlined in the Catalog.
2. Neither party shall file or maintain any lawsuit in court against the other, and any suit filed in violation of this Arbitration Agreement shall be dismissed by the court in favor of arbitration conducted pursuant to this Arbitration Agreement. The parties agree that the moving party shall be entitled to an award of costs and fees of compelling arbitration.
3. The arbitration shall take place before a single, neutral arbitrator in the federal judicial district in which Student resides, unless the parties agree otherwise.
4. Student will be responsible for paying a portion of the AAA filing fee at the time his/her Claim is filed in an amount equal to \$200 or the applicable filing fee of the court of general jurisdiction in the district/circuit near me, whichever fee is less. The parties shall bear the expense of their own attorneys, experts and witnesses, unless the applicable law provides, and the arbitrator determines, otherwise.
5. Student agrees not to combine or consolidate any Claims with those of other students, such as in a class or mass action, or to have any Claims be arbitrated or litigated jointly or consolidated with any other person's claims. Further, the parties agree that the arbitrator shall have no authority to join or consolidate claims by more than one person. **I understand that I may opt out of this single-case provision by delivering via certified mail return receipt a written statement to that effect to the Vice President and Senior Counsel of The Illinois Institute of Art - Chicago/DCEH, 1400 Penn Avenue, Pittsburgh, PA 15222 within 30 days of my first execution of an Enrollment Agreement.**
6. The Federal Arbitration Act (FAA), including all its substantive and procedural provisions, and related federal decisional law shall govern this Arbitration Agreement to the fullest extent possible. All determinations as to the scope, enforceability, validity and effect of this Arbitration Agreement shall be made by the arbitrator, and not by a court. However, any issue concerning the validity of paragraph 5 above must be decided by a court, and an arbitrator does not have authority to consider the validity of paragraph 5. If for any reason, paragraph 5 is found to be unenforceable, any putative class or mass action may only be heard in court on a non-jury basis and may not be arbitrated under this Agreement.
7. The arbitrator shall have the power to award any remedy that directly benefits the parties to this Arbitration Agreement (provided the remedy would be available from a court under the law where the Arbitration Agreement was executed) but not the power to award relief for the benefit of anyone not a party to this Arbitration Agreement.
8. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.
9. Notwithstanding any provision in the Catalog or Enrollment Agreement, this Arbitration Agreement shall not be modified except by written agreement signed by both parties. Any or all of the provisions set forth in this Arbitration Agreement may also be waived by the party against whom the Claim is asserted, but such waiver shall be in writing, physically signed (not merely electronically signed) by the party waiving, and specifically identify the provision or provisions being waived. Any such waiver shall not waive or affect any other portion of the Arbitration Agreement.
10. This Arbitration Agreement shall survive the termination of Student's relationship with The Illinois Institute of Art - Chicago.
11. If any part(s) of this Arbitration Agreement are found to be invalid or unenforceable, then such specific part(s) shall be of no force and effect and shall be severed, but the remainder of the Arbitration Agreement shall continue in full force and effect.

STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HE IS WAIVING HIS/HER RIGHT TO A JURY TRIAL, TO ENGAGE IN DISCOVERY (EXCEPT AS PROVIDED IN THE AAA RULES), AND TO LITIGATE THE DISPUTE OR CLAIM IN ANY COURT. FURTHER, STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HE WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS ACTION AGAINST The Illinois Institute of Art - Chicago.

Transferability of Credits

TRANSFERABILITY OF CREDIT TO OTHER INSTITUTIONS

In the U.S. higher education system, transferability of credit is determined by the receiving institution taking into account such factors as course content, grades, accreditation and licensing. For this reason this institution does not imply, promise, or guarantee that credits earned will be accepted by another college or university. If the credits or degree, diploma, or certificate that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. Students considering transferring to another college or university are responsible for determining whether that school will accept this institution's credits. Students are encouraged to initiate discussions with the potential transfer school as early as possible.

Career Services

The Illinois Institute of Art - Chicago does not guarantee employment or any particular level of compensation following graduation. The Illinois Institute of Art - Chicago does, however,

offer assistance in finding employment to eligible graduates at no additional charge. Graduates who confine employment considerations to a particular metropolitan area may limit the particular employment opportunities available to them.

Curriculum

The Illinois Institute of Art - Chicago reserves the right to change or modify the program contents, sequence of courses, equipment, staff or materials as it deems necessary. In no event will any such changes result in additional tuition charges.

Student Right to Know

According to regulations published by the Department of Education based on the Student Right-to-Know Act, the graduation/completion rates for first-time, full-time students who entered school and graduated/completed within 150% of the normal time to complete the program, as published in the catalog, must be made available to current and prospective students. You may obtain this information by contacting an Admissions representative or in the Consumer Information section of the school's website [Student Consumer Information](#).

Cancellation of Start Date

Cancellation of a scheduled class start date for any program shall entitle the enrollee to elect either: (1) a guaranteed reservation in the next scheduled class for that program, or (2) cancellation of enrollment with a full refund of all monies paid. The Illinois Institute of Art - Chicago reserves the right to cancel a start date due to any circumstances that it deems would be in the students' best interest.

Holder in Due Course

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. Recover hereunder by the debtor shall not exceed the amounts paid by the debtor. (FTC Rule effective 05/14/1976)

Non-Discrimination Policy

The Illinois Institute of Art - Chicago does not discriminate or harass on the basis of race, color, national origin, sex, gender, sexual orientation, gender identity or expression, disability, age, religion, veteran's status, genetic marker, or any other characteristic protected by state, local, or federal law in our programs and activities. The Illinois Institute of Art - Chicago provides reasonable accommodations to qualified individuals with disabilities. The Illinois Institute of Art - Chicago will not retaliate against persons bringing forward allegations of harassment or discrimination. The Dean of Student Affairs has been designated to handle inquiries and coordinate the institution's compliance efforts regarding the Non-Discrimination and can be contacted at 350 N. Orleans Street, Suite 136-L, Chicago, IL, 60654-1593 or by telephone at 312-777-8619.

Gainful Employment & Student Consumer Information

See [Gainful Employment Information](#) for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info. Important student consumer information located at [Student Consumer Information](#).

All pages of this Enrollment Agreement and the financial plan (if elected) constitute the complete Enrollment Agreement.

Student Acknowledgements

- I have received a copy of The Illinois Institute of Art - Chicago's current Academic Catalog, which is accessible to me at <https://www.artinstitutes.edu/chicago/academic-catalog/>. I understand that the Catalog contains information describing programs offered, academic requirements, and other important policies and procedures. I understand that it is my responsibility as a student to read and understand the catalog and to direct any questions I may have to my Admissions Representative.
- I understand that my enrollment and The Illinois Institute of Art - Chicago's obligations under this Enrollment Agreement – EXCEPT the cancellation, refund, and arbitration provisions – may be terminated by The Illinois Institute of Art - Chicago if I fail to comply with The Illinois Institute of Art - Chicago's attendance, conduct, academic, and/or financial requirements.
- I understand that my financial obligations to The Illinois Institute of Art - Chicago must be paid in full before a diploma or degree may be awarded and before transcripts will be released. I accept that, to the extent permitted by law, I am responsible for all reasonable collection agency and attorney fees incurred in attempting to collect my unpaid debts to The Illinois Institute of Art - Chicago.
- I understand that the tuition, fees and other charges stated in this Enrollment Agreement are subject to change. The per credit hour rate is subject to an increase at least once per calendar year, which will increase the total amount for the program. The adjustment to the per credit hour rate may occur before I begin classes and my program will be calculated using the new rate. Any changes to tuition and fees will be published to students.
- I understand that The Illinois Institute of Art - Chicago provides average time to completion and average credit loads for each type of program offered at this campus. Please visit our Student Consumer Information page to find the average time to completion for continuously enrolled students for each program type. Changing programs, taking remedial courses, taking time off from coursework and/or registering for fewer hours or unsuccessful attempts at course completion will likely increase the total length of the program and overall cost of education from what is disclosed. Transfer credits awarded toward your program will likely decrease the overall length and cost of education.
- I understand that The Illinois Institute of Art - Chicago does not guarantee job placement to graduates upon program completion or graduation.
- The Illinois Institute of Art - Chicago's Refund and Cancellation policies have been reviewed with me. I understand that they are contained in this Enrollment Agreement and in the Academic Catalog. I had the opportunity to ask questions about these policies and am satisfied with the answers/explanation I received.
- The Illinois Institute of Art - Chicago's Student Consumer Information has been reviewed with me. I understand that this information is accessible to me at all times at <http://www.aichicago.edu/consumer-information/>. I had the opportunity to ask questions about this information and am satisfied with the answers/explanation I received.
- I understand that if I sign this Enrollment Agreement, I can choose not to start classes at The Illinois Institute of Art - Chicago and, therefore, will not incur any financial obligations.
- I understand that if I have a criminal history, it may disqualify me from employment in my chosen field or a related field of employment.
- I understand that changes to this Enrollment Agreement will not be binding on either me or The Illinois Institute of Art - Chicago unless such changes have been acknowledged in writing by an authorized representative of The Illinois Institute of Art - Chicago and by me and/or my guardian (if applicable).

I have read and understood this entire Enrollment Agreement. Before signing, I had an opportunity to ask questions, which have been answered to my satisfaction.

Student's Right to Cancel

YOU, THE STUDENT, MAY CANCEL YOUR ENROLLMENT WITHOUT ANY PENALTY OR OBLIGATION AT ANY TIME PRIOR TO THE START OF THE TERM OR WITHIN SEVEN (7) CALENDAR DAYS FOLLOWING THE FIRST DAY OF THE STUDENT'S FIRST SCHEDULED CLASS, WHICHEVER IS LATER, FOR A FIRST-TIME UNDERGRADUATE STUDENT OR AT ANY TIME BEFORE STARTING CLASS OR AT ANY TIME BEFORE STARTING CLASS OR UNTIL MIDNIGHT OF THE SIXTH (6TH) BUSINESS DAY AFTER SIGNING THE ENROLLMENT AGREEMENT, WHICHEVER IS LATER, FOR ALL OTHER STUDENTS. YOU MAY ALSO CANCEL YOUR ENROLLMENT IF THE SERVICES CEASE TO BE OFFERED. IF YOU CANCEL YOUR ENROLLMENT FOR THIS REASON, ILLINOIS INSTITUTE OF ART MAY KEEP ONLY A PORTION OF THE TUITION OR OTHER CHARGES. YOU MAY ALSO CANCEL THE AGREEMENT AT ANY TIME AND RECEIVE A REFUND OF ALL MONIES PAID WITHIN THIRTY (30) CALENDAR DAYS OF CANCELLATION. SEE THE REFUND POLICY SECTION OF THE AGREEMENT FOR ADDITIONAL INFORMATION.

Please do not sign this Enrollment Agreement before you read it in its entirety. You will be given an exact copy of the Agreement you sign. Please also note that the provisions of any attached rider(s) signed by you are also part of this Agreement.

NOW, THEREFORE, having read and received a copy of this Enrollment Agreement, and intending to be legally bound by it, the parties have signed this Enrollment Agreement on the dates below written. I also authorize The Illinois Institute of Art - Chicago to receive a copy of my high school and/or college transcript(s).

_____	_____	_____	_____
Student's Signature	Date	Parent's (or Guardian's) Signature (if student is under 18 years of age)	Date
_____	_____	_____	_____
Signature of Accepting Official from School	Date	Parent's (or Guardian's) Address	
_____	_____	_____	_____
Title of Accepting Official		City	State
			Zip

1000 N. Plaza Drive Suite 100, Schaumburg, IL, 60173-4990 - 800-314-3450

Name of Student:

(Last Name) (First Name) (Middle Name)

Present Address:

(Street Address) (City) (State) (Zip)

Telephone:

Desired Start Date: _____

This Enrollment Agreement does not obligate you to begin classes at The Illinois Institute of Art - Schaumburg. Rather, this Enrollment Agreement has legally binding terms and conditions of your enrollment once you choose to begin classes at The Illinois Institute of Art - Schaumburg.

Facts You Should Know

- I acknowledge that I have received the *Facts You Should Know* single page disclosure.
- The *Facts You Should Know* single page disclosure was explained to me and I had an opportunity to ask questions, which have been answered to my satisfaction.

TO BE CONSIDERED ONLY IF YOU ATTENDED AN IN-PERSON MEETING

- I acknowledge that I have received a printed copy of the *Facts You Should Know* single page disclosure.

Program of Study	Degree	Credit Hours	Program Length (Qtrs)	Instructional Weeks	Tuition per Credit Hour	Lab Fee	Digital Textbooks	Starting Kit	Approx. Total Cost / Program†
Associate of Applied Science (AAS)									
Fashion Merchandising	AAS	90	6	66	\$483		\$1,150	\$349	\$44,969
Graphic Design	AAS	90	6	66	\$483		\$1,350	\$349	\$45,169
Web Design & Interactive Media	AAS	90	6	66	\$483		\$1,200	\$349	\$45,019
Bachelor of Arts (BA)									
Fashion Marketing & Management	BA	180	12	132	\$483		\$1,150	\$349	\$88,439
Bachelor of Fine Arts (BFA)									
Digital Filmmaking & Video Production	BFA	180	12	132	\$483		\$1,150	\$372	\$88,462
Digital Photography	BFA	180	12	132	\$483		\$850	\$349	\$88,139
Fashion Design	BFA	180	12	132	\$483		\$1,150	\$630	\$88,720
Game Art & Design	BFA	180	12	132	\$483		\$1,150	\$349	\$88,439
Graphic Design	BFA	180	12	132	\$483		\$1,350	\$349	\$88,639
Illustration & Design	BFA	180	12	132	\$483		\$400	\$349	\$87,689
Interior Design	BFA	180	12	132	\$483		\$1,700	\$627	\$89,267
Media Arts & Animation	BFA	180	12	132	\$483		\$1,300	\$349	\$88,589
Visual Effects & Motion Graphics	BFA	180	12	132	\$483		\$1,300	\$372	\$88,612
Web Design & Interactive Media	BFA	180	12	132	\$483		\$1,200	\$349	\$88,489
Bachelor of Science (BS)									
Audio Production	BS	180	12	132	\$483		\$750	\$879	\$88,569
Diploma (D)									
Digital Design	D	36	3	33	\$483		\$600	\$349	\$18,337

The table above is calculated at full load, which is an average of 15 credit hours per quarter. The calculation would be based on 12 credit hours per quarter if a student were to take the minimum allowable credits required to still be considered a full time student.

Labs fees above represent the total for the program and are charged per course or quarter. Lab fees are treated as tuition for refund purposes.

Approximate total cost is based on the current tuition credit hour rate. Total cost will increase with each per credit hour tuition increase. In-state and out-of-state tuition are the same. On-ground enrolled students taking online PLUS courses will be charged the same per-credit tuition for the online PLUS courses as the on-ground courses. Registering over 18 credit-hours per quarter requires the permission of the Program Director, Program Coordinator or Dean of Academic Affairs at the student's home campus.

Not all courses include a Digital Textbook. Courses that include a Digital Textbook will be noted in the registration material and the Digital Textbook will be charged in addition to tuition unless the student chooses to opt out. Students who do not opt out will not need to purchase textbooks for courses using a Digital Textbook. The purchase of the Digital Textbook is not refundable. Students who do opt out will be responsible for purchasing the required textbook. If a course does not use a Digital Textbook, the student is responsible for purchasing the required textbook. The Digital Textbook charge is \$50 per course for most courses; however, some courses may have more than one Digital Textbook and carry a Digital Textbook charge of \$75 per course.

The starting kit is optional and consists of basic equipment and materials needed for beginning each program. A list of the components of the starting kit is provided to each enrolled student. These materials may be purchased at the school or at most supply stores. Kit prices do not include applicable sales tax and are subject to change.

Please visit our [Student Consumer Information](#) page to find the average time to completion for continuously enrolled students for each credential level offered. This data is available at the average credit load, full-time or at full load. Changing programs, beginning programs at the mid-term start date, taking remedial courses, taking time off from coursework, registering for fewer hours or unsuccessful attempts at course completion will increase the total length of the program and overall cost of education from what is disclosed. Transfer credits awarded toward your program will likely decrease the overall length and cost of education.

REFUNDS, CANCELLATIONS & ADJUSTMENTS OF CHARGES

Examples of the calculations for these policies are available in the Student Accounting Office.

As allowed under Federal, state, and accreditation agency rules, the refund policy may be changed. Students will be notified approximately sixty (60) calendar days in advance of any changes. Students dropping all courses in a term are considered withdrawn for refund purposes. All students will be subject to the institutional refund policy. In addition, students who receive Federal student aid are also subject to the Return of Title IV Funds Policy.

Initial Period of Enrollment and Cancellation Refund Policy for First-Time Undergraduate Students Enrolled On-Ground

For purposes of this Initial Period of Enrollment Policy, a first-time undergraduate student is defined as a student who is not currently enrolled, is not a prior graduate from an undergraduate program, and does not have a prior enrollment in a withdrawn or dismissal status.

For students in graduate programs and undergraduate students who have previously attended, please see the Refund Policy Prior to Class Start section of the enrollment agreement and catalog.

The school provides all new applicants seeking a first-time enrollment in any on-ground undergraduate program of study, including hybrid programs, an Initial Period of Enrollment. The Initial Period of Enrollment allows first-time undergraduate students the ability to begin classes as a non-regular student, without any financial penalty, to determine if our school and educational program are right for the student. Students who enroll may cancel their enrollment prior to the start of the term or within seven (7) calendar days following the first day of the student's first scheduled class, whichever is later (referred to as the "Initial Period").

The chart below illustrates the days in the Initial Period for a non-regular student:

Class Days	Initial Period Days	Number of Calendar Days in Initial Period
April 28th = 1st Scheduled Class		1
April 29th	1st Day of Initial Period	2
April 30th	2	3
May 1st	3	4
May 2nd	4	5
May 3rd	5	6
May 4th	6	7
May 5th	7 = Last Day of Initial Period	8
May 6th	Initial period over – student is eligible to be reviewed for full admission	9

A first-time undergraduate student who notifies the school of the intent to withdraw in person or in writing, or simply stops attending and does not attend classes past the seventh (7th) calendar day following the student's first day of the term or first scheduled class, whichever is later, will be considered a cancellation. The school will refund any monies paid on the student's behalf and will remove any charges from the student's account. All refunds will be made within thirty (30) calendar days of the date of the cancellation.

During a first-time student's Initial Period of Enrollment in an undergraduate program, the student is considered a non-regular student for federal student aid purposes and is not eligible to receive federal, state or any other types of aid during this period.

Please note, a first-time undergraduate student who is receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid if the student cancels within the seventh (7th) calendar day following the student's first scheduled class or does not meet the requirements for admission to the school.

Students who complete the Initial Period of Enrollment will be reviewed for full admission into the school as a regular student on the ninth (9th) respective calendar day (the day after the first calendar day plus seven (7) calendar days). Students are required to meet all school admission requirements and any additional programmatic admission requirements that apply to the student's program of study. Students completing the Initial Period of Enrollment who continue in the educational program will be subject to all student policies back to the first day of the student's first term or first scheduled class day, whichever is later, including the withdrawal, refund and Return to Title IV policy should the student cease attending at a later date.

In order to qualify for aid, students must be a regular student and meet all federal, state, or other types of aid eligibility requirements.

Cancellation Refund Policy Student Examples for On-Ground Students:

Example 1:

1. Student's first scheduled class is January 5th.
2. Student ceases to attend and his or her last date of attendance is January 9th (the 4th day).
3. Student would no longer be enrolled and would not be eligible for any Title IV, state aid and other aid program funding nor would the student be charged tuition or fees for any portion of his or her Initial Period or for the term.
4. Students receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid.

Example 2:

1. Student's first scheduled class is January 5th.
2. Student remains enrolled and attends class through January 14 (the 9th day), then ceases enrollment and attendance.
3. Student would be charged for the full class amount and his or her refund, if any, would be calculated based on withdrawal on day ten (10) of the class.
4. Student would be eligible for Title IV, veteran's benefits, state aid, and other aid programs, if all other conditions are met for admission and aid eligibility, since he or she became a regular student after January 11th (the 7th day).
5. Students receiving military educational benefits may incur a debt with the benefit provider for educational benefits paid.

Starting kits purchased from The Art Institute will only be subject to the refund provisions, found above, if returned to the school in condition for resale within twenty-one (21) calendar days from the first scheduled class.

Refund Policy Prior to Class Start

An applicant may cancel his/her enrollment in person or in writing before the beginning of classes. An applicant not requesting cancellation before the scheduled starting date indicated on the Enrollment Agreement will be considered a student.

1. The school will notify the student, in writing, of his/her acceptance or rejection. In the event that a student is not accepted by the school, all tuition, fees, and other charges will be reversed and any monies paid will be refunded.
2. The applicant may cancel the contract and receive a full refund of all monies paid if cancellation is made in writing to the Director of Admissions and mailed or delivered to the school at the address stated herein prior to the beginning of class or within six (6) business days of signing the Enrollment Agreement, whichever is later, and making an initial payment.
3. If the student has not visited the school prior to enrollment, all tuition and fee monies paid by an applicant will be refunded if requested within three (3) business days after his/her first tour of the school and inspection of equipment or if requested within three (3) business days of his/her attendance at the regularly scheduled orientation program for his/her starting quarter, whichever is sooner.

- Refunds will be made within thirty (30) calendar days after the applicant's/student's request or within thirty (30) calendar days after his/her first scheduled class day.

Refund Policy After Class Start

In the event of withdrawal by a student or termination by the school during any quarter of study:

- Prepaid tuition and fees for any period beyond the current quarter will be refunded in full.
- The student may officially withdraw from school by notifying the Office of the Registrar in person or in writing. The termination date will be the student's last date of attendance. If the student stops attending without notifying the Office of the Registrar, the school shall determine the date of withdrawal. This determination date will be considered the notification date for refunding purposes. Refunds due shall be paid within thirty (30) calendar days of the notification date, unless the student is withdrawing at the end of the quarter.
- Refunds for a student notifying the school prior to the end of a quarter that he/she will be withdrawing at the end of that quarter will be paid within thirty (30) calendar days of the last day of that quarter.
- For a student who attended a previous quarter of study and did not indicate that he/she was not returning, refunds will be made within thirty (30) calendar days of the first scheduled day of class in the quarter in which the student was expected to return.
- The refund shall be paid to the student, unless payment to a lender or other entity is required by the terms of a student financial aid program in which the school participates.
- In the event of a fully documented extreme illness or a personal emergency that makes it impractical for a student to complete the program, the school may modify the tuition refund policy as deemed appropriate to the circumstances.
- A separate lease agreement and refund policy exist for a student who leases housing accommodations arranged by the school. The school reserves the right to apply any student payment or any refund due to a student to any student financial account that is in arrears.
- Each academic quarter is eleven (11) weeks in duration. The calculation of refunds is based upon the last day of attendance within the quarter. Any portion of a day's attendance is considered a full day of attendance for refund purposes.
- Session II academic terms are approximately five and one-half (5 ½) weeks in duration. The calculation of refunds is based upon the last day of attendance within the term. Any portion of a day's attendance is considered a full day of attendance for refund purposes. Information in the catalog or student handbook will apply except for the following changes specific to Session II classes. For students only scheduled to attend Session II, the add/drop period is two (2) days from the start of Session II classes. If you add or drop one or more classes, your financial aid eligibility may change. Please see your Financial Aid Officer before you add or drop a class.
- If a student has not attended sixty (60) percent of the academic term, the school shall not retain or be entitled to payment for a percentage of any tuition and fees or other educational costs for a session that was scheduled to be taken during the relevant academic term but was not attended because the student withdrew from school prior to the commencement of the session. For example, if a student is enrolled for multiple sessions within the term but withdraws completely from school prior to the start of a subsequent session within the academic term, the adjustment of charges based on the student's last date of attendance will be applied to the applicable period of attended session(s) using the session(s) charges and the start date of the first attended session through the end date of the last attended session within the academic term. Charges for the unattended session(s) after the student's last date of attendance within the academic term will be reversed for the Institutional Refund Policy, or State Refund Policy, where applicable. The reversal of applicable charges will be completed after the Return of Title IV Policy. For the Return of Title IV, the evaluation period and term charges include the entire period in which the student registered.
- If a student has attended sixty (60) percent of the academic term, the evaluation period and academic term charges include the entire period in which the student registered. The Institutional Refund Policy, or State Refund Policy, where applicable, shall be applied based on the student's last date of attendance in the academic term using the academic term charges, aid disbursed during the academic term, and the start date of the first session through the end date of the last session within the academic term. For the Return of Title IV, the evaluation period and academic term charges include the entire period in which the student registered.

Adjustment of Charges

In accordance with The Illinois Institute of Art policy, the school will earn tuition and fees as follows, based on the week in which the student withdraws:

Quarter Start:	
Day 1	\$50 total
Days 2 and 3	\$300 total
Day 4 through Week Four	20%
Weeks Five and Six	70%
After Week Six	100%

Mid-Quarter Start:	
Week One	25%
Week Two	50%
Week Three	75%
After Week Three	100%

Return of Federal Title IV Aid

In compliance with Federal regulations, the school will determine how much Federal student financial assistance the student has earned or not earned when a student who is a Title IV recipient withdraws from school.

The school will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through the sixty (60) percent point of the term or session if the student is only attending a session. If the student has completed more than sixty (60) percent of the term, the student earns one hundred (100) percent of the Federal student financial assistance.

The amount earned will be based on the percentage of the term that was completed in days up to and including the last date of attendance. To calculate the amount earned, the school will determine the percentage by dividing the number of calendar days completed in the term up to and including the last date of attendance by the total number of calendar days in the term. If there is a scheduled break of five (5) or more days, then it will reduce the term length and if the scheduled break is before the student's last day of attendance, it will reduce the calendar days completed. If the student received more than the amount of Federal student financial assistance earned, the difference will be returned to the Federal student financial assistance programs from which funds were received in the following order: Federal Unsubsidized Direct Loans, Federal Subsidized Direct Loans, Federal Perkins Loans, Federal PLUS Loans, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant. Funds will be returned to the aid source within forty-five (45) calendar days of the date that the school determines that the student has withdrawn.

If more Federal student financial assistance has been earned than has been received, the student may be eligible for a post-withdrawal disbursement. The school will notify the student of any post-withdrawal disbursement loan funds for which the student may be eligible and what steps need to be taken for the Federal financial assistance funds to be received. The student or parent, in the case of the Federal PLUS Loans, needs to provide permission before any loan funds may be disbursed on the student's account or disbursed to the student or parent. However, the school may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school), and, with the student's authorization, the school may automatically use the grant funds for other educationally-related charges. Any balance of grant funds that may be available will be offered the student.

If Federal student financial assistance funds need to be returned, the institution must return a portion or all of the unearned funds equal to the lesser of:

- The institutional charges multiplied by the percentage of the unearned Federal student financial assistance funds; or
- The entire amount of unearned funds.

If there are remaining unearned Federal financial aid funds to be returned, the student must return any loan funds that remain to be returned in accordance with the terms and conditions of the promissory note. If the remaining amount of funds to be returned includes grant funds, the student must return any amount of the overpayment that is more than half of the grant funds received. The school will notify the student as to the amount owed and how and where it should be returned.

If students are only scheduled to attend Session I or Session II, the Return of Title IV calculation as described in the Enrollment Agreement will be applied to the applicable session attended using the session start and end dates.

Refund Policy for Online Course Withdrawal

Students who withdraw from a Session I or Session II online class after the add/drop period are treated the same as if they withdrew from an on-ground class. Session II classes begin approximately the day after Session I classes end and run approximately five and one-half (5 ½) weeks. The ending date of Session II classes may not coincide with the ending date of on-ground classes.

Financial Aid Refund Distribution Policy

All students receiving financial aid who withdraw from the program may have to return any refund amount to the appropriate Student Financial Aid Program in accordance with the refund distribution schedule which follows:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Perkins Loan
4. Federal PLUS
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant
7. Other federal, state, private, or institutional aid programs, if required by the program
8. Students

Kits, Components of Kits, Books or Supplies Return Policy

If kits, components of the kit, books, supplies, or uniforms, are returned to the Supply Store in resalable, completely unused condition within twenty-one (21) calendar days of withdrawal, a credit will be given. Students who leave the school during the first three weeks of the mid-quarter session may return the starting kit and/or individual components of the starting kit in resalable, completely unused condition within ten (10) calendar days of the student's last date of attendance of the mid-quarter.

All refunds and return of funds will be made within thirty (30) calendar days of the date the student notifies the school of the withdrawal.

Official and Unofficial Withdrawal

To officially withdraw, the student will need to notify the Office of the Registrar in person or in writing. The Registrar will assist the student to complete the withdrawal process and will determine the last date of attendance and the date of determination. The date of determination would be the earlier of the date the student begins the school's withdrawal process or the date the student provides notice. For students who unofficially withdraw, the Registrar will determine the last date of attendance using attendance records. The refund policies shall apply in the event that a student withdraws, is suspended, or is terminated from school.

A student who withdraws from a program before the end of week nine (9) of an eleven (11) week term (before the end of week four (4) of a five and one-half (5 1/2) week term) will be assigned a "W" code for each course within that quarter. Every course for which a student receives an "F", a "UF", or a "W" grade/code must be repeated and completed with a passing grade in order to graduate. The original grade/code and the subsequent passing grade(s) will remain on the record for reference purposes. However, when a course is successfully repeated, only the passing grade will be computed in the grade point average. Tuition is charged for repeated courses.

When a final course grade has been established and recorded in the student record, the grade may not be changed without approval by the Academic Director or Chair and the Dean of Academic Affairs. Withdrawals and failed courses can affect the student's Incremental Completion Rate and ability to succeed.

For the purpose of determining a refund, a student is deemed to have withdrawn from a course of instruction when any of the following occur:

1. The student notifies the school of withdrawal or of the date of withdrawal.
2. The school terminates the student's enrollment in accordance with institutional policies.
3. The student exceeds the number of absences allowed in accordance with institutional policies, and must be withdrawn from school. The date of withdrawal shall be deemed the last date of recorded attendance.
4. All refunds and return of funds will be made within thirty (30) calendar days of the date of determination.

ADDITIONAL FINANCIAL INFORMATION

Financial Information

Tuition and Fees Subject to Change:

The per credit hour rate is subject to an increase at least once per calendar year, and supply kit prices, fees, or program length may also increase periodically. Such changes will increase the total cost of the program and may occur before the student begins classes.

In the event of a change in per credit hour rate, fees, and/or program length, my program cost will be recalculated. Any changes to tuition, fees, or program length will be communicated to students. Reentering students will be subject to the current per credit tuition charge at the time of reenrollment.

Re-entering students will be subject to the current per credit tuition charge at the time of re-enrollment.

Each academic quarter is typically eleven (11) weeks.

Special U.S. and overseas trips are voluntary and are not included in regular tuition and fees.

Non-Payment of Charges

Non-payment of tuition, fees and/or other charges due to the school will result in the student being obligated for interest, collection agency costs and additional collection costs, and legal costs. In addition, the school reserves the right to report the student's failure to pay amounts owed to one or more national credit bureau organizations and not release the student's academic transcript until all debts to the school are paid in full.

Financial Plan

If a student elects a financial plan, it will comply with the Truth in Lending Regulation Z and is part of this Agreement. ANY CHANGES IN THE STUDENT FINANCIAL PLAN MUST BE UPDATED WITH EACH CHANGE OCCURRENCE.

Interest on Outstanding Balance

Students who have entered into a retail installment contract with the school may be subject to interest being charged. Please reference the retail installment contract and disclosure documents to understand the interest rate that may be charged and how interest charges are computed.

GENERAL INFORMATION

Accreditation

The Illinois Institute of Art — Schaumburg is a branch campus of the Illinois Institute of Art — Chicago. The Illinois Institute of Art is in transition during a change of ownership. We remain accredited as a candidate school seeking accreditation under new ownership and our new non-profit status. Our students remain eligible for Title IV. Higher Learning Commission (230 S. LaSalle Street, Suite 7-500, Chicago, IL 60604-1413, 1.800.621.7440, www.hlcommission.org).

General Student Complaint Procedure

If you have a complaint or problem you are encouraged to follow the Student Complaint Procedure outlined in the catalog.

Jury Waiver and Agreement to Binding, Individual Arbitration

Student and The Illinois Institute of Art - Schaumburg irrevocably waive our rights to a trial by jury and agree instead that any and all disputes, no matter how described, pleaded or styled, between me and The Illinois Institute of Art - Schaumburg (including its parent and past and present affiliates, employees, agents, and lenders) or related to any aspect of my relationship with or any act or omission by The Illinois Institute of Art - Schaumburg ("Claim") shall be resolved by individual binding arbitration, conducted by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules and applicable Supplementary Procedures for Consumer-Related Disputes ("AAA Rules") and in accordance with the terms of this Jury Waiver and Agreement to Binding, Individual Arbitration ("Arbitration Agreement"). Student can obtain a copy of the AAA Rules at www.adr.org or by calling 1-800-778-7879. This Arbitration Agreement, however, does not modify Student's right, if any, to file a grievance with any state educational licensing agency or accrediting body.

1. Student is strongly encouraged to first attempt to resolve the Claim by using the General Student Complaint Procedure outlined in the Catalog.
2. Neither party shall file or maintain any lawsuit in court against the other, and any suit filed in violation of this Arbitration Agreement shall be dismissed by the court in favor of arbitration conducted pursuant to this Arbitration Agreement. The parties agree that the moving party shall be entitled to an award of costs and fees of compelling arbitration.
3. The arbitration shall take place before a single, neutral arbitrator in the federal judicial district in which Student resides, unless the parties agree otherwise.
4. Student will be responsible for paying a portion of the AAA filing fee at the time his/her Claim is filed in an amount equal to \$200 or the applicable filing fee of the court of general jurisdiction in the district/circuit near me, whichever fee is less. The parties shall bear the expense of their own attorneys, experts and witnesses, unless the applicable law provides, and the arbitrator determines, otherwise.
5. Student agrees not to combine or consolidate any Claims with those of other students, such as in a class or mass action, or to have any Claims be arbitrated or litigated jointly or consolidated with any other person's claims. Further, the parties agree that the arbitrator shall have no authority to join or consolidate claims by more than one person. **I understand that I may opt out of this single-case provision by delivering via certified mail return receipt a written statement to that effect to the Vice President and Senior Counsel of The Illinois Institute of Art - Schaumburg/DCEH, 1400 Penn Avenue, Pittsburgh, PA 15222 within 30 days of my first execution of an Enrollment Agreement.**
6. The Federal Arbitration Act (FAA), including all its substantive and procedural provisions, and related federal decisional law shall govern this Arbitration Agreement to the fullest extent possible. All determinations as to the scope, enforceability, validity and effect of this Arbitration Agreement shall be made by the arbitrator, and not by a court. However, any issue concerning the validity of paragraph 5 above must be decided by a court, and an arbitrator does not have authority to consider the validity of paragraph 5. If for any reason, paragraph 5 is found to be unenforceable, any putative class or mass action may only be heard in court on a non-jury basis and may not be arbitrated under this Agreement.
7. The arbitrator shall have the power to award any remedy that directly benefits the parties to this Arbitration Agreement (provided the remedy would be available from a court under the law where the Arbitration Agreement was executed) but not the power to award relief for the benefit of anyone not a party to this Arbitration Agreement.
8. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.
9. Notwithstanding any provision in the Catalog or Enrollment Agreement, this Arbitration Agreement shall not be modified except by written agreement signed by both parties. Any or all of the provisions set forth in this Arbitration Agreement may also be waived by the party against whom the Claim is asserted, but such waiver shall be in writing, physically signed (not merely electronically signed) by the party waiving, and specifically identify the provision or provisions being waived. Any such waiver shall not waive or affect any other portion of the Arbitration Agreement.
10. This Arbitration Agreement shall survive the termination of Student's relationship with The Illinois Institute of Art - Schaumburg.
11. If any part(s) of this Arbitration Agreement are found to be invalid or unenforceable, then such specific part(s) shall be of no force and effect and shall be severed, but the remainder of the Arbitration Agreement shall continue in full force and effect.

STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HE IS WAIVING HIS/HER RIGHT TO A JURY TRIAL, TO ENGAGE IN DISCOVERY (EXCEPT AS PROVIDED IN THE AAA RULES), AND TO LITIGATE THE DISPUTE OR CLAIM IN ANY COURT. FURTHER, STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HE WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS ACTION AGAINST The Illinois Institute of Art - Schaumburg.

Transferability of Credits

TRANSFERABILITY OF CREDIT TO OTHER INSTITUTIONS

In the U.S. higher education system, transferability of credit is determined by the receiving institution taking into account such factors as course content, grades, accreditation and licensing. For this reason this institution does not imply, promise, or guarantee that credits earned will be accepted by another college or university. If the credits or degree, diploma, or certificate that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. Students considering transferring to another college or university are responsible for determining whether that school will accept this institution's credits. Students are encouraged to initiate discussions with the potential transfer school as early as possible.

Career Services

The Illinois Institute of Art - Schaumburg does not guarantee employment or any particular level of compensation following graduation. The Illinois Institute of Art - Schaumburg does, however, offer assistance in finding employment to eligible graduates at no additional charge. Graduates who confine employment considerations to a particular metropolitan area may limit the particular employment opportunities available to them.

Curriculum

The Illinois Institute of Art - Schaumburg reserves the right to change or modify the program contents, sequence of courses, equipment, staff or materials as it deems necessary. In no event will any such changes result in additional tuition charges.

Student Right to Know

According to regulations published by the Department of Education based on the Student Right-to-Know Act, the graduation/completion rates for first-time, full-time students who entered school and graduated/completed within 150% of the normal time to complete the program, as published in the catalog, must be made available to current and prospective students. You may obtain this information by contacting an Admissions representative or in the Consumer Information section of the school's website [Student Consumer Information](#).

Cancellation of Start Date

Cancellation of a scheduled class start date for any program shall entitle the enrollee to elect either: (1) a guaranteed reservation in the next scheduled class for that program, or (2) cancellation of enrollment with a full refund of all monies paid. The Illinois Institute of Art - Schaumburg reserves the right to cancel a start date due to any circumstances that it deems would be in the students' best interest.

Holder in Due Course

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. Recover hereunder by the debtor shall not exceed the amounts paid by the debtor. (FTC Rule effective 05/14/1976)

Non-Discrimination Policy

The Illinois Institute of Art - Schaumburg does not discriminate or harass on the basis of race, color, national origin, sex, gender, sexual orientation, gender identity or expression, disability, age, religion, veteran's status, genetic marker, or any other characteristic protected by state, local, or federal law in our programs and activities. The Illinois Institute of Art - Schaumburg provides reasonable accommodations to qualified individuals with disabilities. The Illinois Institute of Art - Schaumburg will not retaliate against persons bringing forward allegations of harassment or discrimination. The Dean of Student Affairs has been designated to handle inquiries and coordinate the institution's compliance efforts regarding the Non-Discrimination and can be contacted at 1000 N. Plaza Drive, Suite 100, Schaumburg, IL, 60173-4990 or by telephone at 847-585-4551.

Gainful Employment & Student Consumer Information

See [Gainful Employment Information](#) for program duration, tuition, fees, and other costs, median debt, salary data, alumni success, and other important info. Important student consumer information located at [Student Consumer Information](#).

All pages of this Enrollment Agreement and the financial plan (if elected) constitute the complete Enrollment Agreement.

Student Acknowledgements

- I have received a copy of The Illinois Institute of Art - Schaumburg's current Academic Catalog, which is accessible to me at <https://www.artinstitutes.edu/schaumburg/academic-catalog>. I understand that the Catalog contains information describing programs offered, academic requirements, and other important policies and procedures. I understand that it is my responsibility as a student to read and understand the catalog and to direct any questions I may have to my Admissions Representative.
- I understand that my enrollment and The Illinois Institute of Art - Schaumburg's obligations under this Enrollment Agreement – EXCEPT the cancellation, refund, and arbitration provisions – may be terminated by The Illinois Institute of Art - Schaumburg if I fail to comply with The Illinois Institute of Art - Schaumburg's attendance, conduct, academic, and/or financial requirements.
- I understand that my financial obligations to The Illinois Institute of Art - Schaumburg must be paid in full before a diploma or degree may be awarded and before transcripts will be released. I accept that, to the extent permitted by law, I am responsible for all reasonable collection agency and attorney fees incurred in attempting to collect my unpaid debts to The Illinois Institute of Art - Schaumburg.
- I understand that the tuition, fees and other charges stated in this Enrollment Agreement are subject to change. The per credit hour rate is subject to an increase at least once per calendar year, which will increase the total amount for the program. The adjustment to the per credit hour rate may occur before I begin classes and my program will be calculated using the new rate. Any changes to tuition and fees will be published to students.
- I understand that The Illinois Institute of Art - Schaumburg provides average time to completion and average credit loads for each type of program offered at this campus. Please visit our Student Consumer Information page to find the average time to completion for continuously enrolled students for each program type. Changing programs, taking remedial courses, taking time off from coursework and/or registering for fewer hours or unsuccessful attempts at course completion will likely increase the total length of the program and overall cost of education from what is disclosed. Transfer credits awarded toward your program will likely decrease the overall length and cost of education.
- I understand that The Illinois Institute of Art - Schaumburg does not guarantee job placement to graduates upon program completion or graduation.
- The Illinois Institute of Art - Schaumburg's Refund and Cancellation policies have been reviewed with me. I understand that they are contained in this Enrollment Agreement and in the Academic Catalog. I had the opportunity to ask questions about these policies and am satisfied with the answers/explanation I received.
- The Illinois Institute of Art - Schaumburg's Student Consumer Information has been reviewed with me. I understand that this information is accessible to me at all times at <https://www.artinstitutes.edu/schaumburg/student-consumer-information/>. I had the opportunity to ask questions about this information and am satisfied with the answers/explanation I received.
- I understand that if I sign this Enrollment Agreement, I can choose not to start classes at The Illinois Institute of Art - Schaumburg and, therefore, will not incur any financial obligations.
- I understand that if I have a criminal history, it may disqualify me from employment in my chosen field or a related field of employment.
- I understand that changes to this Enrollment Agreement will not be binding on either me or The Illinois Institute of Art - Schaumburg unless such changes have been acknowledged in writing by an authorized representative of The Illinois Institute of Art - Schaumburg and by me and/or my guardian (if applicable).
- I have read and understood this entire Enrollment Agreement. Before signing, I had an opportunity to ask questions, which have been answered to my satisfaction.

Student's Right to Cancel

YOU, THE STUDENT, MAY CANCEL YOUR ENROLLMENT WITHOUT ANY PENALTY OR OBLIGATION AT ANY TIME PRIOR TO THE START OF THE TERM OR WITHIN SEVEN (7) CALENDAR DAYS FOLLOWING THE FIRST DAY OF THE STUDENT'S FIRST SCHEDULED CLASS, WHICHEVER IS LATER, FOR A FIRST-TIME UNDERGRADUATE STUDENT OR AT ANY TIME BEFORE STARTING CLASS OR AT ANY TIME BEFORE STARTING CLASS OR UNTIL MIDNIGHT OF THE SIXTH (6TH) BUSINESS DAY AFTER SIGNING THE ENROLLMENT AGREEMENT, WHICHEVER IS LATER, FOR ALL OTHER STUDENTS. YOU MAY ALSO CANCEL YOUR ENROLLMENT IF THE SERVICES CEASE TO BE OFFERED. IF YOU CANCEL YOUR ENROLLMENT FOR THIS REASON, ILLINOIS INSTITUTE OF ART MAY KEEP ONLY A PORTION OF THE TUITION OR OTHER CHARGES. YOU MAY ALSO CANCEL THE AGREEMENT AT ANY TIME AND RECEIVE A REFUND OF ALL MONIES PAID WITHIN THIRTY (30) CALENDAR DAYS OF CANCELLATION. SEE THE REFUND POLICY SECTION OF THE AGREEMENT FOR ADDITIONAL INFORMATION.

Please do not sign this Enrollment Agreement before you read it in its entirety. You will be given an exact copy of the Agreement you sign. Please also note that the provisions of any attached rider(s) signed by you are also part of this Agreement.

NOW, THEREFORE, having read and received a copy of this Enrollment Agreement, and intending to be legally bound by it, the parties have signed this Enrollment Agreement on the dates below written. I also authorize The Illinois Institute of Art - Schaumburg to receive a copy of my high school and/or college transcript(s).

Student's Signature	Date	Parent's (or Guardian's) Signature (if student is under 18 years of age)	Date
Signature of Accepting Official from School	Date	Parent's (or Guardian's) Address	
Title of Accepting Official	City	State	Zip



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY

May 9, 2019

Honorable Richard J. Durbin
United States Senate
Washington, DC 20510

Dear Senator Durbin:

Thank you for your letter regarding the July-December 2018 closure and teach-out of a number of campuses operated by Dream Center Educational Holdings (“DCEH”). Your letter was forwarded to my office, and I am pleased to respond. I am also sending identical responses to the cosigners of your letter.

I apologize for the Department’s delay in responding to your letter, but I want to assure you that ever since the Department learned of the impending closures in mid-June 2018, we actively monitored the situation, working with DCEH and with accrediting agencies, States, and potential transfer schools. As a result, the campuses that closed at the end of December 2018 (“Closed Campuses”) did so through an orderly teach-out, which in each case was approved by the relevant accreditor. Since the public announcement in early July 2018, a significant number of students have transferred to other DCEH campuses or transfer schools to complete their education; however, when the Art Institute-Pittsburgh was put on show cause, we informed DCEH that they could not transfer any Art Institutes students to the online programs.

The Department required DCEH to notify all students in writing of their closed school loan discharge opportunities and to provide students with the link to the Department’s closed school loan discharge page on the Federal Student Aid website, which provides instructions for how to make that request. In addition, we instructed DCEH to obtain a signature from each student on the written notice as evidence that the student had been made aware of all of the available options, including the availability of closed school loan discharges. In addition, DCEH offered a \$5,000 transfer scholarship to students at the closing campuses who would not complete their programs by the closure date and wished to transfer to another institution. In late July we learned that DCEH had included a release provision as a condition to those scholarships. On July 25, 2018, we asked DCEH to provide us with a copy of the document, which they did on July 26, 2018. Upon review of that document we notified DCEH that requiring a waiver or release was unacceptable, and we directed DCEH to remove it from the form and to provide updated forms to students, including those who already signed the original form.

The Department was in regular contact with DCEH and its accreditors and State agencies to ensure that DCEH adhered to the requirements of an orderly teach-out, including providing accurate information to faculty, staff and students. In one of our early conversations with accreditors, the Higher Learning Commission (“HLC”) advised the Department that the Art Institute of Colorado and the Illinois Institute of Art (the “Art Institutes”) websites indicated that the schools remained accredited, despite the fact that HLC had put them into Change of Control

Candidacy status (“CCC-Status”), which HLC treated as a non-accredited status as of the date of the change of ownership. We immediately directed DCEH to update the Art Institutes’ websites to reflect the status that HLC had imposed, and we confirmed with HLC that the modifications to the website were acceptable to HLC.

Nevertheless, the confusion about the Art Institutes’ accreditation status caused the Department to closely review HLC’s policies and procedures about its CCC-Status. During the course of this review, the Department also watched a video of a meeting with HLC site visitors, faculty and students at the Chicago campus.* In that video the HLC site visitors appeared to consider CCC-Status as a technical interim phase as a result of the change of ownership, similar to a probation or show cause. Having reviewed HLC’s policies and procedures, its communications with the Art Institutes and the site visit video, the Department is concerned that HLC’s CCC-Status is in violation of HLC’s own policies as well as the Department’s recognition criteria because HLC has used the status to convert two accredited schools to nonaccredited status solely as a result of a change in ownership without putting them on probation or show cause, or otherwise affording them the due process protection of an actual adverse action.

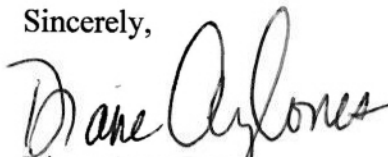
While HLC had every right to remove accreditation from the Art Institutes, the Department will examine whether the agency has followed the appropriate procedures to do so. The Department’s regulations do not provide for an adverse action that would revoke accreditation and at the same time award candidacy status. Indeed, the letter advising the Art Institutes of their CCC-Status refers to the status as a “preaccreditation status.” Accordingly, the Department intends to conduct a review of HLC’s candidacy and preaccreditation standards and its application of those standards, including with regard to the Art Institutes.

In response to your further question, we do not generally plan to extend the closed school loan discharge period beyond the 120 days stated in our regulations. However, recognizing that the situation for students at the Art Institutes (Colorado and Illinois) is more complex because of HLC’s imposition of CCC-Status on those schools, and what that status potentially means for students enrolled in the Art Institutes during the period of CCC-Status, the Department is reviewing whether it should extend the 120-day discharge period for those students back to January 20, 2018, as you have suggested. In addition, students at all of the Closed Campuses were provided with a number of options, including completing their programs at their closing campuses if they were close to completion at the time of the closure announcement, transferring to another institution with the support of a \$5,000 scholarship, or leaving the institution and applying for a closed school loan discharge. Those students who planned to complete their program at the Closed Campuses had the opportunity they were promised, and others have transferred with additional funds provided by the scholarship. In addition, we will process closed school loan discharge applications as we receive them, or upon the borrower’s eligibility for automatic closed school loan discharge under the 2016 Borrower Defense regulations.

* YouTube, HLC Meeting with Student Art Institute of Chicago, available at <https://www.youtube.com/watch?v=-Bn0qKMNqIM> (July 16, 2018).

Thank you for your continuing interest in DCEH schools. Should you or your staff have additional concerns about this matter, please contact the Office of Legislation and Congressional Affairs at (202) 401-0020.

Sincerely,

A handwritten signature in black ink that reads "Diane Auer Jones". The signature is written in a cursive style with a large initial "D".

Diane Auer Jones
Principal Deputy Under Secretary
Delegated the Duties of Under Secretary

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

PEOPLE OF THE STATE OF ILLINOIS,)
)
)
)
 Plaintiff,)
)
 v.)
)
 EDUCATION MANAGEMENT)
 CORPORATION; ARGOSY UNIVERSITY OF)
 CALIFORNIA LLC; SOUTH)
 UNIVERSITY, LLC; BROWN MACKIE)
 EDUCATION II LLC; THE ART INSTITUTES)
 INTERNATIONAL II LLC; ARGOSY)
 EDUCATION GROUP, INC.; MCM)
 UNIVERSITY PLAZA, INC.; THE ILLINOIS)
 INSTITUTE OF ART – TINLEY PARK LLC;)
 THE ILLINOIS INSTITUTE OF ART AT)
 SCHAUMBURG, INC.; ILLINOIS INSTITUTE)
 OF ART, INC.; AND THE ART INSTITUTE)
 OF PITTSBURGH LLC,)
)
 Defendants.)

No. 2015CH16728
 CALENDAR/ROOM 06
 TIME 00:00
 Injunction

FILED
 2015 NOV 16 AM 11:11
 DOROTHY BROWN CLERK

CONSENT JUDGMENT

This Consent Judgment is entered into between the State of Illinois, by the Office of the Attorney General (“State”), and defendants Education Management Corporation, Argosy University of California LLC, South University, LLC, Brown Mackie Education II LLC, The Art Institutes International II LLC, Argosy Education Group, Inc., MCM University Plaza, Inc., The Illinois Institute of Art – Tinley Park LLC, The Illinois Institute of Art at Schaumburg, Inc., Illinois Institute of Art, Inc., and The Art Institute of Pittsburgh

LLC, including, except as otherwise provided herein, all of their respective subsidiaries, affiliates, successors, and assigns (collectively, "EDMC" or "Defendants," and, together with the State, the "Parties").

This Consent Judgment resolves the Illinois's concerns regarding EDMC's compliance with the Illinois Consumer Protection Law, and particularly with respect to EDMC's recruitment and enrollment practices relating to its post-secondary educational offering.

I. PARTIES

1. The State is acting as *parens patriae* through its Attorney General with its office located 100 W Randolph St., 12th Fl., Chicago, IL 60601.

2. Education Management Corporation is a Pennsylvania corporation with corporate headquarters at Pittsburgh, Pennsylvania. Argosy University of California LLC, a California limited liability company, South University, LLC, a Georgia limited liability company, Brown Mackie Education II LLC, a Delaware limited liability company, The Art Institutes International II LLC, a Pennsylvania limited liability company, Argosy Education Group, Inc., an Illinois corporation, MCM University Plaza, Inc., an Illinois corporation, The Illinois Institute of Art – Tinley Park LLC, an Illinois limited liability company, The Illinois Institute of Art at Schaumburg, Inc., Illinois Institute of Art, Inc., an Illinois corporation, and The Art Institute of Pittsburgh LLC, a Pennsylvania limited liability company, are wholly-owned, indirect subsidiaries of Education Management Corporation.

**II. COORDINATION WITH OTHER ACTIONS
BY OTHER STATES ATTORNEYS GENERAL**

3. The Parties acknowledge that this Consent Judgment is being filed simultaneously with similar judgments in the States of Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming and the District of Columbia. The Parties intend to coordinate implementation of the terms of this Consent Judgment with those referenced above.

III. DEFINITIONS

Whenever the terms listed below are used in this Consent Judgment, the following definitions shall apply:

4. **“Abusive Recruitment Methods”** means the intentional exploitation of a Prospective Student’s fears, anxieties, or insecurities, or any method intentionally calculated to place unreasonable pressure on a Student to enroll in an EDMC school.

5. **“Administrator”** shall have the meaning set forth in paragraphs 34 through 38 below.

6. **“Admissions Representative”** means any natural person employed by EDMC who has substantial responsibility for encouraging Prospective Students to apply or enroll in a Program of Study or recruiting Prospective Students, including, but not limited to, assisting Prospective Students with the application process and informing Prospective Students about Programs of Study at EDMC’s schools, including but not limited to

employees with job titles such as “student success advisors” and “admissions representatives.

7. **“Anticipated Total Direct Cost”** means the estimated cost of tuition, fees, books, supplies, and equipment to complete a Program of Study.

8. **“Attorneys General”** means the Attorneys General of Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming.

9. **“CIP Code”** means the six-digit U.S. Department of Education Classification of Instructional Program (“CIP”) code identified for a particular Program of Study.

10. **“CIP to SOC Crosswalk”** means the crosswalk developed by the National Center for Educational Statistics and the Bureau of Labor Statistics relating CIP Codes to Standard Occupational Classification (“SOC”) codes and available at <http://nces.ed.gov/ipeds/cipcode/resources.aspx> or its successor site.

11. **“Clearly and Conspicuously”** or **“Clear and Conspicuous,”** when referring to a statement or disclosure, means that such statement or disclosure is made in such size, color, contrast, location, and duration that it is readily noticeable, readable, and understandable. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, it must be presented in proximity to the information

it modifies, in a manner that is likely to be noticed, readable, and understandable, and it must not be obscured in any manner.

12. **“Completer,”** only for purposes of calculating a Job Placement Rate in accordance with this Consent Judgment, means a Student who is no longer enrolled in a Program of Study and who has either completed the time allowed or attempted the maximum allowable number of credits for the Program of Study but who did not accomplish the requirements for graduation, such as:

- (a) achieving the necessary grade point average;
- (b) attaining required competencies or speed skills; or,
- (c) satisfying non-academic requirements, including but not limited to paying outstanding financial obligations.

13. **“Core Skills”** means skills that are necessary to receive a diploma or degree in a Student’s field of study, such that failure to master these skills will result in no diploma or degree being awarded. “Core Skills” are specific to the Program of Study and are not taught in general education courses or generally taught across all fields of study, and are not the same as basic skills, which are skills that are necessary for success in a Student’s field of study, but which the Student should possess upon entry into a Program of Study. Core Skills do not include generic skills such as “collaboration,” “team work,” and “communication,” and for bachelor’s degree programs, Core Skills do not include skills taught in 100-level courses unless the skill is refined and specifically identified in upper-level courses.

14. “**Cost of Attendance**” means cost of attendance as defined in the Federal Higher Education Act of 1965, § 472, 20 U.S.C.A. § 108711, or as that statute may be amended.

15. “**Do Not Call Registry**” means the national registry established by the Federal Communications Commission and the Federal Trade Commission, and the state registry established by the Illinois Office of Attorney General that prohibits the initiation of outbound telephone calls, with certain statutory exemptions, to registered consumers.

16. “**Effective Date**” means January 1, 2016.

17. “**Electronic Financial Impact Platform**” means an interactive, internet-based program that produces a personalized disclosure for a Prospective Student of the financial impact of pursuing a particular Program of Study and incurring a specific amount of debt. The platform shall permit Prospective Students to input and/or adjust fields to customize the resulting disclosure, including but not limited to the fields that pertain to sources of funding (*i.e.*, scholarships, grants, student contributions, federal loans, and private loans) and post-graduation expenses, and shall generate a customized disclosure for the Prospective Student that shows estimates of (a) the Prospective Student’s Anticipated Total Direct Costs in pursuing the Program of Study, (b) the Prospective Student’s Cost of Attendance, including each component thereof, (c) the Prospective Student’s total debt at the time of repayment and the corresponding monthly loan payments over a term of years based on current interest rate information, (d) the Prospective Student’s income if he/she successfully graduates from the Program of Study, and (e) the Prospective Student’s post-graduation expenses, including personal financial obligations such as rent or mortgage payments, car payments, child care expenses, utilities, and the

like. The Electronic Financial Impact Platform shall also provide information about the Program of Study, including Program Completion Rates, Median Debt for Completers, and Program Cohort Default Rate.

18. **“Enrollment Agreement”** shall mean the document executed by a Prospective Student that sets forth certain terms and conditions of the Prospective Student’s enrollment in a Program of Study.

19. **“Executive Committee”** shall refer to the Attorneys General of the States of Connecticut, Illinois, Iowa, Kentucky, Oregon, and Pennsylvania.

20. **“Former Employee”** means any person who was employed by EDMC on or after the Effective Date and who is no longer employed by EDMC.

21. **“Good Cause”** means: (a) a material and substantial breach of the terms of this Consent Judgment by the Administrator, including the failure to comply with the terms and limitations of this Consent Judgment, (b) any act of dishonesty, misappropriation, embezzlement, intentional fraud, or similar conduct, (c) any intentional act of bias or prejudice in favor or against either party or Students by the Administrator, or (d) conduct by the Administrator that demonstrates unfitness to serve in any administrative capacity. Good Cause shall not include disagreements with the decisions of the Administrator pursuant to this Consent Judgment, unless there is a clear pattern in the Administrator’s decisions that demonstrates or shows that the Administrator has not been acting as an independent third party in rendering decisions.

22. **“Graduate,”** only for purposes of calculating a Job Placement Rate in accordance with this Consent Judgment, means a Student who has accomplished all of the requirements of graduation from a Program of Study, such as, for example, achieving the

necessary grade point average, successfully passing all required courses and meeting all clinical, internship, and externship requirements, and satisfying all non-academic requirements.

23. “**Job Placement Rate**” means the job placement rate calculated in accordance with this Consent Judgment and is a numeric rate calculated by dividing the total number of placed Graduate/Completers by the total number of Graduate/Completers who do not qualify for exclusion from the calculation as set out below. EDMC shall count a Graduate/Completer as placed or excluded for purposes of calculating a Job Placement Rate in accordance with this Consent Judgment only where EDMC is able to successfully contact a Graduate/Completer or employer to verify employment or exclusion and possesses at the time it is calculating the Job Placement Rate the documentation required below.

(a) For purposes of calculating the Job Placement Rate in accordance with this Consent Judgment, the Job Placement Rates shall be calculated from the total of Graduates/Completers between July 1, 20XX and June 30, 20XX, and shall be calculated for each Program of Study at the campus level.

(b) In calculating Job Placement Rates in accordance with this Consent Judgment, EDMC shall assess whether the Student has been placed within six (6) months of the later of (i) the end of the month in which the Student becomes a Graduate/Completer or (ii) if a license or certification is required for the relevant occupation, the date on which the results of the first licensing or certification exam for which the Graduate/Completer was eligible to sit become available; *provided*, *however*, that such six (6) month period shall be extended for up to sixty (60) days

to permit Students who accepted employment prior to the expiration of such six (6) month period to satisfy the minimum employment threshold set forth in paragraph 69(a)(5) and (a)(6), in which case the Graduate/Completer shall be excluded from the current reporting cohort and included in the next reporting cohort.

(c) In calculating a Job Placement Rate in accordance with this Consent Judgment, a Graduate/Completer may be excluded from the total number of Graduates/Completers (*i.e.*, the denominator) if EDMC obtains written documentation that the Graduate/Completer:

(i) has a medical condition or disability that results in the Graduate/Completer's inability to work or the Graduate/Completer is not available for employment because the Graduate/Completer has a parent, child, or spouse who has a medical condition that requires the care of the Graduate/Completer;

(ii) is engaged in full time active military duty;

(iii) is enrolled at least half-time in an additional program of post-secondary education;

(iv) is deceased;

(v) is not eligible for placement in the United States because of visa restrictions;

(vi) is a spouse or dependent of military personnel who have moved due to military transfer orders;

(vii) is incarcerated; or

(viii) qualifies for any other job placement rate calculation exclusion that the U.S. Department of Education adopts subsequent to the Effective Date, unless the Attorneys General determine in their reasonable judgment within thirty (30) days of being notified by EDMC of the adoption of such waiver that recognizing the waiver for purposes of calculating the Job Placement Rate would be contrary to the interests of Prospective Students; *provided, however,* that EDMC shall have the right to apply to the Court for a ruling as to whether any such determination by the Attorneys General was reasonable under the circumstances.

(d) Where EDMC excludes a Graduate/Completer from the total number of Graduate/Completers for the purposes of calculating the Job Placement Rate, EDMC shall not count that Graduate/Completer as "placed."

24. **"Median Earnings for Completers"** means the earnings calculated according to the definitions and method provided by the U.S. Department of Education in 34 CFR 668.413(b)(8) and as that regulation may be amended or recodified.

25. **"Median Debt for Completers"** includes Title IV loans, institutional loans, private loans, credit, or unpaid balances extended by or on behalf of the EDMC school to Students, as provided in 34 CFR 668.404(d)(1). Median Debt for Completers is the median debt for Students who completed the program during the most recent award year and is determined according to the definitions and method provided in 34 CFR 668.413(b)(4) and as that regulation may be amended or recodified. Until such time as the U.S. Department of Education commences calculation of the median debt according to

such definitions and methodology, EDMC itself shall make a good faith effort to calculate the Median Debt for Completers according to the definitions and methodology provided in 34 CFR 668.413(b)(4).

26. **“Program Cohort Default Rate”** means the program cohort default rate determined according to 34 CFR 668.413(b)(13) and as that regulation may be amended or recodified. Until such time as the U.S. Department of Education commences calculation of the program cohort default rate as provided in 34 CFR 668.413(b)(13), EDMC shall make a good faith effort to determine the Program Cohort Default Rate using the methodology required by 34 CFR 668.413(b)(13).

27. **“Program Completion Rate”** means the program completion rate for full-time Students calculated according to the definitions and method provided by the U.S. Department of Education in 34 CFR 668.413 and as that regulation may be amended or recodified. Until such time as the U.S. Department of Education commences calculation of program completion rates according to such definitions and methodology, EDMC itself shall make a good faith effort to calculate the Program Completion Rate for full-time Students who complete the program within 150% of the length of the program according to the definitions and methodology provided in 34 CFR 668.413.

28. **“Program of Study”** shall mean a series of courses, seminar, or other educational program offered at an EDMC school in the United States, for which EDMC charges tuition and/or fees, which is designed to lead toward a degree, certificate, diploma, or other indication of completion, and which (a) is eligible for Title IV funding, (b) involves more than 25 contact hours in a credit bearing course, (c) is designed to make a Student eligible to sit for any state or national certification or licensing examination, or (d)

is designed to prepare a Student for another series of courses, seminar, or other educational program that is eligible for Title IV funding. Notwithstanding anything in the foregoing sentence to the contrary, non-credit courses or programs offered for personal enrichment, *i.e.*, hobby courses, that are not Title-IV eligible, courses that are not taken for the purpose of ultimately obtaining a degree, certificate, diploma, or other indication of completion, and review courses that are designed to assist with a Student's preparation for a state or national certification or licensing exam for which the Student is already eligible to sit, shall not be Programs of Study.

29. **"Prospective Student"** means any natural person who is being recruited for a Program of Study and/or pursuing enrollment at an EDMC school in a Program of Study.

30. **"Student"** means any natural person who is or was enrolled at an EDMC school in a Program of Study.

31. **"Student Financial Services Representative"** means any natural person employed by EDMC who has substantial responsibility for assisting or advising Students and Prospective Students with respect to financial aid matters.

32. **"Third-Party Lead Vendor"** means any third-party vendor (whether a person, corporation, partnership, or other type of entity) that is directly retained and authorized by EDMC to provide Prospective Student inquiries to EDMC.

33. **"Transferability of Credits Disclosure"** means a disclosure with respect to the transferability of credits earned at EDMC schools. For regionally accredited schools, each such disclosure shall state: "Course credits are not guaranteed to transfer to other schools." For all other schools, each such disclosure shall state: "Course credits will likely not transfer to other schools. Degrees will likely not be honored by other schools."

EDMC shall be permitted to make such reasonable changes to the Transferability of Credits Disclosure that are approved by the Administrator in consultation with the Attorneys General.

IV. ENJOINED CONDUCT

Pursuant to 815 ILCS 505/7, EDMC is hereby enjoined as follows:

ADMINISTRATOR PROVISIONS

Appointment of an Administrator

34. Thomas J. Perrelli, Esq. is appointed as the Administrator to oversee EDMC's compliance with the provisions of this Consent Judgment, effective as of the Effective Date. The Administrator may act directly or through staff, agents, employees, contractors, and representatives in overseeing EDMC's compliance with the terms of this Consent Judgment.

35. Within sixty (60) days of the Effective Date, the Attorneys General, EDMC, and the Administrator shall agree on a proposed work plan and contract that shall include all reasonable and necessary costs of the Administrator. If the Administrator, the Attorneys General, and EDMC fail to reach agreement within that time, the Attorneys General shall determine a fair and reasonable work plan and contract in consultation with EDMC and the Administrator.

36. In the event of any dispute arising over the Administrator's performance or the reasonableness of the Administrator's costs and fees, either EDMC or the Attorneys General may request that the issue be submitted to the Iowa Attorney General, with the issue to be resolved in accordance with the provisions of EDMC's consent judgment with the State of Iowa.

37. The Administrator may be dismissed for any reason by agreement of the Parties. In the event the Parties do not agree to the dismissal of the Administrator, either the Attorneys General or EDMC may submit the question of the Administrator's dismissal to the Iowa Attorney General, with the issue to be resolved in accordance with the provisions of EDMC's consent judgment with the State of Iowa.

38. The Administrator shall be appointed for a term of three (3) years, to run from the Effective Date. If the Administrator is dismissed or leaves the position for any reason before the end of the term, another Administrator shall be appointed by agreement of EDMC and the Attorneys General to serve the remainder of the term.

Costs of the Administrator

39. EDMC shall pay the reasonable and necessary fees and costs of the Administrator. Reasonable and necessary fees and costs shall be limited to those set out in the Administrator's contract, but in no event shall the Administrator's fees exceed \$1,000,000.00 per year.

Powers and Duties of the Administrator

40. The Administrator shall independently review EDMC's compliance with the terms of this Consent Judgment in accordance with the work plan referenced in paragraph 35. In furtherance of this purpose, and without limiting the power of the Administrator to review any relevant matter within the scope of this Consent Judgment, the Administrator shall be permitted to:

- (a) observe Admissions Representative and Student Financial Services Representative training sessions;
- (b) monitor telephone calls and meetings between Admissions Representatives or Student Financial Services Representatives, on the one hand,

and Students or Prospective Students, on the other; the Administrator shall not be permitted to participate in such calls or attend such meetings, but it is expressly understood that the Administrator may utilize "mystery shoppers"; a "mystery shopper" is a person hired to pose as a Prospective Student and collect information regarding an Admissions Representative's or Student Financial Service Representative's compliance with this Consent Judgment;

(c) review transcripts, recordings, and/or reports related to any telephone call or meeting with Prospective Students;

(d) review materials used to train Admissions Representatives and Student Financial Services Representatives;

(e) review complaints made to EDMC, its accreditors, the Attorneys General, the Better Business Bureau, or any state or federal governmental body, after the Effective Date of this Consent Judgment, which potentially concern or relate to any of EDMC's recruitment, admissions, Student financial aid, or career services practices;

(f) receive and review complaints concerning EDMC referred by the United States of America, acting through the United States Department of Justice and on behalf of the U.S. Department of Education (collectively, for purposes of this subparagraph and paragraph 50, the "United States"), the States of California, Florida, Illinois, Indiana, and Minnesota (collectively, the "Intervened States"), and the Commonwealth of Massachusetts, the District of Columbia, and the States of Kentucky, Montana, New Jersey, New Mexico, New York, and Tennessee (collectively, the "Non-Intervened States");

- (g) review EDMC's advertisements, marketing materials, websites, catalogs, enrollment agreements, disclosures, and other public-facing media to verify compliance with this Consent Judgment;
- (h) review documents, data, and information related to EDMC's calculation of any job placement rate;
- (i) monitor EDMC's compliance practices with respect to the conduct of Third-Party Lead Vendors;
- (j) review documents in the possession of EDMC or reasonably accessible to EDMC related to the conduct of Third-Party Lead Vendors;
- (k) review communications with Students and Prospective Students in the possession of EDMC or reasonably accessible to EDMC related to Student recruitment, admissions, financial aid, or career services;
- (l) monitor EDMC's compliance with its refund policy;
- (m) monitor EDMC's compliance with data reporting requirements imposed by this Consent Judgment;
- (n) monitor EDMC's complaint resolution practices;
- (o) review reports related to EDMC's audit of Third-Party Lead Vendors;
- (p) review EDMC's institutional and programmatic accreditation status to verify compliance with this Consent Judgment;
- (q) review EDMC's records to verify EDMC's compliance with its obligation to forgo efforts to collect outstanding debt from certain Students pursuant to paragraphs 120 and 121 of this Consent Judgment;

(r) have reasonable access to books, records, other documents, and staff sufficient to insure implementation of and compliance with this Consent Judgment; and

(s) have reasonable access to employees and Former Employees of EDMC as the Administrator deems necessary to insure implementation of and compliance with this Consent Judgment; reasonable access for purposes of this subparagraph includes disclosing the identity of any current employee or Former Employee if the identity is requested by the Administrator and can be determined by EDMC; reasonable access to current employees shall include providing appropriate times and locations for staff interviews; and reasonable access to Former Employees shall include providing the most recent contact information available;

provided, however, that this Consent Judgment shall not effectuate a waiver of the attorney-client privilege or the attorney-work-product doctrine, and the Administrator shall not have the right to demand access to documents or information protected by the attorney-client privilege or the attorney-work-product doctrine.

41. The Administrator shall make a good faith effort to leverage EDMC's existing compliance mechanisms when reviewing EDMC's compliance with this Consent Judgment.

42. The Administrator shall make a good faith effort to perform his or her duties in a manner designed to cause minimal disruption to EDMC's activities. In this regard, EDMC shall designate senior officials within the Office of the Chief Compliance Officer (or any office subsequently organized to succeed to the duties of the foregoing office) to

serve as the primary points of contact for the Administrator in order to facilitate the Administrator's access to documents, materials, or staff necessary to review EDMC's compliance with this Consent Judgment. The Administrator shall communicate any request for documents, materials, or access to staff to the designated contacts, unless otherwise instructed. For the avoidance of doubt, nothing in this paragraph shall be interpreted to prohibit the Administrator from speaking with a current or Former Employee of EDMC.

43. If at any time the Administrator believes that there is undue delay, resistance, interference, limitation, or denial of access to any records or to any employee or Former Employee deemed necessary by the Administrator to implement or review compliance with this Consent Judgment, the Administrator may meet and confer with the designated EDMC officials referenced in paragraph 42. If the Administrator cannot resolve such limitation or denial, it shall be immediately reported to the Attorneys General.

44. Nothing in this Consent Judgment shall limit the ability of the Administrator to communicate at any time with the Attorneys General regarding EDMC's conduct or to provide documents or information to the Attorneys General.

Oversight and Compliance

45. The Administrator and the designated EDMC officials referenced in paragraph 42 shall meet on a quarterly basis, or more frequently if the Administrator deems reasonably necessary, in order to discuss any facts, matters, issues, or concerns that may arise in the administration of this Consent Judgment or that may come to the attention of the Administrator. The purpose of these meetings is to permit EDMC to confer with the Administrator and address issues and concerns as they arise. In addition, the Administrator

may in his discretion and on reasonable advance notice invite the EDMC officials referenced in paragraph 42 and the Attorneys General to meet and confer to the extent he deems it reasonably necessary for the administration of this Consent Judgment.

46. The Administrator shall issue a report (hereinafter "Annual Report") to the Attorneys General and to EDMC within nine (9) months after the Effective Date and every twelve (12) months thereafter for the duration of the Administrator's term. The Administrator may make more frequent reports as deemed reasonably necessary or upon request of the Attorneys General. All written reports requested by the Attorneys General shall be provided to EDMC prior to their presentation to the Attorneys General. The Administrator and EDMC shall meet and confer to discuss all written reports and Annual Reports prior to their presentation to the Attorneys General. As part of this conferral process, the Administrator shall in good faith consider all reasonable modifications to the report proposed by EDMC. Upon request, the Attorneys General shall be granted access to the draft reports.

47. The Annual Report shall include:

- (a) a description of the methodology and review procedures used;
- (b) an evaluation of whether EDMC is in compliance with the provisions of this Consent Judgment, together with a description of the underlying basis for that evaluation; and
- (c) a description of any practice which the Administrator believes may constitute a deceptive or unfair practice (as those terms are commonly understood in the context of consumer protection laws).

48. The Administrator's reports (including the Annual Reports) shall identify only practices or patterns of noncompliance by EDMC, if any, and are not intended to identify isolated incidents, unless the Administrator determines that such incidents are indicative of EDMC's substantial non-compliance with the Consent Judgment.

49. If, at the conclusion of the Administrator's three-year term, the Attorneys General determine in good faith and in consultation with the Administrator that justifiable cause exists, the Administrator's engagement shall be extended for an additional term of up to two (2) years, subject to the right of EDMC to commence legal proceedings for the purpose of challenging the decision of the Attorneys General and to seek preliminary and permanent injunctive relief with respect thereto. For purposes of this paragraph, "justifiable cause" means a failure by EDMC to achieve and maintain substantial compliance with the substantive provisions of the Consent Judgment.

Use of the Administrator's Reports

50. The Administrator's reports (including the Annual Reports) and testimony may be used by the Attorneys General or EDMC in any action or proceeding relating (a) to this Consent Judgment or (b) to any EDMC conduct reported by the Administrator to the Attorneys General, and the reports shall be admissible into evidence in any such action or proceeding. In addition, the United States, the Intervened States, and the Non-Intervened States shall have whatever rights to receive and/or use reports or other information provided by the Administrator to the Attorneys General that may be created in any settlement agreement that is subsequently executed by and between the United States, the Intervened States, and the Non-Intervened States and EDMC. For the avoidance of doubt, the Parties do not intend for the Administrator's reports (including the Annual Reports) to be admissible in any action or proceeding other than an action or proceeding described in

the preceding sentences. No action or lack of action by the Attorneys General regarding information received from the Administrator regarding EDMC's conduct shall be considered affirmation, acceptance, or ratification of that conduct by the Attorneys General, and the Attorneys General reserve the right to act at any time regarding information provided to them by the Administrator.

Confidentiality

51. The Administrator shall keep confidential any information, documents, and reports obtained or produced in the course of the Administrator's duties from any and all individuals, entities, regulators, government officials, or any other third party that is not a party to this Consent Judgment. Nothing in the preceding sentence shall limit the ability of the Administrator to make any disclosure compelled by law.

52. It is understood that any document, information, or report shared with the Attorneys General pursuant to this Consent Judgment (including reports created by the Administrator pursuant to paragraphs 46 and 116) is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.* Nevertheless, the Attorneys General recognize that some or all of such documents, information, or reports may be confidential pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*, or other applicable state or federal laws. In the event that the Attorneys General (or any of them) receive a request to disclose a document, information, or report, and the Attorneys General (or any of them) determine that the requested document, information, or report is not confidential pursuant to applicable law and is subject to disclosure, or if the Attorneys General (or any of them) are compelled to produce the material pursuant to a court or administrative order, the relevant Attorney(s) General shall provide notice to EDMC ten (10) business days prior to disclosing the document, information, or report to any third party, or any lesser period

required under state law. Notwithstanding the above requirements, the Attorneys General may share any document, information, or report subject to this paragraph with any other local, state, or federal agency empowered to investigate or prosecute any laws, regulations, or rules. Subject to the foregoing, unless required under applicable state law, the Attorneys General shall not release to the public any confidential document or information provided by EDMC pursuant to this Consent Judgment.

53. The Administrator shall create a summary public version of each Annual Report created pursuant to paragraph 46 of this Consent Judgment. The summary public version of each Annual Report shall exclude all information that the Administrator determines, in consultation with EDMC, to be the proprietary information of EDMC.

Miscellaneous Administrator Provisions

54. Non Retaliation Clause: EDMC shall not intimidate, harass, threaten, or penalize any employee or Former Employee for his or her cooperation with or assistance to the Administrator relating to the Administrator's Powers and Duties to ensure implementation of and compliance with this Consent Judgment.

55. Compliance Hotline: It is understood that EDMC is operating a compliance hotline, which permits employees to lodge concerns with EDMC anonymously. EDMC shall continue to maintain this hotline or a reasonable equivalent. EDMC shall provide the Administrator access to any complaints or reports made through this hotline (whether made anonymously or not).

REQUIRED DISCLOSURES

General Disclosures

56. Before obtaining signed Enrollment Agreements, EDMC shall Clearly and Conspicuously disclose to Prospective Students a "Single-Page Disclosure Sheet" that

conforms as to form to the sample disclosure sheet attached as Exhibit B hereto and contains the following information:

- (a) the Anticipated Total Direct Cost for the Program of Study at the prospective campus; *provided, however*, that this provision shall not be interpreted to restrict EDMC's ability to change tuition, fees, or expenses;
- (b) the Median Debt for Completers for the Program of Study for the most recent reporting period;
- (c) the Program Cohort Default Rate for the most recent reporting period;
- (d) the Program Completion Rate for the most recent reporting period;
- (e) the Transferability of Credits Disclosure;
- (f) the Median Earnings for Completers for the Program of Study for the most recent reporting period, if available; and
- (g) the Job Placement Rate Disclosure for the Program of Study at the prospective campus for the most recent reporting period, if available.

57. Specifically, EDMC shall Clearly and Conspicuously disclose the Single-Page Disclosure Sheet for the Program of Study in which the Prospective Student is seeking to enroll prior to a Prospective Student's execution of the Enrollment Agreement in the following ways: (1) by Clearly and Conspicuously disclosing the Single-Page Disclosure Sheet during the application process, prior to the Prospective Student's submission of a completed application; and (2) by Clearly and Conspicuously disclosing and discussing with the Prospective Student the Single-Page Disclosure Sheet when a representative of an EDMC school reviews or discusses with a Prospective Student a

completed FAFSA and/or financial plan. When the requirements of subparagraphs (1) and/or (2) are performed at an in-person meeting with the Prospective Student, in addition to any other method of Clear and Conspicuous disclosure, EDMC shall also provide the Prospective Student with a printed copy of the Single-Page Disclosure Sheet; *provided, however,* that EDMC shall not be required to provide multiple printed copies of the Single-Page Disclosure Sheet to a Prospective Student who attends more than one in-person meeting. Additionally, except where the Prospective Student has not provided EDMC with an email address, EDMC shall also email the Single-Page Disclosure Sheet to the Prospective Student prior to the execution of the Enrollment Agreement.

58. Before an already-enrolled Student begins a new Program of Study, EDMC shall Clearly and Conspicuously disclose to the Student the Single-Page Disclosure Sheet for that Program of Study. Additionally, except where the Student has not provided EDMC with an email address, EDMC shall also email the Single-Page Disclosure Sheet to the Student prior to that Student enrolling in the new Program of Study.

59. EDMC shall be permitted to make such reasonable changes to the Single-Page Disclosure Sheet and to the form and timing of the disclosure of the Single-Page Disclosure Sheet as are approved by the Administrator in consultation with the Attorneys General.

60. EDMC may calculate and disclose to Students and Prospective Students, in materials other than the Single-Page Disclosure Sheet, information with respect to the income earned by EDMC's graduates in reporting periods as to which the Median Earnings for Completers is not available, provided that such information is not false, misleading, or deceptive.

61. If an EDMC school elects to disclose that it has articulation agreements for the transferal of credits to other schools, then, in addition to the foregoing, the EDMC school shall also Clearly and Conspicuously: (a) list any school(s) with articulation agreements with that EDMC school, (b) list the classes for which the receiving school allows credits to transfer, (c) disclose any conditions upon the acceptance of transferred credits, and (d) disclose that credits are accepted by the receiving school for elective credit only, if that is the case.

Job Placement Rate Disclosures

62. For any Program of Study at an EDMC school that is required to calculate or provide a job placement rate by any accreditor or any federal, state, or local law, rule, or judgment, EDMC shall calculate a Job Placement Rate for such Program of Study in accordance with this Consent Judgment, and such rate shall be disclosed on the Single-Page Disclosure Sheet described in paragraph 56. If an EDMC school voluntarily calculates a job placement rate for any Program of Study offered at an EDMC campus, it must calculate the Job Placement Rate in accordance with this Consent Judgment for that Program of Study and also calculate a Job Placement Rate in accordance with this Consent Judgment for all Programs of Study that are offered at that same EDMC campus, and such rates shall be disclosed on the Single-Page Disclosure Sheet described in paragraph 56. For purposes of this paragraph, all online offerings of each one of EDMC's schools shall be considered a "campus." Notwithstanding the foregoing, EDMC shall not be required to calculate Job Placement Rates for (a) any Program of Study that EDMC is teaching out (*i.e.*, that is not accepting new Students) or (b) Graduates/Completers of Western State College of Law.

63. If EDMC does not calculate a job placement rate for a Program of Study,

and it is not required to calculate a Job Placement Rate by this Consent Judgment, then EDMC shall disclose to Prospective Students on the Single Page Disclosure Sheet that: “[EDMC school] does not calculate a job placement rate for students who completed this program.”

64. EDMC shall not make any claims or representations to Prospective Students about the likelihood of such Prospective Students obtaining employment after completing a Program of Study if it does not calculate and disclose a Job Placement Rate in accordance with this Consent Judgment.

65. The Job Placement Rate calculated in accordance with this Consent Judgment shall be disclosed on the U.S. Department of Education’s Gainful Employment Program Disclosure Template, which is the disclosure form issued by the Secretary of the U.S. Department of Education for Gainful Employment Programs, as well as at the time(s) and in the manner(s) provided herein. Moreover, with respect to job placement rates that EDMC calculates after the Effective Date, EDMC shall not report and/or disclose any job placement rate other than the Job Placement Rate calculated in accordance with this Consent Judgment, except as permitted by paragraph 69(e) or as may be required by a government entity or accreditor. EDMC must comply with any state regulations in addition to the requirements of this Consent Judgment.

66. Notwithstanding anything to the contrary in this Consent Judgment, EDMC shall not be required to disclose a Program Completion Rate, a Program Cohort Default Rate, a Median Debt for Completers, or a Job Placement Rate for any Program of Study at a location with fewer than ten (10) Students or Graduates/Completers, as applicable, in that program.

67. Notwithstanding anything to the contrary in this Consent Judgment, EDMC shall not be required to calculate a Job Placement Rate for new Programs of Study that have not had any Completers or Graduates. A Program of Study is not "new" for purposes of this paragraph if the same campus at which the Program of Study is offered previously offered a program of substantially similar subject matter, content, length, and ending credential. For the avoidance of doubt, a Program of Study will be "new" for purposes of Job Placement Rate calculations if any governmental entity or any relevant accreditor considers the Program of Study substantially different from a prior Program of Study in terms of subject matter, content, length, or ending credential.

68. If EDMC relies on a third party for verifying and/or calculating Job Placement Rates, EDMC shall enter into a contract with such third party pursuant to which the third party shall agree to adhere to the requirements of this Consent Judgment concerning calculation and/or verification of Job Placement Rates (to the extent applicable) and require the third party to provide any requested information regarding the calculation and/or verification of Job Placement Rates to the Administrator. EDMC shall monitor such third party's compliance with these requirements.

69. EDMC shall deem an individual as "placed" only if the Graduate or Completer meets the below conditions of "employed" or "self-employed."

(a) Employed. The individual shall be deemed "employed" if each of the following six (6) requirements are met:

(1) The position is in the field of study or a related field of study.

The position shall be considered to be in the field of study or a related field of study if it meets one of the following criteria:

(i) the position is included on the list of job titles for the Graduate's/Completer's Program of Study published by the school and is included in the most recent CIP to SOC Crosswalk for the applicable CIP Code; *provided, however*, that it is understood that in an instance where a Graduate/Completer's actual job title is not listed on the CIP to SOC Crosswalk, EDMC may include the job as a placement under this provision if the job title the Graduate/Completer obtained is listed as a "Lay Title" on the O*Net Code Connector for an SOC job title that is linked to the Graduate/Completer's Program CIP per the CIP to SOC Crosswalk, regardless of any job level within the Graduate/Completer's title (e.g., Registered Nurse 1, Registered Nurse 2, etc.), and the job description by the employer for the job title the Graduate/Completer obtained predominantly matches the job description, tasks, and work activities for the SOC job title that is linked to the CIP for the Graduate/Completer's program; or

(ii) the position requires the Graduate/Completer to use, during a majority of the time while at work, the Core Skills listed in the school's published program and course descriptions expected to have been taught in the Student's program; and (x) the written job description requires education beyond a high school diploma or provides that a postsecondary credential is preferred, (y) the position is one as a supervisor or manager, or (z) the

Graduate/Completer or the employer certifies in writing that the education received by the Graduate/Completer provided a benefit or advantage to the Graduate/Completer in obtaining the position.

(2) The position is a permanent position (*i.e.*, there is no planned end date) or a temporary position that the Graduate/Completer expects to maintain for a minimum of one hundred and eighty (180) days;

(3) The position is a paid position;

(4) The position requires at least twenty (20) work hours per week;

(5) The Graduate/Completer has worked in the position for a minimum of thirty (30) days; and

(6) EDMC has verified the employment after the Graduate/Completer has worked in the position for a minimum of thirty (30) days by: (i) speaking to either the employer or an agent of the employer to confirm employment, (ii) contacting the Graduate/Completer directly, (iii) receiving an email from the Graduate/Completer, or (iv) the Graduate/Completer's employer provides employment information about the Graduate/Completer by email or other written confirmation, or on-line.

(b) Self-Employed. The individual shall be deemed placed as "self-employed" if each of the following four (4) requirements is met:

(1) The position is in the field of study or a related field of study. The position shall be considered to be in the field of study or a related field of study if it meets one of the following criteria:

(i) the position is included on the list of job titles for the Graduate's/Completer's Program of Study published by the school and is included in the most recent CIP to SOC Crosswalk for the applicable CIP Code; *provided, however*, that it is understood that in an instance where a Graduate/Completer's actual job title is not listed on the CIP to SOC Crosswalk, EDMC may include the job as a placement under this provision if the job title the Graduate/Completer obtained is listed as a "Lay Title" on the O*Net Code Connector for an SOC job title that is linked to the Graduate/Completer's Program CIP per the CIP to SOC Crosswalk and the job description by the employer for the job title the Graduate/Completer obtained matches the job description, tasks, and work activities for the SOC job title that is linked to the CIP for the Graduate/Completer's program; or

(ii) the position requires the Graduate/Completer to use, during a majority of the time while at work, the Core Skills listed in the school's published program and course descriptions expected to have been taught in the Student's program; and the Graduate/Completer certifies in writing that the education received by the Graduate/Completer provided a benefit or advantage to the Graduate/Completer in performing the tasks entailed in such self-employment;

(2) The Graduate/Completer has received some compensation in return for services provided in connection with the self-employment;

(3) In the case of grant-funded or similar employment, the position is anticipated to employ the Graduate/Completer for a period of no less than three (3) months; and

(4) EDMC has verified the self-employment and the Graduate/Completer has either (a) completed at least 135 hours of work (including, for example, time devoted to marketing or other unpaid preparatory or developmental work) in connection with the Graduate/Completer's self-employment or (b) received no less than \$4,500.00 in compensation, over a period of no more than ninety (90) days, in return for services provided in connection with the self-employment, provided that EDMC has obtained written verification directly from the Graduate/Completer that includes: (i) an attestation that s/he is self-employed with a description of the nature of the self-employment and (ii) the number of hours worked and/or amount of compensation earned.

(c) Federal Work/Study positions at EDMC or any affiliated school shall not be counted as "employment" or "self-employment."

(d) Continuing Employment.

(1) Graduates/Completers continuing employment in a position that was held prior to enrolling in the Program of Study shall not be deemed "placed" unless:

(i) the requirements of subsections (a)(1) through (a)(6) of this paragraph are met; and

(ii) completing the Program of Study enabled the Graduate/Completer to maintain the position, or the Graduate/Completer earned a promotion or an increase in pay as a result of completing the Program of Study.

(2) If a Graduate/Completer continuing in a pre-enrollment position enrolled in the Program of Study pursuant to an “established employer educational assistance program,” and the conditions of subsection (d)(1)(ii) of this paragraph are not satisfied, then the Graduate/Completer shall be excluded from the Job Placement Rate calculation. (The term “established employer educational assistance program” shall mean a program evidenced in writing in which an employer pays 50% or more of the cost of tuition for its employee to attend a Program of Study to gain skills related to the employee’s current position with the employer.)

(e) EDMC’s first calculation of the Job Placement Rate in accordance with the provisions of this Consent Judgment will be for the cohort of Graduates and Completers from July 1, 2015 through June 30, 2016. EDMC has represented that prior to the execution of this Consent Judgment it collected job placement information for some or all of the Graduates/Completers in the July 1, 2013 through June 30, 2014 and July 1, 2014 through June 30, 2015 cohorts (for purposes of this subparagraph, the “Interim Cohorts”). It is understood that any job placement rate calculation made by EDMC with respect to the Interim Cohorts shall comply with

the conditions and limitations provided in paragraph 23(c) and (d), except for job placement rates required by a government entity or accreditor. Additionally, whenever disclosing a job placement rate with respect to the Interim Cohorts that was calculated pursuant to EDMC's own methodology, EDMC shall Clearly and Conspicuously disclose, if applicable, that the rate calculated pursuant to EDMC's methodology includes as placements employment positions that Graduates/Completers had obtained prior to enrolling in the Program of Study. EDMC shall not calculate and disclose any job placement rates with respect to the Interim Cohorts except in accordance with this subparagraph or as may be required by any accreditor or government entity.

70. EDMC shall implement a protocol for performance checks of those employees responsible for verifying, calculating, and/or disclosing job placement rates. Such performance checks shall be designed to provide a reliable assessment of the accuracy of disclosed job placement rates and compliance by EDMC's employees, agents, and/or contractors with the verification, calculation, and disclosure of job placement rates. The performance checks shall be carried out regularly by EDMC's compliance department or an independent third party, if used. If the school obtains placement data by contacting employers and Completer/Graduates, the information should be documented in writing, including, to the extent practicable, the name of the employer, name of the Student, address and telephone number of Student and employer, title of employment, duties of employment, length of employment, hours worked, the name and title of the person(s) providing the information to EDMC, the name and title of the person(s) at EDMC who

received and recorded the information, and the date the information was provided. EDMC shall maintain a copy of the above information for a period no less than three (3) years.

Electronic Financial Impact Platform Disclosures

71. Prior to enrolling in a Program of Study, a Prospective Student must generate a personalized disclosure using the Electronic Financial Impact Platform; *provided, however*, that Prospective Students who are ineligible for federal student aid or who are not borrowing funds to finance their education shall be exempt from this requirement. For the avoidance of doubt, in the event that a Student chooses to revisit the Electronic Financial Impact Platform after enrolling in a Program of Study, EDMC shall not have any additional obligations to that Student under this paragraph.

72. EDMC shall undertake reasonable efforts to provide feedback to the Consumer Financial Protection Bureau (“CFPB”) with regard to any preliminary versions of the Electronic Financial Impact Platform that the CFPB presents to EDMC. Once the CFPB has provided a ready-to-implement version of its Electronic Financial Impact Platform to EDMC, EDMC shall have sixty (60) days to determine whether it will use the CFPB’s Electronic Financial Impact Platform.

73. If EDMC determines not to use an Electronic Financial Impact Platform that is developed by the Consumer Financial Protection Bureau, EDMC and the Administrator, in consultation with the Attorneys General, shall work in good faith to establish the content, operation, and presentation of the Electronic Financial Impact Platform and the form of the disclosure required by paragraph 71, and EDMC must thereafter present any material changes to the content, operation, or presentation of the Electronic Financial Impact Platform to the Administrator, in consultation with the Attorneys General, for approval prior to use.

MISREPRESENTATIONS, PROHIBITIONS, AND REQUIRED CONDUCT

74. In connection with the recruitment of any Prospective Students, Defendants are prohibited from:

- (a) making any false, deceptive, or misleading statements;
- (b) omitting any material fact;
- (c) engaging in unfair practices (as that term is commonly understood in the context of consumer protection laws);
- (d) using any Abusive Recruitment Methods to persuade a Student to enroll or remain enrolled at an EDMC school; and
- (e) making any representation inconsistent with required Disclosures of the U.S. Department of Education found in Title 34 of the Code of Federal Regulations Chapter 668 as such regulations may be amended or recodified.

75. In connection with any communication with Students or Prospective Students, Defendants shall not:

- (a) make a false, misleading, or deceptive statement about any governmental (federal, state, or other) approval related to a Program of Study;
- (b) represent that a "recommendation" is required for acceptance into a Program of Study or that an Admissions Representative must recommend the Student for acceptance prior to admission unless such recommendation is an independent requirement for admission and is expressly stated in the catalog; or
- (c) provide inaccurate statistics regarding any statistic required to be disclosed by this Consent Judgment or by the U.S. Department of Education in Title 34 of the Code of Federal Regulation Chapter 668.

76. In connection with any communication with Students or Prospective Students, Defendants shall not make any false, deceptive, or misleading statements or guarantees concerning Student outcomes by:

(a) misrepresenting that Students will be assured program completion or graduation;

(b) misrepresenting that Students will be assured a job or employment following graduation; or

(c) misrepresenting how many of the Student's credits will transfer in or out of the school, or representing to the Student that any credits obtained while attending the school are transferable (unless EDMC receives written assurance from another school or transfer of credits is assured through an articulation agreement or is required by state law).

77. In connection with any communication with Students or Prospective Students concerning financial aid, Defendants shall not:

(a) make any false, deceptive, or misleading statements concerning whether a Student will receive financial aid or any particular amount of financial aid;

(b) purport to guarantee a Student particular military or veteran benefit without proper documentation on file; or

(c) imply that financial aid or military funding will cover the entire costs of tuition, the costs of books or supplies, or the costs of attending a Program of Study, including living expenses, if such is not the case.

Notwithstanding the prohibitions contained in subparagraphs (a) through (c), EDMC and

its representatives are permitted to provide good-faith estimates to Students and Prospective Students about the amount of financial aid they may be expected to receive.

78. Defendants shall not make express or implied false, deceptive, or misleading claims to Prospective Students with regard to the likelihood of obtaining employment as a result of enrolling, including, but not limited to misrepresenting:

(a) the percentage, rate, or portion of Students who obtain employment following the completion of a Program of Study;

(b) the annual starting salary for persons employed in a given field;

(c) the annual starting salary of Graduates employed in a given field;

and

(d) the annual starting salary of Graduates.

79. Defendants shall not make any express or implied false, deceptive, or misleading claims that Program Completion Rates, job placement rates, or annual salaries that are generally applicable to EDMC are equivalent to those for a specific Program of Study or that school-wide rates for a Program of Study are equivalent to those for a specific campus.

80. Defendants shall not make express or implied false, deceptive, or misleading claims to Students or Prospective Students with regard to the ability to obtain a license or certification from a third party as a result of enrolling in a Program of Study, including but not limited to misrepresenting:

(a) whether the Program of Study will qualify a Student to sit for a licensure exam, if any;

(b) the types of licensure exams Students are eligible to sit for;

(c) the states where completion of the Program of Study will qualify a Student to take an exam or attain immediate authorization to work in the field of study;

(d) the passage rates of Graduates from that Program of Study;

(e) the states where completion of the Program of Study will not qualify a Student to sit for a licensure exam or attain immediate authorization to work in the field of study; and

(f) the states where a Student may be qualified to work within a profession if the Student must meet other requirements to be employed in such states.

81. Defendants shall not make express or implied false, deceptive, or misleading claims to Prospective Students with regard to the academic standing of its programs and faculty including, but not limited to misrepresenting:

(a) the transferability, or lack thereof, of any credits, including but not limited to any credits for which the Student wishes to receive credit from an EDMC school and for all credits from an EDMC school for which the Student may wish to receive credit from another school;

(b) the accreditation and the name of the accrediting organization(s);

(c) the Student/faculty ratio;

(d) the percentage of faculty holding advance degrees in the program;

(e) the names and academic qualifications of all full-time faculty members;

(f) the course credits and any requirements for satisfactorily completing a Program of Study, such as clinicals, internships, and externships; and

(g) the Program Completion Rates for each of its offered Programs of Study.

82. Defendants shall not make express or implied false or misleading claims to Prospective Students regarding actual or potential financial obligations the Student will incur regarding a Program of Study, including but not limited to:

(a) the Cost of Attendance;

(b) the Anticipated Total Direct Cost the Student will incur to complete the Program of Study;

(c) the Program Cohort Default Rate; and

(d) the Median Debt of Completers of each Program of Study.

83. EDMC shall provide all Admissions Representatives and Student Financial Services Representatives with the information reasonably necessary to inform Prospective Students about EDMC and its Programs of Study, including but not limited to the Single-Page Disclosure Sheet, and if a representative of EDMC truthfully advises a Student or Prospective Student that he or she does not have the information requested by the Student or Prospective Student at hand, then EDMC shall subsequently, to the extent such information is reasonably ascertainable prior to the expiration of the applicable refund period established by paragraph 104 (or, if no such refund period applies, prior to the first day of the Student's semester, quarter, or payment term), provide such information.

84. Except in circumstances in which paragraph 86 applies, if a Prospective Student expresses an interest in pursuing a career as a medical assistant, psychologist,

surgical technician, surgical technologist, or surgical assistant following graduation from a Program of Study, the following shall apply:

(a) If the Prospective Student has expressed an interest in pursuing a career as a medical assistant following graduation from a Program of Study, and the Program of Study lacks accreditations from the Commission on Accreditation of Allied Health Education Programs ("CAAHEP") or the Accrediting Bureau of Health Education Schools ("ABHES"), EDMC shall inform the Prospective Student that employers may prefer to hire medical assistants who have been designated as Registered Medical Assistants ("RMA") or Certified Medical Assistants ("CMA"), and shall further inform the Prospective Student that graduates from the Program of Study will be eligible to sit for the examination to obtain the RMA designation but will not be eligible to sit for the examination to obtain the CMA designation.

(b) If the Prospective Student has expressed an interest in pursuing a career as a psychologist following graduation from a Program of Study, the Prospective Student is considering enrolling in a Program of Study that is not accredited by the American Psychological Association ("APA"), and APA accreditation is required for licensure in the state where the student resides or the campus is located, EDMC shall inform the Prospective Student that because the Program of Study is not APA-accredited, the Prospective Student is not eligible to obtain licensure as a clinical psychologist, school psychologist, or counseling psychologist at the state level in the relevant state(s).

(c) If the Prospective Student has expressed an interest in pursuing a

career as a surgical technician, surgical technologist, or surgical assistant, and the Prospective Student is considering enrolling in a Program of Study that is not accredited by CAAHEP or ABHES, EDMC shall inform the Prospective Student that employers may prefer to hire surgical technicians, surgical technologists, and surgical assistants who have obtained certification as Certified Surgical Technologists ("CST"), and shall further inform the Prospective Student that because the Program of Study lacks CAAHEP or ABHES accreditation, the Prospective Student will not be eligible to become a CST.

(d) If EDMC, the Administrator, or the Attorneys General become aware of credible information indicating that a lack of programmatic accreditation for a particular Program of Study is prohibiting a significant number of graduates from that Program of Study from obtaining a specific career due to employer preferences in a state, regional, or national market, the parties shall work in good faith to determine whether such information is reasonably reliable and, if necessary, develop an appropriate disclosure similar to the disclosures required by subparagraphs (a) through (c).

85. Except as set forth in paragraph 87, EDMC shall not represent in advertising, marketing, or promotional materials or otherwise that graduates of a Program of Study would be qualified for a particular occupation if that Program of Study lacks an accreditation necessary to qualify graduates for such occupation.

86. Except as set forth in paragraph 87, for Programs of Study that prepare Students for employment in fields that require Students to obtain state licensure or authorization for such employment, Defendants shall not enroll Students in the Program of

Study if graduation from the Program of Study would not qualify such Students for state licensure or authorization or to take the exams required for such licensure or authorization in the state in which:

(a) the EDMC campus is located, if the Program of Study is offered at an on-ground campus;

(b) the Prospective Student resides, if the student resides in a different state from the on-ground campus; or

(c) the Prospective Student resides if the Program of Study is offered online.

87. The prohibitions established by paragraphs 85, 86, and 89 shall not apply if:

(a) the Program of Study is a new program that cannot obtain a programmatic accreditation that would be necessary to qualify Students for state licensure or authorization or to take exams required for such licensure or authorization in the relevant state until the program is operational, the school is making a good faith effort to obtain the necessary programmatic accreditation in a timely manner, the school Clearly and Conspicuously discloses to Prospective Students on all promotional materials for the Program of Study and in a Clear and Conspicuous written disclosure prior to the Student signing an Enrollment Agreement that such programmatic accreditation would need to be obtained before the Student would qualify for state licensure or authorization or to take exams required for such licensure or authorization, and EDMC teaches-out the program if the school's application for accreditation for a program subject to this paragraph is denied, and it is not subject to further review;

(b) the Prospective Student has notified EDMC in writing that the Student intends to seek employment in a state where the program does lead to immediate state licensure or authorization or qualification to take the exams required for such licensure or authorization;

(c) the Prospective Student has already completed some of the coursework necessary to complete the Program of Study and is seeking re-enrollment, and EDMC advises the Prospective Student Clearly and Conspicuously in writing prior to re-enrollment that completion of the Program of Study is not expected to qualify the Student for state licensure or authorization or to take exams required for such licensure or authorization; or

(d) the reason that graduation from the Program of Study would not qualify the Prospective Student for state licensure or authorization or to take the exams required for such licensure or authorization is that the Prospective Student has a criminal record that is disqualifying, and EDMC has complied with the disclosure and acknowledgement requirements of paragraph 90.

88. Defendants shall take reasonable measures to arrange and facilitate sufficient placements for Students in internships, externships, practicums, or clinicals that are prerequisites for graduation, licensure, or certification; *provided, however*, that nothing herein shall prevent an EDMC school from requiring its Students to seek to obtain an internship, externship, practicum, or clinical through their own efforts in the first instance.

89. EDMC shall not knowingly enroll a Student in a Program of Study that does not possess the accreditation typically required by employers in the Student's locality for employment. "Typically" shall mean 75% or more of job opportunities in a particular

occupation are open only to graduates of a school with certain accreditation(s) and/or an academic program with certain programmatic accreditation(s). EDMC shall make reasonable efforts to assess local employer requirements in localities where they enroll Students.

90. If EDMC knows that a criminal record may disqualify a Student from employment in the field or a related field for which the Program of Study is a prerequisite, then EDMC shall (a) Clearly and Conspicuously disclose that a criminal record may disqualify the Student for the chosen field or related field of employment and (b) require the Student's acknowledgment of such disclosure in writing at or before the time of enrollment. If EDMC knows that a criminal record will disqualify a Student from employment in the field or a related field for which the Program of Study is a prerequisite, then EDMC shall (a) Clearly and Conspicuously disclose that a criminal record will be disqualifying and (b) require the Student's acknowledgment of such disclosure in writing at or before the time of enrollment.

91. Arbitrations between EDMC and any Student shall not be protected or treated as confidential proceedings, unless confidentiality is required by law or the Student requests confidentiality. EDMC shall not ask or require any Student, participant, or witness to agree to keep the arbitration confidential. Except as may be prohibited by law or a Student request for confidentiality, and subject to appropriate assertions of the attorney-client privilege and/or the attorney-work-product doctrine, the Administrator and government entities and regulating bodies, including, but not limited to, state Attorneys General, shall not be prohibited from reviewing or inspecting the parties, proceedings, and evidence pertaining to the arbitration.

92. EDMC shall not adopt any policy or engage in any practice that delays or prevents Students with complaints or grievances against EDMC from contacting any accrediting body, state or federal regulator, or Attorney General regarding the complaint or grievance. Notwithstanding anything to the contrary in this paragraph, EDMC shall be permitted to encourage Prospective Students and Students to file any complaint or grievance with EDMC in the first instance, so long as EDMC does not represent or imply that Students are required to file their complaints or grievances with EDMC before contacting any accrediting body, state or federal regulator, or Attorney General regarding the complaint or grievance, unless the accrediting body, state or federal regulator, or Attorney General so requires.

EDMC RECRUITING PRACTICES

93. EDMC shall not engage in any false, misleading, deceptive, abusive, or unfair acts or practices (as those terms are commonly understood in the context of consumer protection laws) when recruiting Prospective Students, including during the orientation program and refund periods referenced in paragraphs 103 and 104.

94. EDMC shall not use Abusive Recruitment Methods when communicating with Prospective Students during the admissions and enrollment process. EDMC shall train Admissions Representatives and other employees to avoid use of Abusive Recruitment Methods. EDMC shall audit its communications with Prospective Students, including those of its Admissions Representatives, to ensure that Abusive Recruitment Methods are not being used. EDMC shall make the results of such audits reasonably available to the Administrator and the Attorneys General upon request.

95. EDMC shall record all telephone calls and online chats between Admissions Representatives or Student Financial Services Representatives, on the one

hand, and Students or Prospective Students, on the other, subject to interruptions in the ordinary course of business; *provided, however*, that EDMC shall not be required to record telephone calls between Students and Admissions Representatives when the purpose of the telephone call or online chat is not to discuss recruiting, admissions, financial aid, or career services issues, but the Admissions Representative is instead serving an advisory role related to the Student's performance in the Program of Study. This provision shall not require EDMC to record telephone calls or online chats placed or received on personal devices, such as cell phones. Admissions Representatives and Student Financial Services Representatives will be trained not to engage in communications with Students on personal devices. EDMC shall acquire and implement an automated voice interaction analytics platform acceptable to the Attorneys General and the Administrator capable of analyzing all of the call recordings required under this paragraph; *provided, however*, that EDMC shall not be required to analyze calls with a duration of two minutes or fewer. EDMC shall make the call recordings required under this paragraph reasonably available to the Administrator and the Attorneys General upon request. The voice analytics platform acquired and implemented shall provide conceptual and intuitive search capability and shall permit searching and remote retrieval. EDMC shall be relieved of its obligations under this paragraph on the seventh anniversary of the Effective Date.

96. Notwithstanding anything to the contrary in this Consent Judgment, EDMC shall not be required to record a telephone conversation if the Student or Prospective Student, after receiving the disclosure required by paragraph 98, objects to the conversation being recorded, nor shall EDMC be prohibited from continuing a telephone conversation with a Student or Prospective Student on an unrecorded line once such an

objection has been made; *provided, however*, that EDMC shall be prohibited from encouraging Students or Prospective Students to object to recording the conversation.

97. Call recordings shall be maintained for a period not less than sixty (60) days after the date of the call. The Administrator shall have full and complete access to all recordings via the voice analytics platform.

98. EDMC shall inform a Prospective Student at the outset of any telephone call after the initial greeting that the call may be being recorded. EDMC shall be permitted to make this disclosure in pre-recorded form.

99. EDMC shall not initiate unsolicited telephone calls to a telephone number that appears on any current Do Not Call Registry. EDMC shall keep an accurate record of and comply with any request to not receive further telephone calls. EDMC shall not initiate any outbound telephone calls to a person who has previously stated to EDMC that he or she does not wish to receive telephone calls from EDMC, or who has expressed a desire not to be contacted anymore by EDMC, or who has requested that they be placed on EDMC's internal do-not-call list.

100. EDMC shall not continue a telephone call after a Prospective Student has expressed a desire to conclude the call or has clearly stated that he/she does not want to apply to or enroll at an EDMC school.

101. EDMC shall not prevent a Prospective Student from consulting with or obtaining advice from a parent, adult friend, or relative with respect to any issue relevant to enrollment.

102. EDMC shall invite Prospective Students under the age of eighteen (18) to bring an adult with them to any interview/meeting on campus prior to enrollment.

REQUIRED ORIENTATION AND REFUND PROVISIONS

103. EDMC shall require all incoming Students (other than graduate Students and Students who have already obtained twenty-four (24) or more credits at the post-secondary education level) to complete an online and/or in-person orientation program prior to the Student's first class at no cost to the Student. This orientation program shall be approved by the Administrator in consultation with the Attorneys General. This orientation program shall address such topics as study skills, organization, literacy, financial skills, and computer competency. A Student may withdraw from enrollment in a Program of Study at any time during the orientation program without any cost, and any grants or financial aid received on behalf of the Student shall be returned to the grantor or lender.

104. All Students who are newly enrolled in any fully online Program of Study at an EDMC school (other than graduate Students and Students who have already obtained twenty-four (24) or more online credits at the post-secondary education level) shall be permitted to withdraw within twenty-one (21) days of the first day of the Student's semester, quarter, or (with respect to students enrolled in a non-term program) payment term at the EDMC school in which the Student enrolled. All Students who are newly enrolled in any on-ground Program of Study at an EDMC school (other than graduate Students) shall be permitted to withdraw within seven (7) days of the first day of the Student's first term or first scheduled day of class, whichever is latest in time, at the EDMC school in which the Student enrolled. EDMC shall Clearly and Conspicuously disclose the availability of the refund periods described in this paragraph in the Enrollment Agreement. EDMC shall not hold a qualifying Student who withdraws in accordance with this paragraph liable for any tuition and fees associated with attending classes and shall return

to grantors or lenders any grants and financial aid received for or on behalf of the Student. Under no circumstances shall the time of a Student's attendance in the orientation program required pursuant to paragraph 103 be included in the refund periods required pursuant to this paragraph.

105. Except for qualifying Students who withdraw during the new Student orientation program required pursuant to paragraph 103 or the applicable refund period established by paragraph 104, when a Student withdraws from a Program of Study, EDMC may retain or be entitled to payment for a percentage of any tuition and fees and other educational costs earned, based on the percentage of the enrollment period attended by the Student, subject to the EDMC school's internal refund policies and applicable law; *provided, however*, that where a student has not attended sixty (60) percent of the academic term as calculated in accordance with 34 CFR 668.22, EDMC shall not retain or be entitled to payment for a percentage of any tuition and fees or other educational costs for a class that was scheduled to be taken during the relevant academic term but was not attended because the student withdrew from school prior to the commencement of the class. No EDMC school shall change its internal policy with respect to calculating the percentage of tuition and fees and other educational costs that a Student remains obligated to pay upon withdrawal in a manner that results in the policy becoming less favorable to Students unless EDMC obtains the prior approval of the Administrator or, if the Administrator's term has expired, the Executive Committee. EDMC shall comply with all state and federal record-keeping requirements for documenting Student attendance and determining dates of withdrawal.

106. EDMC shall comply with applicable state and federal law specifying the amounts owed by or to be refunded to Students to the extent their application would result in a greater refund or lower cost for a Student than is otherwise required herein.

THIRD-PARTY LEAD VENDOR REQUIREMENTS

107. EDMC shall require that all contracts with Third-Party Lead Vendors who provide it with lead generation services include each of the following:

- (a) a provision requiring that the Third-Party Lead Vendor comply with:
 - (i) EDMC's Administrator-approved Online Vendor Compliance Guide in effect at the time of contracting or as may be modified subsequently, subject to approval by the Administrator;
 - (ii) all applicable state and federal consumer protection laws;
 - (iii) all provisions in the Code of Conduct referenced in paragraph 108, when applicable; and
 - (iv) all provisions of the Telephone Consumer Protection Act, 47 U.S.C. § 227.
- (b) a prohibition on attracting Students or obtaining leads by misleading advertising suggesting available employment opportunities rather than educational opportunities;
- (c) a prohibition on representing that a Student or Prospective Student is guaranteed to receive "free" financing from the federal or a state government; *provided, however,* that EDMC may permit its Third-Party Lead Vendors to

represent that grants and scholarships may be available and would not need to be repaid;

(d) a prohibition on representing that loans are grants that do not carry with them an obligation to be repaid;

(e) a provision prohibiting Third-Party Lead Vendors from transferring a consumer inquiry to an EDMC school unless the consumer has expressly informed the Third-Party Lead Vendor that he or she is interested in educational opportunities. Prior to directing a consumer to an EDMC school, Third-Party Lead Vendors shall be required to ask the consumer if they are interested in educational opportunities. Should the consumer say "no," or otherwise provide a clear negative response as to their interest in pursuing educational opportunities, the consumer cannot be directed to an EDMC school. Should the consumer say "I'm not sure," or otherwise provide an equivocal response as to their interest in pursuing educational opportunities as opposed to job opportunities, the Third-Party Lead Vendor shall be permitted to describe the advantages an education may provide in creating additional job opportunities, but in so doing, the Third-Party Lead Vendor shall be prohibited from referencing any specific salary amounts. The Third-Party Lead Vendor shall then again ask the consumer if they are interested in educational opportunities. Should the consumer respond by providing a clear and affirmative indication that they are interested in educational opportunities, the Third-Party Lead Vendor shall be permitted to continue directing the consumer to an EDMC school; otherwise, the consumer cannot be directed to an EDMC school. In all events, prior to transferring any consumer to a representative of any EDMC school,

Third-Party Lead Vendors shall be required to reconfirm the consumer's interest in pursuing educational opportunities; and

(f) a requirement that all Third-Party Lead Vendors begin calls made on behalf of EDMC with the following statement immediately after the consumer answers the phone, "This is [insert name] from [insert company], this call may be recorded for quality assurance and training purposes," or words to that effect.

Should the consumer that answers the phone transfer the call to another consumer, the preceding statement must be repeated for this consumer and any other consumer that may be later connected to the call. Additionally, the Third-Party Lead Vendor will clearly state that "this call may be recorded for quality assurance and training purposes" before transferring a call to EDMC.

108. In addition, EDMC shall negotiate in good faith with the Attorneys General and other industry participants with the goal of codifying a Code of Conduct for the recruitment of Students through Third-Party Lead Vendors. The Code of Conduct shall include provisions to help ensure that Third-Party Lead Vendors do not make misleading claims or use misleading solicitation strategies when generating leads for the industry participants. EDMC shall be bound to abide by the provisions of the Code of Conduct that the industry participants agree to follow and implement as long as those provisions do not conflict with any other requirement of this Consent Judgment. EDMC shall not be obligated to abide by the Code of Conduct provisions unless and until the Code of Conduct becomes effective as to industry participants representing (together with EDMC) at least 50% of students enrolled in for-profit schools, with such percentage to be calculated using the most recent available data from The Integrated Postsecondary Education Data System

regarding student enrollments at four-year and two-year for-profit institutions that award degrees at the associate's degree level or above.

109. EDMC and the Administrator shall, in consultation with the Attorneys General, devise a plan for EDMC to monitor the conduct of EDMC's Third-Party Lead Vendors and verify that they are complying with the contractual terms set forth in paragraph 107, including but not limited to whether the Third-Party Lead Vendors are using any unfair, false, misleading, deceptive, or abusive acts or practices (as those terms are commonly understood in the context of consumer protection laws), and the use of any incentive, discount, or inducement of any kind to encourage Student inquiries or otherwise used to recruit Students.

110. If EDMC learns that a Third-Party Lead Vendor has failed to comply with the contractual terms set forth in paragraph 107, EDMC shall retain a record of such violation (which record shall be available to the Administrator and the Attorneys General upon request) for a period of two (2) years and shall address such violation by taking one or more adverse actions against the segment of the Third-Party Lead Vendor's business in which the violation occurred (for example, if the Third-Party Lead Vendor commits a violation related to a webpage, electronic solicitation, or other online advertisement, EDMC shall not be required to take adverse action against that Third-Party Lead Vendor with respect to any call center services that the Third-Party Lead Vendor may be providing to EDMC) as follows:

(a) First violation within any rolling 12-month period: EDMC shall notify the Third-Party Lead Vendor of the violation and the steps it must take to correct the violation. If, within five (5) business days, the Third-Party Lead Vendor

does not document that it is actively engaged in making the required changes, the violation shall be escalated to EDMC's Chief Marketing Officer who shall inform the Third-Party Lead Vendor and pause the campaign until the violation is corrected;

(b) Second violation within any rolling 12-month period: EDMC shall notify the Third-Party Lead Vendor of the violation and the steps it must take to correct the violation. If, within five (5) business days, the Third-Party Lead Vendor does not document that it is actively engaged in making the required changes, the violation shall be escalated to EDMC's Chief Marketing Officer who shall inform the Third-Party Lead Vendor and pause the campaign for thirty (30) days or until the violation is corrected, whichever is longer; and

(c) Third violation within any rolling 12-month period: EDMC shall notify the Third-Party Lead Vendor of the violation and the steps it must take to correct the violation. If, within five (5) business days, the Third-Party Lead Vendor does not document that it is actively engaged in making the required changes, the violation shall be escalated to EDMC's Chief Marketing Officer who shall inform the Third-Party Lead Vendor that the segment of the Third-Party Lead Vendor's business in which the violations occurred shall be removed from EDMC's vendor list for a period of at least one (1) year;

provided, however, that nothing in this paragraph shall be deemed to limit or otherwise affect EDMC's obligations under paragraph 111 of the Consent Judgment.

111. Termination Violations.

(a) For purposes of this paragraph, a "Termination Violation" means

any one of the following occurrences:

(1) a Third-Party Lead Vendor's webpage, electronic solicitation, or other online advertisement references both a post-secondary educational opportunity and an employment opportunity, and the webpage, electronic solicitation, or online advertisement (i) uses a substantially smaller font size to present the educational opportunity as compared with the employment opportunity or (ii) represents the educational opportunity as a "want ad" or employment application;

(2) a Third-Party Lead Vendor's webpage, electronic solicitation, or other online advertisement states that the Prospective Student (i) is eligible for a scholarship, grant, or financial aid as the result of a drawing or raffle, (ii) has been specially selected to receive a scholarship, grant, or financial aid, or (iii) is entitled to receive compensation to fund his or her education in exchange for completing a form; or

(3) a Third-Party Lead Vendor's webpage, electronic solicitation, or other online advertisement states that a Prospective Student will receive compensation to fund his or her post-secondary education that will not need to be repaid, unless the statement refers to grants that are expressly stated to be subject to eligibility.

(b) Notwithstanding anything in paragraph 110 to the contrary, in the event that a Third-Party Lead Vendor incurs three Termination Violations within a 180-day period, EDMC shall, within thirty (30) days of discovering the third such Termination Violation, terminate any outstanding insertion orders to the segment

of the Third-Party Lead Vendor's business in which the Termination Violations occurred and not issue any new insertion orders to that business segment for at least ninety (90) days; *provided, however*, that the requirements of this subparagraph shall not apply if the EDMC and/or the Third-Party Lead Vendor document to the reasonable satisfaction of the Administrator that the three Termination Violations that would otherwise have triggered the requirements of this subparagraph represented, in the aggregate, no more than 1% of the total Prospective Student leads from the Third-Party Lead Vendor during the relevant period.

112. Upon written notice from the Attorneys General or Administrator that a Third-Party Lead Vendor has failed to comply with the contractual terms set forth in paragraph 107 of this Consent Judgment, or any provision of an applicable state consumer protection law, EDMC shall conduct an investigation of the Third-Party Lead Vendor practice and report the results of that investigation to the Attorneys General and to the Administrator within thirty (30) days, unless the Attorneys General agree otherwise.

113. EDMC shall maintain policies and procedures and take appropriate action, including but not limited to exercising any rights available to it under a contract, to require Third-Party Lead Vendors to comply with this Consent Judgment. Appropriate action shall be determined by the nature and circumstance of the alleged violation, including but not limited to the pattern or severity of the alleged conduct.

114. Subject to the prior approval of the U.S. Department of Education, EDMC shall work in good faith to develop and implement a system of paying Third-Party Lead Vendors based on the actual quality of leads produced by the particular vendor.

115. Nothing in this Consent Judgment limits the right of the Attorneys General to investigate or take any action against Third-Party Lead Vendors for any violation of applicable law, nor shall anything in the Consent Judgment be construed to limit the remedies available to the Attorneys General for any violation of applicable law by Third-Party Lead Vendors.

V. ENFORCEMENT

116. The terms of this paragraph apply only during the term of the Administrator.

(a) If at any time it appears that EDMC is engaged in a practice or pattern of non-compliance, or commits an egregious act of non-compliance, either on the basis of information obtained by the Administrator pursuant to the workplan or from information obtained through any other source, then the Administrator shall review the relevant facts, collect whatever additional facts the Administrator deems necessary, seek EDMC's position as to the practice, pattern, or egregious act of non-compliance and related instances of individual violations, and shall work in conjunction with EDMC to devise a corrective action plan to remedy such practice or pattern of non-compliance, including a reasonable period for corrective action and implementation of such plan. To the extent that the Administrator and EDMC are unable to agree to a corrective action plan, the Attorneys General may take whatever action they deem necessary, including but not limited to bringing an action to enforce this Consent Judgment, filing a new original action, conducting further investigation, or attempting to negotiate a corrective action plan directly with EDMC. Should the Attorneys General choose to file a new original action, nothing referred to in this paragraph shall affect the release in paragraph 129.

(b) At a reasonable time following the period for corrective action, the Administrator shall provide a report to the Executive Committee, setting forth:

- (1) a description of the practice or pattern of non-compliance and related instances of individual violations of the Consent Judgment (including the relevant facts);
- (2) a description of the corrective action plan;
- (3) findings by the Administrator as to whether the Administrator deems it reasonably likely that EDMC is in substantial compliance with the terms of the Consent Judgment, including but not limited to whether EDMC has ceased to engage in a practice or pattern of non-compliance; and
- (4) a description of EDMC's views as to the foregoing matters.

(c) The Attorneys General agree that they will meet and confer with EDMC concerning the subject of the action before filing any action related to this Consent Judgment, so long as EDMC makes necessary representatives available to meet and confer in a timely manner. However, an Attorney General may take any action where the Attorney General concludes that, because of a specific practice, a threat to the health, safety, or welfare of the citizens of the State exists, or the practice creates a public emergency requiring immediate action.

(d) The Attorneys General agree that no action may be filed to enforce the terms of this Consent Judgment unless they have proceeded as set forth in this paragraph. However, an Attorney General may take any action where the Attorney General concludes that, because of a specific practice, a threat to the health, safety,

or welfare of the citizens of the State exists, or the practice creates a public emergency requiring immediate action.

117. The terms of this paragraph shall apply following the term of the Administrator.

(a) For the purposes of resolving disputes with respect to compliance with this Consent Judgment, should any of the Attorneys General have a reasonable basis to believe that EDMC has engaged in a practice that violates a provision of this Consent Judgment and decide to pursue the matter, then such Attorney General shall notify EDMC in writing of the specific practice in question, identify with particularity the provision of this Consent Judgment that the practice appears to violate, and give EDMC thirty (30) days to respond to the notification. Within thirty (30) days of its receipt of such written notice, EDMC shall provide a good-faith written response to the Attorney General notification, containing either a statement explaining why EDMC believes it is in compliance with the Consent Judgment, or a detailed explanation of how the alleged violation occurred and a statement explaining how EDMC intends to remedy the alleged breach.

(b) EDMC shall provide the Attorneys General reasonable access to inspect and copy relevant, non-privileged records and documents in the possession, custody, or control of EDMC that relate to EDMC's compliance with each provision of this Consent Judgment pursuant to that State's CID or investigative subpoena authority. If the Attorneys General make or request copies of any documents during the course of that inspection, the Attorneys General will provide a list of those documents to EDMC. This provision does not limit the Attorneys

General's rights to otherwise serve subpoenas or CIDs on EDMC or to enforce them.

(c) The Attorneys General may assert any claim that EDMC has violated this Consent Judgment in a separate civil action to enforce compliance with this Consent Judgment, or may seek any other relief afforded by law, but only after providing EDMC an opportunity to respond to the notification described in subparagraph (a); *provided, however*, that an Attorney General may take any action if the Attorney General concludes that a specific practice of EDMC requires immediate action due to a threat to the health, safety, or welfare of the public, or the practice creates a public emergency requiring immediate action.

118. The Attorneys General agree to make good faith efforts to coordinate any future efforts to enforce violations of the injunctive relief herein, to the extent they are reasonably able and willing to do so. To that end, each Attorney General agrees to provide notice to the Executive Committee at least ten (10) business days prior to the filing of any action to enforce this Consent Judgment against any of the parties released from liability pursuant to paragraph 129. However, nothing in this paragraph shall be construed so as to limit the right of a state to enforce any law in any action by that state. In addition, the notice requirement stated herein shall not apply to the extent that the relevant Attorney General concludes that further delay in acting constitutes a threat to public health, safety, or welfare, or that the action intended to be taken addresses a public emergency requiring immediate action. For the avoidance of doubt, nothing in this paragraph shall relieve the Attorneys General of the requirements of paragraphs 116 and 117 of this Consent Judgment, which must be satisfied before any Attorney General may provide the notices

required by this paragraph.

119. Subject to the release set forth in paragraph 129, nothing in this Consent Judgment limits the right of the Attorneys General to conduct investigations or examinations or file suit for any violation of applicable law, nor shall anything in the Consent Judgment be construed to limit the remedies available to the Attorneys General for any violation of applicable law that is not released by this Consent Judgment. For the avoidance of doubt, nothing in this paragraph shall be construed to modify the procedures to be followed prior to the filing of an action to enforce the terms of this Consent Judgment, as set forth in paragraphs 116 through 118.

VI. INSTITUTIONAL DEBT

120. For purposes of this paragraph and paragraph 121, a "Qualifying Former Student" means any former student who meets the following criteria: (a) enrolled in a Program of Study with fewer than twenty-four (24) hours of transfer credit, (b) withdrew from the Program of Study within forty-five (45) days of the first day of their first term, and (c) whose final day of attendance at an EDMC school was between January 1, 2006, and December 31, 2014. As partial consideration for the release set forth in paragraph 129, without any admission of wrongdoing, Defendants agree to forgo efforts to collect all amounts that Defendants claim is owed to EDMC by Qualifying Former Students (hereinafter "Institutional Debt"), which amounts totaled, as of September 11, 2015, approximately \$102,800,000.00. For the avoidance of doubt, Institutional Debt shall not include debts that are owed to non-EDMC entities, such as, for example, federal student loans owed to the United States government. In the event that a Qualifying Former Student or a co-signer for a Qualifying Former Student attempts to make a payment to EDMC subsequent to the Effective Date that relates to Institutional Debt, EDMC shall use its

reasonable best efforts to refuse such payment and return the payment. Defendants shall request that any and all trade line information related to amounts covered by this paragraph be deleted from Qualifying Former Students' credit reports, to the extent that such trade line information exists, at Defendants' own expense.

121. Within ninety (90) days of the Effective Date, Defendants shall send a letter by U.S. mail to each Qualifying Former Student at his or her last known mailing address notifying such former students that Defendants are foregoing collection on their Institutional Debt, including all interest and fees. The notice shall state that due to a recent settlement with the Attorneys General the student's account balance owing to EDMC is \$0 and shall encourage the student to advise any and all co-signers that the student's account balance owing to EDMC has been reduced to \$0. The notice shall also inform the student that Defendants will send a copy of the notice to each of the credit reporting agencies (*i.e.*, TransUnion, Equifax, and Experian). The notice shall further inform the student that if the student finds that the amounts owed to Defendants by the student are still erroneously appearing on the student's credit report after one hundred and twenty (120) days and notifies Defendants, then Defendants, at their own expense, shall promptly and properly notify the appropriate credit reporting agency, whether directly or indirectly, of any change(s) to be made to the credit reporting resulting from the application of the terms of this Consent Judgment. The notice shall provide Defendants' contact information for making a request to correct a credit report and for any additional inquiries about the student's account.

VII. TIME TO IMPLEMENT AND DURATION

122. Except as otherwise provided in paragraphs 35 and 121 and Exhibit A hereto, EDMC shall implement the terms of the Consent Judgment by no later than the Effective Date.

123. With respect to each of the paragraphs of the Consent Judgment listed in Exhibit A hereto, EDMC shall implement the terms of the relevant paragraph of the Consent Judgment by no later than the date set forth in Exhibit A.

124. Except as otherwise provided in paragraphs 38, 49, and 95, EDMC shall be relieved of its obligations under this Consent Judgment on the twentieth anniversary of the Effective Date; *provided, however*, that EDMC's obligations under paragraphs 74 through 83, 85, 93, 94 (first sentence only), 131, 135 through 138, and 141 of the Consent Judgment shall remain in effect unless and until the Consent Judgment is vacated or modified by the Court.

125. Beginning on the fourth anniversary of the Effective Date, EDMC shall have the right to petition the Executive Committee to be relieved of its obligations under specific identified paragraphs of the Consent Judgment that EDMC believes have become overly burdensome or unnecessary. EDMC shall set forth in writing the reasons why it believes it should be relieved from such obligations and any additional factors that it would like the Executive Committee to consider. Moreover, if the U.S. Department of Education adopts regulations that establish a uniform approach for the calculation and disclosure of job placement rates that is applicable to EDMC schools, then EDMC may petition the Executive Committee to be relieved of its obligations under paragraph 23 and paragraphs 62 through 70 on the date when such regulations become effective. The Executive Committee shall consider any petitions made by EDMC in good faith and, in each case, the

Executive Committee shall be obligated to meet and confer with EDMC within sixty (60) days of the request being sent and to make a recommendation about the petition to the Attorneys General within sixty (60) days thereafter. In the event that EDMC sells or otherwise transfers control of one or more of its schools to a third-party acquirer (the "Acquiring Company"), and the Acquiring Company becomes subject to the terms of this Consent Judgment as a successor to EDMC, the Acquiring Company shall assume EDMC's rights to petition under this paragraph with respect to the schools sold or transferred by EDMC.

VIII. MISCELLANEOUS PROVISIONS

126. If the position of the Administrator is vacant or the Administrator's term has expired, then, to the extent that this Consent Judgment or the work plan referenced in paragraph 35 requires the Administrator's approval or consent for EDMC to take a particular action, then EDMC shall be entitled to take that action if it notifies the Attorneys General of its intent to act and the Attorneys General fail to object with particularity within thirty (30) days. If the Attorneys General object and particularize the bases for the objection within the thirty (30) day period, then the Parties shall promptly meet and confer, following which EDMC shall be entitled to seek judicial review with regard to the objection if necessary.

127. Either the Attorneys General or EDMC may request to meet and confer with respect to any aspect of this Consent Judgment or its implementation by notifying the other party. The notice shall state the subjects proposed to be discussed. The recipient of the notice shall in good faith make itself and/or its representatives available to meet and confer at a mutually convenient time within thirty (30) days of the notice being sent.

128. This Consent Judgment is for settlement purposes only. No part of this Consent Judgment constitutes or shall be deemed to constitute an admission by Defendants that they have ever engaged in any conduct proscribed by this Consent Judgment, nor shall this Consent Judgment constitute evidence against Defendants in any action brought by any person or entity for any violation of any federal or state statute or regulation or the common law, except in an action brought by the Attorney General to enforce the terms of this Consent Judgment.

129. As of the Effective Date, the Plaintiff hereby releases Defendants from all civil claims, actions, causes of action, damages, losses, fines, costs, and penalties related to the allegations of the Complaint in this action, that have been or could have been brought against Defendants or any of their respective current or former affiliates, agents, representatives, or employees pursuant to Illinois's consumer protection statutes or other consumer-related or civil fraud laws (including common law claims concerning fraudulent trade practices) on or before the Effective Date. Notwithstanding any other term of this Consent Judgment, the following do not comprise Released Claims: private rights of action; UDAP enforcement actions relating to representations made to students in 2015 regarding the planned closure of campuses of The Art Institutes; criminal claims; claims of environmental or tax liability; claims for property damage; claims alleging violations of State or federal securities laws; claims alleging violations of State or federal antitrust laws; claims alleging violations of State or federal false claims laws, including but not limited to all claims brought in United States, et al. v. EDMC, et al., Case No. 2:07-cv-00461; claims brought by any other agency or subdivision of the State; claims alleging violations of State or federal privacy laws or State data breach laws; and claims alleging a breach of this

Consent Judgment.

130. The Parties agree that this Consent Judgment does not constitute an approval by the Attorneys General of any of Defendants' past or future practices, and Defendants shall not make any representation to the contrary.

131. The requirements of this Consent Judgment are in addition to, and not in lieu of, any other requirements of state or federal law. Nothing in this Consent Judgment shall be construed as relieving Defendants of the obligation to comply with all local, state, and federal laws, regulations, or rules, nor shall any of the provisions of this Consent Judgment be deemed as permission for Defendants to engage in any acts or practices prohibited by such laws, regulations, or rules.

132. Nothing contained in this Consent Judgment shall be construed to create or waive any individual private right of action.

133. Except as permitted by paragraph 134, Defendants shall not participate directly or indirectly in any activity to form or proceed as a separate entity or corporation for the purpose of engaging in acts prohibited in this Consent Judgment or for any other purpose which would otherwise circumvent any part of this Consent Judgment.

134. EDMC shall be permitted, without the provisions of this consent judgment applying, to complete transactions in which it sells or otherwise transfers control of one or more of its schools representing in the aggregate less than 3% of (a) EDMC's net revenues for the fiscal year ended June 30, 2015, or (b) the average starting student body at EDMC's post-secondary institutions during the fiscal year ended June 30, 2015, to an Acquiring Company, and neither the transferred schools shall remain nor the Acquiring Company shall become subject to the terms of this Consent Judgment, as successors to EDMC or

otherwise (an "Exempted Transaction"); *provided, however*, that in no event may the aggregate of all Exempted Transactions ever exceed 10% of either (a) EDMC's net revenues for the fiscal year ended June 30, 2015, or (b) the average starting student body at EDMC's post-secondary institutions during the fiscal year ended June 30, 2015.

Notwithstanding the foregoing, in no event will the sale or transfer of a school by EDMC qualify as an Exempted Transaction if (a) the school was among the largest 11% of school locations at EDMC (excluding the impact of students attending fully online programs) based on the average starting student body during the fiscal year ended June 30, 2015, or (b) the Acquiring Company is owned or controlled by any person or entity affiliated with EDMC or any EDMC board member or officer.

135. If any clause, provision or section of this Consent Judgment shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Consent Judgment and this Consent Judgment shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

136. The section headings and subheadings contained in this Consent Judgment are included for convenience of reference only and shall be ignored in the construction or interpretation of this Consent Judgment.

137. To the extent that any changes in Defendants' business, advertisements, and/or advertising practices are made to achieve or facilitate conformance to the terms of this Consent Judgment, the fact that such changes were made shall not constitute any form of evidence or admission, explicit or implicit, by Defendants of wrongdoing.

138. In the event that any statute, rule, or regulation pertaining to the subject matter of this Judgment is enacted, promulgated, modified, or interpreted by any federal or state government or agency, or a court of competent jurisdiction holds that such statute, rule, or regulation is in conflict with any provision of the Consent Judgment, and compliance with the Consent Judgment and the subject statute, rule or regulation is impossible, Defendants may comply with such statute, rule or regulation and such action in the affected jurisdiction shall not constitute a violation of this Consent Judgment. Defendants shall provide written notices to the Attorneys General and the Administrator, if applicable, that it is impossible to comply with the Consent Judgment and the subject law and shall explain in detail the basis for claimed impossibility, with specific reference to any applicable statutes, regulations, rules, and court opinions. Such notice shall be provided immediately upon EDMC learning of the potential impossibility and at least thirty (30) days in advance of any act or omission which is not in compliance with the Consent Judgment. Nothing in this paragraph shall limit the right of the Attorney General to disagree with EDMC as to the impossibility of compliance and to seek to enforce the Consent Judgment accordingly.

139. All notices under this Consent Judgment shall be provided to the following via email and Overnight Mail:

For EDMC:

J. Devitt Kramer
Senior Vice President, General Counsel and Secretary
Education Management Corporation
210 Sixth Avenue, 33rd Floor
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and

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For the State of Illinois:

Susan Ellis
Bureau Chief, Consumer Fraud
Office of the Illinois Attorney General
100 W Randolph St., 12th Floor
Chicago, IL 60601

and

Joseph Sanders
Assistant Attorney General, Consumer Fraud
Office of the Illinois Attorney General
100 W Randolph St., 12th Floor
Chicago, IL 60601

140. Defendants shall be liable for all court costs.

141. The Court retains jurisdiction of this action for the purpose of ensuring compliance.

APPROVED:
FOR DEFENDANTS

**EDUCATION MANAGEMENT
CORPORATION**

(b)(6)

By: ~~Mark A. McEachen~~
Its: President and Chief Executive
Officer

**ARGOSY UNIVERSITY OF
CALIFORNIA, LLC**

By: Cynthia G. Baum
Its: President

SOUTH UNIVERSITY, LLC

By: John T. South, III
Its: President

**BROWN MACKIE EDUCATION II,
LLC**

By: Danny D. Finuf
Its: President

**THE ART INSTITUTES
INTERNATIONAL II LLC**

By: Timothy P. Moscato
Its: Chief Operating Officer

ARGOSY EDUCATION GROUP, INC.

(b)(6)

By: J. Devitt Kramer
Its: Secretary

MCM UNIVERSITY PLAZA, INC

(b)(6)

By: J. Devitt Kramer
Its: Secretary

**THE ILLINOIS INSTITUTE OF ART -
TINLEY PARK LLC**

(b)(6)

By: J. Devitt Kramer
Its: Secretary

**THE ILLINOIS INSTITUTE OF ART
AT SCHAUMBURG, INC.**

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ARGOSY EDUCATION GROUP, INC.

By: **J. Devitt Kramer**
Its: **Secretary**

MCM UNIVERSITY PLAZA, INC

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TINLEY PARK LLC**

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**THE ART INSTITUTE OF
PITTSBURGH LLC**

By: **J. Devitt Kramer**

COUNSEL FOR DEFENDANTS

(b)(6)

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EVP, Chief Legal, Privacy, Security and
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Education Management Corporation

By: J. Devitt Kramer
SVP, General Counsel and Secretary
Education Management Corporation

By: Meyer G. Koplow
Counsel for Education Management
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Wachtell, Lipton, Rosen & Katz

LOCAL COUNSEL FOR DEFENDANTS

By: Scott P. Seder
Local Counsel for Defendants

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(b)(6)

A large rectangular redacted area with a black border, covering the signature and name of the second representative.

Counsel for Education Management
Corporation
Wachtell, Lipton, Rosen & Katz

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(b)(6)


By: Scott P. Seder
Local Counsel for Defendants

FOR PLAINTIFF

THE PEOPLE OF THE STATE OF ILLINOIS
LISA MADIGAN, ATTORNEY GENERAL

(b)(6)

By:

 _____
~~Joseph M. Sanders~~
Assistant Attorney General
Consumer Fraud Bureau
Attorney No. 99000

LISA MADIGAN
Attorney General of Illinois

DEBORAH HAGAN
Chief, Consumer Protection Division

SUSAN ELLIS
Chief, Consumer Fraud Bureau, Chicago Office

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100 West Randolph St., 12th Floor
Chicago, Illinois 60601
(312) 814-3000

ENTERED:

ENTERED
JUDGE MARY LANE MIKVA - 1890
NOV 16 2015
DOROTHY BROWN
CLERK OF THE CIRCUIT COURT
JUDGE COOK COUNTY, IL
DEPUTY CLERK

Exhibit A – Implementation Schedule

Consent Judgment Paragraph(s)	Subject Matter	Deadline for Compliance
<p>¶¶ 56-58 (and all other references)</p>	<p>Single-Page Disclosure Sheet¹</p>	<p>180 days from the Effective Date, <u>except</u>:</p> <ul style="list-style-type: none"> the deadline for including the Median Earnings for Completers on the Single-Page Disclosure Sheet pursuant to ¶ 56(f) shall be ninety (90) days after the US Department of Education provides the final relevant data; <u>and</u> the deadline for including a Job Placement Rate on the Single-Page Disclosure Sheet pursuant to ¶ 56(g) shall be March 1, 2017.
<p>¶¶ 71-73</p>	<p>Electronic Financial Impact Platform</p>	<p>If EDMC determines to use the platform that is developed by the Consumer Financial Protection Bureau, then EDMC shall implement that Electronic Financial Impact Platform within 180 days of the date of such determination.</p> <p>If EDMC determines not to use the platform that is developed by the Consumer Financial Protection Bureau, then EDMC shall have one year to develop, have approved by the Administrator in consultation with the Attorneys General, and implement its own Electronic Financial Impact Platform, running from the date of such determination.</p>

¹ All capitalized terms used in this Exhibit A shall have the meaning given to them in the Consent Judgment.

Consent/Judgment Paragraph(s)	Subject Matter	Deadline for Compliance
¶¶ 84-87, 89-90	Prohibitions relating to graduate eligibility for employment and/or required licensure	180 days from the Effective Date
¶¶ 95-98	Call recording and voice analytics	Phased in with full functionality 18 months from the Effective Date
¶¶ 99-100	Telephone Consumer Protection Act and related matters	90 days from the Effective Date
¶ 103	Mandatory orientation	180 days from the Effective Date
¶ 104	Refunds for newly enrolled students	180 days from the Effective Date
¶ 105	Internal policy regarding obligation to pay tuition and fees when student does not attend 60% of the term	180 days from the Effective Date
¶¶ 107-114	Third-Party Lead Vendor compliance	90 days from the Effective Date

Exhibit B – Single-Page Disclosure Sheets

Argosy University

Forensic Psychology (Online) Associates Degree

Facts you should know about this program

Time and Cost Estimates

4 YEARS Time to complete if you continuously attend on a full-time basis

\$59,475 Total tuition, fees and book costs

Transfer of Credits and Degrees

Course credits are not guaranteed to transfer to other schools

Success of Students who Enroll

20% complete the program  
2 complete 8 do not complete

40% default on their federal student loans  
6 are not in default 4 are in default

Outcomes for Students who Complete

Job Placements for students in this field are not calculated by Argosy University

\$37,446 Median earnings for graduates

\$43,714 Median student loan debt for graduates

Please read carefully the Frequently Asked Questions to further understand these facts

See www.argosy.edu/programs-info for program duration, tuition, fees and other costs, median debt, salary data, and other important information.

Art Institute

Graphic Design (Online) Associates Degree

Facts you should know about this program

Time and Cost Estimates

4 YEARS Time to complete if you continuously attend on a full-time basis

\$59,475 Total tuition, fees and book costs

Transfer of Credits and Degrees

Course credits will likely not transfer to other schools

Degrees will likely not be honored by other schools

Success of Students who Enroll

20% complete the program  
2 complete 8 do not complete

40% default on their federal student loans  
6 are not in default 4 are in default

Outcomes for Students who Complete

60% are able to get a job in this field  
6 get jobs 4 do not get jobs

\$37,446 Median earnings for graduates

\$43,714 Median student loan debt for graduates

Please read carefully the Frequently Asked Questions to further understand these facts

See www.artinstitutes.edu/programs-info for program duration, tuition, fees and other costs, median debt, salary data, alumni success, and other important information.

**IN THE UNITED STATES DISTRICT COURTS
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

DIGITAL MEDIA SOLUTIONS, LLC,)	
)	Case No. 1:19-cv-00145
<i>Plaintiff,</i>)	
)	Judge Dan Aaron Polster
v.)	
)	Magistrate Judge Thomas M. Parker
SOUTH UNIVERSITY OF OHIO, LLC <i>et al.</i> ,)	
)	
<i>Defendants.</i>)	
)	
)	

**POSITION STATEMENT OF THE SETTLEMENT ADMINISTRATOR REGARDING
THE DCEH ACCREDITATION CORRECTIVE ACTION PLAN**

Pursuant to this Court’s April 26, 2019 Order, Dkt. 285, Intervenor Thomas J. Perrelli, the Settlement Administrator (“Administrator”) appointed to monitor the compliance of Dream Center Education Holdings (“DCEH”) with consent judgments entered with 40 state Attorneys General, requests that the Court’s final receivership order address an important unresolved issue caused by DCEH’s violation of the Consent Judgment.

Prior to the Receiver being appointed, DCEH was found to have falsely represented that two of its schools were accredited, when they were not—a misrepresentation that was of material significance to students who enrolled during the time that DCEH was making that misrepresentation, and that violated the Consent Judgment. Also prior to the Receiver’s appointment, DCEH acknowledged that its statements were inaccurate, that they were material to students, and that it owed refunds to students who paid to enroll at the two unaccredited schools while DCEH was claiming the schools were accredited.

In stipulations of fact attached as Exhibit A, the Receiver has agreed that DCEH’s representations were false and acknowledges the need for restitution for the affected students. The

funds acquired by DCEH were not funds that DCEH is legally entitled to hold and enjoy, and the estate should not be understood to include these funds—which DCEH was never entitled to possess.

In order to rectify this undisputed violation of the Consent Judgment, the Administrator takes the position that this Court’s final receivership order should (1) order the Receiver to discharge the institutional debts of students to whom DCEH made knowing misrepresentations and from whom DCEH withheld material information, and (2) recognize a constructive trust that consists of, to the extent available, at least \$3.1 million of DCEH’s assets representing tuition payments paid by the defrauded students into DCEH’s general accounts so those students may be made whole.

BACKGROUND

I. The Consent Judgment

In November 2015, the Education Management Corporation (“EDMC”) entered into a settlement with the Attorneys General of 39 states and the District of Columbia to resolve consumer-protection claims arising out of alleged unfair and deceptive practices at EDMC’s for-profit educational institutions. At that time, EDMC was one of the nation’s largest for-profit providers of higher education, but it had become the subject of state investigations into its enrollment and recruitment tactics, such as high-pressure sales calls and the presentation of misleading information about post-completion job placement. Those investigations resulted in the Consent Judgment, which was entered as a court order in various states.

Among other things, the Consent Judgment required EDMC to operate in a manner that, generally speaking, is free of “false, deceptive, or misleading statements,” “unfair practices,” and “Abusive Recruitment Method[s].” *See* Consent Judgment ¶¶ 56-61, 74-75, 96-101. The Consent

Judgment also created the position of Settlement Administrator to monitor compliance with the Consent Judgment and to issue reports on such compliance. *Id.* ¶¶ 40-47.

As a result of the sale of EDMC assets to DCEH in 2017, the terms and conditions of the Consent Judgment that bound EDMC now bind DCEH and will continue to bind its “subsidiaries, affiliates, successors, and assigns.” *Id.* at 1. And as a result of conduct by DCEH’s previous management, the State Attorneys General have extended the Administrator’s original term, to monitor DCEH’s continued compliance with the Consent Judgment. *See* Ex. B (Letter from Attorneys General to Chris Richardson, DCEH General Counsel at 1 (Dec. 31, 2018)). In his management of DCEH, the Receiver is bound by the Consent Judgment. Dkt. 108 at 2.

II. The Accreditation Disclosures

The accreditation status of institutions of higher learning is important. In addition to being a prerequisite for schools to receive federal student aid funding, accreditation is essential for students to transfer credits to other schools and for potential employers to recognize degrees. Ex. A ¶ 1. Given the importance of a school’s accreditation status, the Consent Judgment prevents DCEH from making “express or implied false, deceptive, or misleading claims to Prospective Students with regard to the academic standing of its programs and faculty including, but not limited to misrepresenting ... the accreditation” status of its schools and programs. Consent Judgment ¶ 81(b).

The present issue arises from misrepresentations that DCEH made, prior to the Receiver’s appointment, regarding the accreditation status of the Art Institute of Colorado (“AI-Colorado”) and the Illinois Institute of Art (“AI-Illinois”). The Receiver, on behalf of DCEH, has acknowledged that certain facts are true. On January 20, 2018, in connection with the sale of assets from EDMC to DCEH, an accrediting body called the Higher Learning Commission (HLC) placed

AI-Colorado and AI-Illinois in a Change of Control Candidacy for Accreditation Status. Ex. A ¶ 2. HLC describes this change in status as an “adverse action” it takes when it determines that the institution, among other things, “no longer meets all of the Criteria for Accreditation.”¹ It is the only status other than accreditation that HLC recognizes: either a school is accredited, or it is a candidate seeking to become accredited. In short, HLC stopped viewing the schools as “accredited” and started viewing them as unaccredited. The Receiver has stipulated that DCEH knew that HLC’s January 20, 2018 action had removed AI-Illinois’s and AI-Colorado’s accredited status. Ex. A ¶ 3.

While AI-Illinois and AI-Colorado had lost their accreditation status, DCEH did not inform AI-Illinois or AI-Colorado students that their schools were no longer accredited. Instead, DCEH posted on the schools’ websites, “We remain accredited as a candidate school seeking accreditation under new ownership and our new non-profit status.” Ex. A ¶ 5. But it was not true that AI-Illinois and AI-Colorado “remain[ed] accredited” following HLC’s January 20, 2018 action. Ex. A ¶ 6. Again, the Receiver acknowledges that this was a misrepresentation.

In June 2018, Dream Center finally told students at AI-Illinois and AI-Colorado that their schools had not been accredited since January 20—for almost six months. Ex. A ¶ 7. During the time that the false accreditation claim was on the schools’ website, students unknowingly registered for additional terms, made additional payments, and incurred additional debts towards a degree with limited value and for credits that were significantly less likely to transfer to other schools. The consequences for students who were enrolled at AI-Illinois and AI-Colorado between January 20, 2018 and June 15, 2018 (the Affected Students) were exacerbated when DCEH

¹ Higher Learning Comm’n, Accredited to Candidate Status, Policy No. INST.E.50.010, at 129 (Feb. 2019), http://download.hlcommission.org/policy/HLCPolicyBook_POL.pdf.

announced in July 2018 that it would close those two schools, leaving many students dependent on the transferability of credits to complete their education. *See* Ex. C (Selection from Third Report of the Administrator).²

III. The Corrective Action Plan

Exercising his authority under the Consent Judgment, the Administrator found DCEH's misrepresentations to constitute "an egregious act of non-compliance" under ¶ 116(a) of the Consent Judgment. Accordingly, in addition to correcting the website going forward, DCEH was required to submit a plan for providing financial remediation to the Affected Students, who were wrongfully induced to enroll and pay tuition during that January through June 2018 period without being told that their school had lost accreditation. In the course of discussing that Corrective Action Plan, and prior to the appointment of the Receiver, DCEH acknowledged its failure to disclose appropriately and in a timely manner the change in accreditation status. Ex. A ¶ 8. DCEH also recognized the need for restitution for the approximately 1,494 students impacted during the time period between January 20, 2018 and June 15, 2018 when the accreditation status was not disclosed. Ex. A ¶ 9. Accordingly, prior to the appointment of the Receiver, DCEH proposed to the Administrator a Corrective Action Plan that would have refunded approximately \$3.1 million of DCEH's assets representing tuition payments made by Affected Students.

² More information regarding DCEH's violation of the Consent Judgment is provided in the full Third Annual Report of the Settlement Administrator Under the Consent Judgments with Education Management Corporation (EDMC) as Succeeded by Dream Center Education Holdings. *See* Dkt. 77-4.

ARGUMENT

I. This Court Should Order The Receiver To Discharge The Balances Of Any Institutional Loans From DCEH To Students Who Were Affected By DCEH's Misrepresentations Of Accreditation Status.

Students pay for their education through a variety of means, including personal contributions, federal financial aid, and “institutional” loans provided via DCEH. The Affected Students have had their financial futures harmed by the payments they made and debts they incurred to enroll during that period. With respect to one category of those effects, the institutional loans that DCEH itself made to Affected Students to pay for their DCEH education, the Receiver and DCEH are perfectly positioned to partially remedy the harms caused by DCEH’s Consent Judgment violation.³

In short, students who were falsely induced into taking DCEH institutional loans should not be forced to repay DCEH for an accredited education that DCEH did not provide. This is a foundational principle of fraudulent inducement law. *See, e.g., Mid-Am. Acceptance Co. v. Lightle*, 579 N.E.2d 721, 727 (Ohio Ct. App. 1989). DCEH should not be permitted to tell the Affected Students that it will provide an accredited education, loan the students money to pay for it, *not* provide that accredited education, and then force the harmed students to pay back the loans—all for the benefit of financial institutions, landlords, or other creditors.

The facts stipulated to by the Receiver in Exhibit A, and found by the Administrator in his Third Report, Exhibit C, provide more than a sufficient basis for this Court to order that the Receiver discharge the institutional debts of the affected students.

³ The Settlement Administrator notes that the Secretary of Education also has the authority to forgive these students’ Title IV funds, through the Borrower Defense to Repayment program. 34 C.F.R. § 685.206(c).

II. This Court Should Recognize A Constructive Trust To Enable Restitution To Deceived Students Of DCEH's Ill-Gotten Gains.

Although preventing DCEH from collecting on the institutional loans taken out by students who it actively deceived is important to fulfilling the Corrective Action Plan, discharge of institutional debts alone will not be sufficient to make the Affected Students whole: As noted above, the Affected Students paid for their education using a variety of sources. To make students whole, in addition to forgiving their institutional debts, the Court should also recognize a constructive trust that consists of, to the extent available, at least \$3.1 million of DCEH's assets for the return of tuition payments made by those students. This includes the \$1.5 million the Receiver set aside pursuant to this Court's order so that these funds could be "held in trust to be paid to students" if appropriate. Receiver's Report Regarding Pay Status of Employees, Dkt. 183 at 2. These funds never properly belonged to DCEH and therefore should not be part of its estate; instead, the funds properly belong to the students who were wrongfully induced to part ways with their tuition money by DCEH's misrepresentations.

Under Ohio law, a constructive trust arises "by operation of law ... against one who, by fraud, actual or constructive, by duress or abuse of confidence, by commission of wrong, or by any form of unconscionable conduct, artifice, concealment, or questionable means, or who in any way against equity and good conscience, either has obtained or holds the legal right to property which he ought not, in equity and good conscience, hold and enjoy." *Ferguson v. Owens*, 459 N.E.2d 1293, 1295 (Ohio 1984) (per curiam) (quotation marks omitted); see also *In re Hines*, 193 F. App'x 391, 395 (6th Cir. 2006) ("[P]ursuant to Ohio law, a court need not declare that a constructive trust has been created, but rather such a trust arises by operation of law to prevent unjust enrichment."). Although a constructive trust arises by operation of law to prevent unjust enrichment, judicial recognition of the trust ensures that assets that never should have belonged to

the estate are not at risk of distribution to other creditors. *See Kitchen v. Boyd (In re Newpower)*, 233 F.3d 922, 937 (6th Cir. 2000) (lifting automatic stay to permit judicial determination of title). This is particularly important where, as here, the assets properly belong to a relatively vulnerable population. Absent a ruling now on the constructive trust, future proceedings could result in claims of other creditors being paid out of an estate funded by students who were falsely told they were providing those funds for an education at an accredited school.

It is clear and undisputed that in 2018, DCEH engaged in a fraudulent misrepresentation that resulted in the company obtaining tuition funds “which [it] ought not, in equity and good conscience, hold and enjoy.” *Ferguson*, 459 N.E.2d at 1295 (quotation marks omitted). The Administrator found the relevant facts and reported them in his annual report regarding DCEH’s compliance with the Consent Judgment. *See* Ex. C. DCEH accepted the findings and proposed a Corrective Action Plan that required it to refund the improper gains back to the students who were harmed. Ex. A ¶¶ at 8-9. The State Attorneys General cited the accreditation disclosure misrepresentations as a key factor in extending the Administrator’s term of compliance oversight over DCEH. *See* Ex. B. And the Receiver does not see a reasonable basis on which the facts stipulated in Exhibit A can be contested—and further has concluded that contesting them would be a waste of estate resources.

The recognition of a constructive trust is an equitable remedy and “lies within the sound discretion of the trial court.” *Bd. of Trumbull Twp. Trus. v. Rickard*, 98 N.E.3d 800, 820 (Ohio Ct. App. 2017); *see also Liberte Capital Grp. v. Capwill*, 229 F. Supp. 2d 799, 802 (W.D. Ohio 2002) (“It is widely acknowledged that the district court has ‘broad powers and wide discretion’ in crafting ‘relief in an equity receivership proceeding.’” (quoting *SEC v. Basic Energy & Affiliated Resources, Inc.*, 273 F.3d 657, 668 (6th Cir. 2001)), *aff’d*, 148 F. App’x 426 (6th Cir. 2005). The

remedy of a constructive trust is particularly well-suited to circumstances such as these, where property was acquired by fraud or misrepresentation, but “a constructive trust may also be imposed where it is against the principles of equity that the property be retained by a certain person even though the property was acquired without fraud.” *Ferguson*, 459 N.E.2d at 1296. Here, further investigation may show the funds wrongfully collected from the harmed students were ultimately spent on other things, and Ohio courts require that funds in a constructive trust be traceable to the funds wrongfully obtained. *Estate of Cowling v. Estate of Cowling*, 847 N.E.2d 405, 412 (Ohio 2006). But the transfer or misdirection of wrongfully acquired assets to third parties does not defeat an otherwise appropriate constructive trust. *Id.* (“When, as in this case, the property was subsequently transferred to third parties, a constructive trust can be imposed.”); *see also Liberte Capital Grp. v. Capwill*, No. 99-cv-818, 2017 WL 6492072, at *2 (N.D. Ohio Nov. 20, 2017) (imposing a constructive trust over a variety of different funds obtained as a result of a fraudulent scheme). Nor does the comingling of wrongfully acquired assets with other funds prevent restitution. RESTATEMENT (THIRD) RESTITUTION § 59 (2008) (“If property of the claimant is deposited in a common account or otherwise commingled with other property so that it is no longer separately identifiable, the traceable product of the claimant’s property may be identified in . . . the balance of the commingled fund or a portion thereof.”).

Before the assets that properly belong to the estate are disbursed to creditors, funds that never properly belonged to the estate should be repaid to the students who were induced to pay those funds to an unaccredited school that falsely claimed to be accredited.

III. Other Conduct

To be clear, the implementation of this Corrective Action Plan as proposed here will not exhaust the Receiver’s or DCEH’s obligations under the Consent Judgment. Nor should this

position statement be interpreted as any conclusion of the Administrator that the Receiver and DCEH have otherwise complied with the Consent Judgment. The Administrator continues to review, consistent with his obligations under the Consent Judgment, DCEH's compliance both under its prior management and under the Receiver. This review includes DCEH's provision of reasonable access to information to the Administrator; its compliance with requirements for the recruitment of and admission of new students; its communications with students regarding school closures; and its representations regarding a variety of financial aid issues, including with respect to the unpaid stipends. On all of these issues, the Administrator has significant reason for concern: There are indications that at certain times, DCEH and/or the Receiver may have failed to provide required information to the Administrator, lacked the infrastructure to enroll new students in a manner that complies with the Consent Judgment, and provided incomplete or misleading information to prospective students or students about their options and financial aid.

The Administrator will address and report his findings on these and other issues in the ordinary course of the Consent Judgment. However, given the importance and nature of the present Corrective Action Plan issue, and its addressability through the current proceedings, the Administrator believes this issue can and should be addressed here.

CONCLUSION

For the foregoing reasons, the Administrator respectfully requests that the Court's final receivership order (1) require the Receiver to discharge the institutional debts of students enrolled at Ai-Colorado and Ai-Illinois between January 20, 2018 and June 15, 2018, and (2) recognize a constructive trust that consists of, to the extent available from existing or future proceeds, at least \$3.1 million of DCEH's assets for the return of tuition payments made by those Affected Students.

DATED: May 10, 2019

s/Grant J. Keating

Grant J. Keating (#0079381)
Richard N. Selby, II (#0059996)
DWORKEN & BERNSTEIN CO., L.P.A.
60 South Park Place
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Facsimile: (213) 239-5199

Attorneys for Intervenor
Thomas J. Perrelli, Settlement Administrator

CERTIFICATE OF SERVICE

I hereby certify that on May 10, 2019 a copy of the foregoing was filed electronically. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

s/Grant J. Keating

Grant J. Keating (#0079381)

DWORKEN & BERNSTEIN CO., L.P.A.

60 South Park Place

Painesville, Ohio 44077

Email: gkeating@dworkenlaw.com

Attorney for Intervenor Thomas J. Perrelli,

Settlement Administrator

EXHIBIT A

Summary of inputs for 13 week cash flow

Dream Center Receivership 13 weeks ending 8/26/19

Sources of Cash for Receiver

Las Vegas Title IV	\$	900,000
Studio Recovery		750,000
AI Studio VA funds		112,000
Liquidation recovery		130,000
Broadcasting license		1,000,000
State Grant fund recovery		1,000,000
Workmens Comp deposit recovery		250,000
Bonds		unknown
Litigation		unknown
Student payments		335,965
Transcripts		10,000
Computer IT platform		unknown
Curriculum		unknown
Total Sources of cash	\$	4,487,965

Uses of Cash for Receiver

Payroll - receiver		150,000
Payroll - Las Vegas		525,000
Payroll - Law School		1,050,000
Payroll 3/15 unpaid		1,864,244
Rent Las Vegas		24,463
Postage/delivery		13,000
Wind down expenses		21,000
Stipends		1,832
Reimbursement of medical		240,000
Landlord rent Feb through April		unknown
Total Uses of Cash	\$	3,889,539



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

Kwame Raoul
ATTORNEY GENERAL



STATE OF COLORADO
DEPARTMENT OF LAW

Phil Weiser
ATTORNEY GENERAL

June 3, 2019

The Honorable Elisabeth DeVos
Secretary
U.S. Department of Education
400 Maryland Ave SW
Washington, D.C. 20202

RE: Loan Discharge for Illinois Institute of Art and Art Institute of Colorado Students

Dear Secretary DeVos,

We write to you to request loan discharge for Illinois Institute of Art (IIA) and Art Institute Colorado (AI-CO) students in attendance in 2018. For a period of six months, beginning on January 20, 2018, IIA and AI-CO misled students that their campuses were institutionally accredited by the Higher Learning Commission (HLC), when in fact they were not. After IIA and AI-CO finally disclosed the lack of accreditation, both schools announced that they would close at the end of the calendar year, leaving students reeling and with limited options.

Based on this substantial misrepresentation of accreditation, IIA and AI-CO students should have any federal student loan used to pay for schooling at the affected campuses from January 1, 2018 onward discharged and any amounts paid on those loans refunded. In addition, the closed school discharge eligibility period for these students should be extended to include any student who was in attendance on or after January 20, 2018.

I. Misrepresenting the Loss of Accreditation

There is no dispute that Dream Center Education Holdings (DCEH), parent company of IIA and AI-CO, misrepresented its accreditation. DCEH acknowledged the misrepresentation and the Receiver for DCEH stipulated to the relevant facts. Ex. A, Stipulated Facts; *see also* Ex. B, Settlement Administrator's Third Report, pp. 43-44. In summary, DCEH admits that IIA and AI-CO lost Higher Learning Commission (HLC) accreditation on January 20, 2018 and that it misrepresented that fact to enrolled students, prospective students, and enrolling students until June 15, 2018. Ex. A at ¶¶ 2-9. DCEH admits that it widely disseminated a substantial

misrepresentation about its accreditation via its website, claiming that IIA and AI-CO “remain accredited” when in fact they were not accredited. *Id.* at ¶¶ 5-6. The same misrepresentation was included in DCEH’s catalogs and enrollment agreements in the spring of 2018. Ex. C, IIA and AI-CO catalogs, pg. 5 (IIA) & pg. 3 (AI-CO); Ex. D IIA and AI-CO enrollment agreements pg. 5. DCEH acknowledges that accreditation “is essential for students to transfer credits to other schools and for potential employers to recognize degrees,” and that affected students need restitution. *Id.* at ¶¶ 1, 9. The Department has also acknowledged the misrepresentation in a May 9, 2019 letter regarding IIA and AI-CO. Ex. E, May 9, 2019 Letter from the Department (“[T]he Higher Learning Commission (“HLC”) advised the Department that the Art Institute of Colorado and the Illinois Institute of Art (the “Art Institutes”) websites indicated that the schools remained accredited, despite the fact that HLC had put them into Change of Control Candidacy Status (“CCC status”), which HLC treated as non-accredited.”)

This substantial misrepresentation is a violation of consent judgments between our offices and DCEH’s predecessors that govern the company’s conduct. Ex. F, November 15, 2015 Consent Judgment in *People v. Education Management Corporation*.¹ Paragraph 81(b) provides in relevant part that DCEH “shall not make express or implied false, deceptive, or misleading claims to Prospective Students with regard to the academic standing of its programs and faculty including, but not limited to misrepresenting . . . the accreditation” of its schools and programs. *Id.* at ¶ 81(b).

The Settlement Administrator appointed pursuant to the consent judgments found the misrepresentation to be “an egregious act of non-compliance.” Ex. G, May 10, 2019 Position Statement of the Settlement Administrator, pg. 5. The Settlement Administrator explores this violation in-depth in his third annual report, noting that the misrepresentation is not only a violation of the consent judgments, but also of HLC policy, which requires disclosure to students within fourteen days. Ex. B, Settlement Administrator’s Third Report, pp. 43-44. The Settlement Administrator also highlights the substantial harm to students from the misrepresentation of accreditation, harm that was heightened by the announcement that DCEH would close the IIA and AI-CO campuses:

[The accreditation] change on January 20 carried significant consequences for the students of [IIA and AI-CO] – including consequences for their federal financial aid and their ability to transfer any credits they earned after January 20 to other schools. These consequences became more dramatic once DCEH announced in July that those schools would close – and thus that many of the students would *need* those credits to transfer to other schools (emphasis in original). *Id.*

As part of the Settlement Administrator’s inquiry, DCEH provided a spreadsheet of all affected students. Ex. H, Spreadsheet of affected students. Between January 20, 2018 and June 15, 2018, 1761 students attended IIA and AI-CO. *Id.* These students are eligible for discharge of all student loans used to pay for education at IIA and CO-IA from January 1, 2018 onward and a refund of

¹ The Consent Judgment expressly applies to EDMC’s successors and expressly covers asset sales, such as the one used to transfer IIA and AI-CO to DCEH. Colorado’s consent judgment is identical to Illinois’s. *See State of Colorado v. Education Management Corporation et al.* Colorado District Court Case No. 2015CV34015 (Nov. 19 2015).

any amounts paid on those loans pursuant to the borrower defense to repayment regulations, as described below.²

II. Borrower Defense to Repayment

DCEH misrepresented its accreditation, thereby inducing students to purchase worthless, nontransferable credits. Such a substantial misrepresentation serves as a sufficient basis to support a borrower defense to repayment for affected students. The Department applies the standard of review in 34 C.F.R. § 685.222 in considering borrower defense to repayment of loans issued after July 1, 2017.³ Borrowers are eligible for discharge where a preponderance of the evidence shows that the school made a substantial misrepresentation that the borrower reasonably relied on to the borrower's detriment. *See* 34 C.F.R. § 685.222(a)(2) & 34 C.F.R. § 685.222(d)(1). Upon consideration of common facts, the Secretary has the authority to determine whether a group qualifies for loan discharge. *See* 34 C.F.R. § 685.222(f). The Secretary can identify a group eligible for discharge from any source. 34 C.F.R. § 685.222(f)(1)(i). The Department is required to consider group discharge applications submitted by state attorneys general. *See Williams v. DeVos*, 2018 WL 5281741, at *12 (D. Mass. Oct. 24, 2018). (“In short, the Court finds that Attorney General Healey’s DTR submission was sufficient to require the Secretary to determine the validity of the plaintiffs’ borrower defense.”)

The borrower defense regulation defines substantial misrepresentations and specifically contemplates misrepresentations of accreditation in that definition. (“Misrepresentation concerning the nature of an eligible institution’s educational program includes, but is not limited to, false, erroneous or misleading statements concerning – (a) The particular type(s), specific source(s), nature and extent of its institutional, programmatic, or specialized accreditation.”) 34 C.F.R. § 668.72. Where a substantial misrepresentation is widely disseminated, “there is a rebuttable presumption that each [group] member reasonably relied on the misrepresentation.” 34 C.F.R. § 685.222(f)(3).

The facts here are not at issue. DCEH does not dispute that it misrepresented its accreditation for a period of nearly six months, and has stipulated to those facts. Ex. A, ¶¶ 1-9. That the misrepresentation was of the nature of the school’s institutional accreditation means that it is by definition a “substantial misrepresentation” pursuant to 34 C.F.R. § 668.72. Reliance on accreditation is axiomatic in higher education. It is a standard that all stakeholders rely on. State regulators, the Department, employers, schools, and students all rely on accreditation to insure compatibility and quality of instruction.⁴ In the case of IIA and AI-CO, students naturally relied on DCEH’s misrepresentation that the schools were accredited.

Moreover, it is not disputed that DCEH’s misrepresentation was widely disseminated. DCEH admits that the misrepresentation appeared on its website. Ex. A, Stipulated Facts, ¶ 5. Every

² The loss of accreditation occurred 12 days after the start of the January 2018 term. Ex. C, IIA catalog, pg. 214. All credits earned for this term are unaccredited and thus all loans used to pay for the term should be discharged.

³ U.S. Department of Education, Federal Student Aid, Office of Postsecondary Education, Guidance Concerning Some Provisions of the 2016 Borrower Defense to Repayment Regulations *available at* <https://ifap.ed.gov/eannouncements/030719GuidConcernProv2016BorrowerDefensetoRypmtRegs.html>

⁴ *See e.g.* Higher Education Accreditation Concepts and Proposals, pg. 2, Senate Committee on Health, Education, Labor & Pensions, *available at* <https://www.help.senate.gov/imo/media/Accreditation.pdf>.

student who enrolled from January 20 to June 15, 2019 received the misrepresentation in their enrollment agreement. Ex. D, IIA & AI-CO enrollment agreements, pg. 5. It also appeared in the IIA and AI-CO catalogs. Ex. C, IIA & AI-CO catalogs, pg. 5. This wide dissemination of the misrepresentation creates the rebuttable presumption of reliance. *See* 34 C.F.R. § 685.222(f)(3).

Making matters worse, the affected students were not able to use credits from the spring of 2018 to complete their degrees at IIA or AI-CO because the campuses were closing. Similarly, they are not able to transfer the credits to any other school because IIA and AI-CO were unaccredited. The students were deceived into purchasing credits that cannot be put to use in any way. Loans used to pay for any credits earned after January 1, 2018 should be discharged and any amounts paid on those loans should be refunded.

Our offices have attempted to obtain relief from DCEH directly. Our consent judgments with DCEH have express provisions to resolve violations through corrective action plans instituted by the settlement administrator. Unfortunately, relief from DCEH will necessarily be limited because the company is insolvent and currently in Receivership. The settlement administrator has moved the DCEH Receivership Court to create a constructive trust to provide at least some relief. Ex. G, May 10, 2019 Position Statement of the Settlement Administrator. Even if the Receivership court or a subsequent bankruptcy court were to set aside some amount, it will not cover the full amount paid by students following the loss of accreditation, which exceeds \$25 million dollars.⁵ The Receiver's May 30, 2019 cash flow statement, for example, shows that sources of cash exceed uses of cash by less than \$600,000. Ex. I, Receiver's May 30, 2019 cash flow statement.

III. Closed School Discharge

In addition to granting borrower defense to repayment, the Department should exercise its discretion to extend the 120-day window within which students who withdrew from IIA and AI-CO are eligible for closed school discharge. Any student who withdrew after the school lost accreditation on January 20, 2018 should be eligible.⁶ Hundreds of students, when they learned in short succession of the loss of accreditation and impending closure of IIA and AI-CO made the seemingly rational decision to withdraw from the school. Students were not told at this time, however, about the availability of and requirements for closed school discharge. Ex. B, Settlement Administrator's Third Report, pp. 31-35. Students who withdrew in July and August of 2018 were ultimately outside the 120 day window required for closed school discharge

⁵ Programs at Art Institutes generally have 15 credits per quarter, which generally cost \$483/credit. *See* Ex. C, IIA catalog pg. 123. DCEH misrepresented its accreditation over the course of two quarters. *See Id.* at 208. To compensate students for two full quarters, 30 credits at \$483/credit, it would be \$14,490/student. To fully compensate 1761 students attending full time for the two quarters where the misrepresentations occurred would be over \$25 million dollars. This figure excludes lab fees, the cost of digital textbooks, and starting kit fees which cost anywhere from \$599 to \$3695/student depending on the program. This figure ignores the amounts for the subsequent unaccredited periods from July to December 2018, which should also be discharged.

⁶ It should be noted that there is an argument that the closed school discharge window should be extended to October 17, 2017 for all DCEH schools based on the Department's denial of their application for change in ownership. *See* February 27, 2019 letter from the Department to DCEH's Receiver and Board Chair available at <https://studentaid.ed.gov/sa/sites/default/files/argosy-cio-denial-redacted.pdf>. We restrict our argument in this letter to the circumstances surrounding the loss of accreditation at IIA and AI-CO, but do not concede that the date should not be pushed back for all DCEH students.

eligibility. In order to receive relief, IIA and AI-CO students should not be required to have stayed enrolled at, and continued paying tuition to a closing, unaccredited school that defrauded them.

The Department has the power to at least partially right this wrong by extending the closed school discharge eligibility date to the date that IIA and AI-CO lost accreditation. *See* 34 CFR 685.214(c)(1)(i)(B). Indeed the closed school discharge regulation expressly contemplates loss of accreditation as a reason to extend the date within which students who withdrew from school may have their loans discharged. *Id.*

The Secretary may extend the 120-day period if the Secretary determines that exceptional circumstances related to a school's closing justify an extension. Exceptional circumstances for this purpose may include, but are not limited to: the school's loss of accreditation; the school's discontinuation of the majority of its academic programs; action by the State to revoke the school's license to operate or award academic credentials in the State; or a finding by a State or Federal government agency that the school violated State or Federal law . . . *Id.*

Additionally, a second express basis for extending the closed school discharge date exists in this case because of the finding that DCEH violated state law. The settlement administrator appointed to oversee the Illinois and Colorado state court judgments against DCEH found that DCEH's accreditation misrepresentations constituted a violation of those judgments. *See* Ex. G, May 10, 2019 Position Statement of the Settlement Administrator, pg. 5; *see also* Ex. B, Settlement Administrator's Third Report, pp. 43-44.

The settlement administrator appointed under the Illinois and Colorado judgments discusses DCEH's absolute failure to notify students about closed school discharge. He notes with frustration that he continually advised DCEH of the inadequacy of the information it provided to students on closed school discharge and DCEH's failure for over two months to provide adequate information. Ex. B, Settlement Administrator's Third Report, pp. 31-35. DCEH, for its part, told the administrator that it failed to provide adequate information at the direction of the Department. *Id.* at 32, 34 ("DCEH advises that it did not provide students with additional information because during this time, the Department of Education instructed DCEH not to announce that the schools were closing."). If this allegation is true, the Department betrayed the very students it is tasked with serving, and has a duty to provide any and all relief now available.


Students who attended IIA and AI-CO in the spring of 2018 paid for credits that had no value. The credits could not be used to complete degrees at IIA or CO-IA because the school announced it was closing at the same time it announced the loss of accreditation. The credits could not be transferred to another institution, because they were earned at an unaccredited school. Many students do not even qualify for closed school discharge, because the school obfuscated the details needed to qualify for that program even as the settlement administrator repeatedly urged them to make that information available.

Even in this age of large scale fraud and subsequent closures by for-profit schools, this situation stands out. The sheer audacity of misrepresenting institutional accreditation and the fundamental

harm it causes to students demands that the Department discharge all federal student loans used to pay for education at IIA and AI-CO in 2018, refund students any amounts paid on those loans, and extend the closed school discharge date to January 20, 2018.

Sincerely,

(b)(6)

A rectangular box with a black border, containing the text "(b)(6)" in the top left corner. The rest of the box is empty, indicating a redacted signature.

Kwame Raoul
Illinois Attorney General

Sincerely,

(b)(6)

A rectangular box with a black border, containing the text "(b)(6)" in the top left corner. The rest of the box is empty, indicating a redacted signature.

Phil Weiser
Colorado Attorney General

Puffer, Rhonda

From: Puffer, Rhonda
Sent: Monday, July 22, 2019 5:56 PM
To: Mangold, Donna; Jones, Diane; Minor, Robin; Valentine, Ingrid; Bennett, Ron; Frola, Michael; Finley, Steve; Powers, Michael E.
Cc: Delekta, Amanda
Subject: RE: Ai South Meeting -- ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION
Attachments: (b)(5)

Donna-

FYI ---- (b)(5)

(b)(5)

Rhonda

Rhonda Puffer, Accountant
Multi-Regional and Foreign School Participation Division
United States Department of Education
1010 Walnut Street, Suite 336
Kansas City, MO 64106
Office: 816-268-0547
Cell Phone: 202-368-1633
Rhonda.Puffer@ed.gov

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From: Mangold, Donna <Donna.Mangold@ed.gov>
Sent: Monday, July 22, 2019 3:07 PM

To: Jones, Diane <Diane.Jones@ed.gov>; Minor, Robin <Robin.Minor@ed.gov>; Valentine, Ingrid <Ingrid.Valentine@ed.gov>; Bennett, Ron <Ron.Bennett@ed.gov>; Frola, Michael <Michael.Frola@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Puffer, Rhonda <Rhonda.Puffer@ed.gov>; Powers, Michael E. <Michael.E.Powers@ed.gov>
Cc: Delekta, Amanda <Amanda.Delekta@ed.gov>
Subject: Ai South Meeting -- ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION

These are in the updated calendar invite also. AI sent this letter in May and we never responded. The purpose of the

(b)(5)

From: Mangold, Donna
Sent: Monday, July 22, 2019 3:57 PM
To: Minor, Robin <Robin.Minor@ed.gov>; Valentine, Ingrid <Ingrid.Valentine@ed.gov>; Bennett, Ron <Ron.Bennett@ed.gov>; Frola, Michael <Michael.Frola@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Puffer, Rhonda <Rhonda.Puffer@ed.gov>; Powers, Michael E. <Michael.E.Powers@ed.gov>
Cc: Jones, Diane <Diane.Jones@ed.gov>; Delekta, Amanda <Amanda.Delekta@ed.gov>
Subject: attendees for Wednesday's meeting with AI/South/Studio/EPF/Colbeck

Attendees:

Robin van Bokhorst, President of Education Principle Foundation
Steven Yoho, Interim Chancellor of South University
Claude Brown, Chancellor of the Arts Institutes
Bryan Newman, Chief Executive Officer of Studio Enterprise Manager, LLC
Jason Beckman, Co-Founder of Colbeck Capital Management, LLC
John Altorelli, Managing Partner of Aequum Law, LLC

Jones, Diane

From: Jones, Diane
Sent: Monday, July 22, 2019 7:09 PM
To: Mangold, Donna; Frola, Michael; Finley, Steve; Minor, Robin; Valentine, Ingrid; Bennett, Ron
Cc: Powers, Michael E.; Puffer, Rhonda; Delekta, Amanda
Subject: RE: SAVE The Art Institute of Las Vegas -- Emergency Motion to Approve the Sale- ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION

Thanks, Donna!

From: Mangold, Donna <Donna.Mangold@ed.gov>
Sent: Monday, July 22, 2019 5:42 PM
To: Frola, Michael <Michael.Frola@ed.gov>; Jones, Diane <Diane.Jones@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Minor, Robin <Robin.Minor@ed.gov>; Valentine, Ingrid <Ingrid.Valentine@ed.gov>; Bennett, Ron <Ron.Bennett@ed.gov>
Cc: Powers, Michael E. <Michael.E.Powers@ed.gov>; Puffer, Rhonda <Rhonda.Puffer@ed.gov>; Delekta, Amanda <Amanda.Delekta@ed.gov>
Subject: RE: SAVE The Art Institute of Las Vegas -- Emergency Motion to Approve the Sale- ATTORNEY CLIENT CONFIDENTIAL COMMUNICATION
Importance: High

Here is the revised language from DOJ, with input from the receiver's counsel, and the highlighted revision is from Save Las Vegas counsel. (b)(5) – but please yell before 10 a.m. tomorrow if you have any concerns:

(b)(5)

-----Original Appointment-----

From: Mangold, Donna

Sent: Monday, July 22, 2019 2:31 PM

To: Frola, Michael; Jones, Diane; Finley, Steve; Minor, Robin; Valentine, Ingrid; Bennett, Ron

Cc: Powers, Michael E.; Puffer, Rhonda; Delekta, Amanda

Subject: SAVE The Art Institute of Las Vegas -- Emergency Motion to Approve the Sale- ATTORNEY CLIENT
CONFIDENTIAL COMMUNICATION

When: Monday, July 22, 2019 2:30 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Skype Meeting

UPDATE 7.22.19 – from DOJ:

(b)(5)

(b)(5)

(b)(5)

This was the only time I could find on Diane's schedule. (Robin/Ingrid/Ron/Mike – you are all blocked, but hopefully one or more of you can join us).

[Join Skype Meeting](#)

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[Find a local number](#)

Conference ID: 81165662

[Forgot your dial-in PIN?](#) | [Help](#)

From: Mangold, Donna

Sent: Tuesday, July 16, 2019 10:38 AM

To: Frola, Michael <Michael.Frola@ed.gov>; Jones, Diane <Diane.Jones@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Minor, Robin <Robin.Minor@ed.gov>

Cc: Powers, Michael E. <Michael.E.Powers@ed.gov>; Puffer, Rhonda <Rhonda.Puffer@ed.gov>

Subject: RE: SAVE The Art Institute of Las Vegas

Adding Rhonda to the conversation since we need to keep her in the loop on all of our major LOC discussions for consistency and clarity in keeping our analysis of the two LOC requirements separate (per all the letters that just went out).

(b)(5)

(b)(5)

From: Frola, Michael <Michael.Frola@ed.gov>
Sent: Tuesday, July 16, 2019 8:22 AM
To: Mangold, Donna <Donna.Mangold@ed.gov>; Jones, Diane <Diane.Jones@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Minor, Robin <Robin.Minor@ed.gov>
Cc: Powers, Michael E. <Michael.E.Powers@ed.gov>
Subject: RE: SAVE The Art Institute of Las Vegas

(b)(5)

From: Mangold, Donna <Donna.Mangold@ed.gov>
Sent: Tuesday, July 16, 2019 8:02 AM
To: Jones, Diane <Diane.Jones@ed.gov>; Frola, Michael <Michael.Frola@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Minor, Robin <Robin.Minor@ed.gov>
Cc: Powers, Michael E. <Michael.E.Powers@ed.gov>
Subject: Re: SAVE The Art Institute of Las Vegas

Thanks, I got the filing last night. (b)(5)

(b)(5)

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Jones, Diane" <Diane.Jones@ed.gov>
Date: 7/15/19 11:08 PM (GMT-05:00)
To: "Mangold, Donna" <Donna.Mangold@ed.gov>, "Frola, Michael" <Michael.Frola@ed.gov>, "Finley, Steve" <Steve.Finley@ed.gov>, "Minor, Robin" <Robin.Minor@ed.gov>
Subject: FW: SAVE The Art Institute of Las Vegas

FYI

-----Original Message-----

From: Jones, Diane
Sent: Monday, July 15, 2019 11:08 PM
To: Richard G Rock <rgrocklv@gmail.com>
Subject: RE: SAVE The Art Institute of Las Vegas

Thanks for the update. I will pass this along to our counsel's office and to FSA. Congratulations!
Diane

-----Original Message-----

From: Richard G Rock <rgrocklv@gmail.com>

Sent: Monday, July 15, 2019 6:37 PM

To: Jones, Diane <Diane.Jones@ed.gov>

Subject: SAVE The Art Institute of Las Vegas

Secretary Jones,

We have executed an Asset Purchase Agreement with the Receiver an hour ago and it was filed with The District Court in the Northern District of Ohio - just moments ago.

We have also retained Aaron Lacey, Esq.

We wanted you to hear all of this from us.

Respectfully,

Richard Rock
William Turbay

iPhone Message from RGR

Mangold, Donna

From: Mangold, Donna
Sent: Thursday, July 25, 2019 11:38 AM
To: Jones, Diane; Minor, Robin; Valentine, Ingrid; Bennett, Ron; Frola, Michael; Powers, Michael E.; Finley, Steve
Subject: FW: New documents: Digital Media Solutions, LLC v. South University of Ohio, LLC et al (Doc# 398, N.D. Ohio 1:19-cv-00145-DAP)
Attachments: 2019-07-24 Motion Emergency Motion [dckt 398_0].pdf; 2019-07-24 Motion Emergency Motion [dckt 398_1].pdf

Here is the motion to approve the sale of the law school. Steve and I will talk to DOJ later today, (b)(5)

(b)(5)

From: Pham, Danielle (CIV) <Danielle.Pham@usdoj.gov>
Sent: Thursday, July 25, 2019 9:07 AM
To: Mangold, Donna <Donna.Mangold@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>
Cc: Randolph, Lloyd (CIV) <Lloyd.Randolph@usdoj.gov>
Subject: FW: New documents: Digital Media Solutions, LLC v. South University of Ohio, LLC et al (Doc# 398, N.D. Ohio 1:19-cv-00145-DAP)

FYI – I have not yet reviewed, but will do so today. I am going to ask for a Word version of their sale order so we can mark it up if necessary.

From: ECFdocuments@pacerpro.com <ECFdocuments@pacerpro.com>
Sent: Wednesday, July 24, 2019 6:13 PM
To: donna.mangold@ed.gov; jonathan.e.jacobson@usdoj.gov; Pham, Danielle (CIV) <dpham@CIV.USDOJ.GOV>; jwe@weadvocate.net; mark@dottoreco.com; mkw@weadvocate.net
Subject: New documents: Digital Media Solutions, LLC v. South University of Ohio, LLC et al (Doc# 398, N.D. Ohio 1:19-cv-00145-DAP)

[Digital Media Solutions, LLC v. South University of Ohio, LLC et al](#)

Docket entry number: 398

Motion Emergency Motion of Mark E. Dottore, Receiver of Dream Center Argosy University of California, LLC, for an Order Authorizing the Sale of All or Substantially All of the Assets of Western State College of Law at Argosy University, Free and Clear of All Liens, Encumbrances, Claims, and Other Interests and to Transfer the Interests of Unpaid Lienholders to the Proceeds of the Sale filed by Receiver Mark E. Dottore. (Attachments: # (1) Exhibit A - Asset Purchase Agreement)(Whitmer, Mary) (Entered: 07/24/2019)

Date entered: 2019-07-24

VIEW CASE

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,)	CASE NO. 1:19-cv-145
)	
Plaintiff,)	JUDGE DAN AARON POLSTER
)	
v.)	MAGISTRATE JUDGE
)	THOMAS M. PARKER
SOUTH UNIVERSITY OF OHIO,)	
LLC, <i>et. al.</i> ,)	
)	
Defendants.)	

EMERGENCY MOTION OF MARK E. DOTTORE, RECEIVER OF DREAM CENTER ARGOSY UNIVERSITY OF CALIFORNIA, LLC, FOR AN ORDER AUTHORIZING THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF WESTERN STATE COLLEGE OF LAW AT ARGOSY UNIVERSITY, FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES, CLAIMS, AND OTHER INTERESTS AND TO TRANSFER THE INTERESTS OF UNPAID LIENHOLDERS TO THE PROCEEDS OF THE SALE

Mark E. Dottore, the duly appointed and acting receiver (the “**Receiver**”), hereby moves this honorable Court, pursuant to the Order appointing him, federal common law and Fed. R. Civ. P. 66, and Rule 66.1(c) and (d) of the Local Rules for the United States District Court for the Northern District of Ohio, for the entry of an Order: (i) authorizing the sale of all or substantially all of the assets (the “**Assets**”) of Western State College of Law at Argosy University (“**WSCL**”), to Westcliff Management Group d/b/a Westcliff University or its assignee (the “**Buyer**”), consistent with the terms of an Asset Purchase Agreement (the “**APA**”) attached hereto as Exhibit A; (ii) determining and directing that the sale of the Assets is free and clear of all mortgages, pledges, security interests, liens, encumbrances, claims, charges, and any other interests of any kind or type

whatsoever, including any lien or priority payment pursuant to 31 U.S.C. § 3713 (the “**Interests**”); (iii) transferring all unpaid claims of any person holding an Interest (the “**Claimants**”) in the Assets to the proceeds of sale; and (iv) granting such other and further relief as is warranted in the circumstances.

This Motion is brought on emergency basis because there are imminent deadlines approaching that must be met for WSCL to be able to continue to operate. Buyer’s teach out of current students at WSCL, which is scheduled to begin on August 1, 2019, is contingent upon approval of the sale of the Assets of WSCL to Buyer. Further, in order to sell the Assets as a continuing educational enterprise in good standing, the Receiver must complete its sale transaction immediately. The school cannot continue as an educational institution for even a short time without financial assistance, and there is no one to provide it. Thus, time is of the essence for the Court’s approval of the Sale. And perhaps most important, if WSCL ceases to operate as an educational institution, its students will be unable to complete their programs of study and they will be detrimentally hurt.

In support of this Motion, the Receiver says as follows:

PROCEDURAL HISTORY

1. This Court appointed the Receiver on January 18, 2019, on an emergency basis, pursuant to its Order Appointing Receiver [Dkt. No. 8] (the “**Initial Receiver Order**”). On January 25, 2019, after discussions with the secured lenders of the Receivership Entities, the Receiver filed his *Motion of Mark E. Dottore, Receiver for Entry of Order Clarifying Order Appointing Receiver* [Docket

No. 12], pursuant to which the Court entered the Clarifying Order, *nunc pro tunc* to the entry of the Initial Receiver Order. [Dkt. No. 14].

2. On February 25, 2019, the Receiver filed his *Motion of Mark E. Dottore Receiver for Entry of Amended Order Appointing Receiver*, seeking the entry of an Amended Order Appointing Receiver (the “**Amended Receiver Order**”), incorporating changes requested by persons with significant interests in the assets and the operations of the receivership proceedings, including government entities and lenders. This Court entered the Amended Receiver Order on March 13, 2019. [Dkt. No. 150]. The various iterations of the orders appointing the Receiver shall be referred to herein as the “**Receiver Order**,” as the differences between the Initial Receiver Order, the Clarifying Order and the Amended Receiver Order are insignificant for the purposes of this Motion.

JURISDICTION AND AUTHORITY OF THE RECEIVER

3. The relief requested in this motion is governed by 28 U.S.C. § 3103(b)(1), FED. R. CIV. P. 66, Rule 66.1(c) and (d) of the Local Rules for the United States District Court for the Northern District of Ohio (the “**Local Rules**”), federal common law and the Receiver Order.

4. The Interim Receiver Order provides,

The Receiver is authorized to negotiate and effect an orderly sale, transfer, use or assignment of all or a portion of any of the Property in or outside of the ordinary course of business of the Receivership Entities and, for the proceeds thereof, to pay the secured and unsecured indebtedness of the Property, including the Real Property. . . . The Receiver is authorized to conduct such a sale of the Property in any manner which he, in his good faith

and reasonable discretion, believes will maximize the proceeds received from the sale.

5. The Amended Receiver Order provides that the Receiver's authority to negotiate and effect a sale of the assets is subject to Paragraphs 13 and 14 of the Amended Receiver Order. Paragraph 13 affirms that the regulatory authority of the United States may not be stayed or constrained, and Paragraph 14 affirms the validity of the Federal Priority Statute, 31 U.S.C. § 3713.

FACTS AND HISTORY

6. Dream Center Education Holdings LLC ("**DCEH**") is a not for profit holding company. Prior to the commencement of this case, DCEH held the equity interests of Argosy University of California, LLC, Dream Center South University, LLC, and The Arts Institutes International, LLC. Please see the First Report of Receiver [Dkt. No. 91], which is fully incorporated herein for further information as to DCEH's structure.

7. Dream Center Argosy University of California, LLC ("**DC Argosy**") was the sole member of Argosy Education Group, LLC ("**AEG**" and together with **DC Argosy**, the "**Argosy**"), which owned 25 university campuses and WSCL. Buyer wishes to purchase all of the assets of Argosy used solely in the operation of WSCL, whether tangible or intangible, and assume certain contracts of WSCL as set forth in the APA.

8. On or about January 7, 2019, the Receiver on behalf of Argosy entered into a Managed Services Agreement ("**MSA**") with Studio Enterprise Manager, LLC ("**Studio**") whereby Studio agreed to provide certain Non-Core Services (as defined

in the MSA) in support of Argosy's academic mission and purpose and that said services would be provided by DCEH pursuant to a Transition Service and License Agreement ("TSLA"). Per the Settlement Agreement entered into between the Receiver and Studio and approved by this Court [Dkt. No. 354], the MSA was terminated.

THE SALE TRANSACTION

9. On April 24, 2019, Receiver on behalf of Argosy entered into a letter of intent ("LOI") with Westcliff University ("**Buyer**") to acquire all of the assets of Argosy used solely in the operation of WSCL, whether tangible or intangible.

10. Upon consummation of the LOI, the parties negotiated and entered into an Asset Purchase Agreement ("**APA**"), which set forth the following terms and conditions:

- a. Buyer shall acquire all of the assets of Argosy used in the operation of WSCL, whether tangible or intangible ("Assets"), and assume certain scheduled liabilities of WSCL. It being understood that return to Title IV and non-Title IV refund obligations would not be performed or assumed by Buyer ("Transaction").
- b. It is intended that as a consequence of and following closing of the Transaction, WSCL shall become an additional location of Buyer and, while merged into its institutional governance structure under Buyer's WSCUC accreditation and USDE OPE ID, WSCL would continue to operate as it currently is operating as a college within Buyer.
- c. Buyer shall, upon Court approval of the sale to Buyer, enter into a teach-out agreement with Argosy by which it shall, subject to Regulatory Approvals and WSCL having tenancy rights at a facility, agree to teach-out the current WSCL students so that all currently-enrolled WSCL students would be able to complete their programs of study in accordance with agreed upon policies

respecting good academic standing and satisfactory academic progress commencing in August 2019.

- d. Buyer and Studio, to the extent necessary, shall enter into a Transition Service Licensing Agreement for IT support and other services that Studio currently provides to WSCL.
- e. Consideration for the Transaction is One Dollar (\$1.00).
- f. Conditions to closing include:
 - 1.) Receiver obtaining final order from this Court authorizing and approving the Transaction and ordering that (a) Buyer shall receive the Assets of WSCL free and clear of any liabilities not specifically assumed in the APA; (b) the agreements entered into in November 2015 between EDMC and 39 state attorneys general and the District of Columbia do not apply to WSCL or its assets following closing (the "Approval Order"); (c) the time to appeal Approval Order shall have lapsed; and (d) the Approval Order shall be subject to Regulatory Approvals.
 - 2.) Receipt of all Regulatory Approvals.
 - 3.) Parties entering into a teach-out agreement, approved by the regulatory agencies, with respect to the existing WSCL students.
 - 4.) Buyer entering into a lease agreement or having the current lease assigned to it so that it can commence the teach-out as of August 1, 2019 subject to receipt of all Regulatory Approvals for facilities appropriate to operate an ABA accredited law school.
 - 5.) Consummation of the Transaction is conditioned upon the approval by the following regulatory agencies upon terms acceptable to Buyer:
 - (i) Issuance by the U.S. Department of Education ("USDE") that the School's planned documentation submittal intended to demonstrate compliance with 34 CFR §600.9(a) will be accepted by the DOE and will not impede School's continued Title IV Programs participation after the Closing Date or result in the

issuance of the TPPA or PPA that includes an Adverse Regulatory Condition.

- (ii) WSCL shall have received a Pre-Acquisition Review Response that does not contain any Adverse Regulatory Condition or indicate the existence of any material impediments to the issuance of a TPPA or PPA following the Closing
 - (ii) All necessary approvals by the WASC Senior College and University Commission (“WSCUC”);
 - (iii) All necessary approvals by the American Bar Association (“ABA”), or, alternatively, by the Committee of Bar Examiners of the State Bar of California;
 - (iv) All necessary approvals by the California Bureau of private Postsecondary Education (“BPPE”); and
 - (v) Approval by each of the foregoing regulatory agencies of a teach-out of the existing WSCL students.
- 7.) Each party hereto shall bear and pay its own fees and expenses and shall have no responsibility or obligation for any other party’s fees or expenses.
- 8.) Closing shall occur upon the satisfaction of all necessary pre-closing conditions and approval by all Regulatory Agencies.

THE SALE TRANSACTION IS CONSISTENT WITH SOUND BUSINESS JUDGMENT AND IS IN THE BEST INTEREST OF CREDITORS AND OTHER INTERESTED PARTIES, INCLUDING STUDENTS

11. Since his appointment in this case, the Receiver has been approached by various groups and institutions who were seriously interested in acquiring parts of Argosy and the other campuses. The Receiver has actively pursued discussions with 15 different potential purchasers, two for WSCL and thirteen for the other campuses. Although there has been no specific advertisement for sale, this case has