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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

THERESA SWEET, CHENELLE  
ARCHIBALD, DANIEL DEEGAN, SAMUEL  
HOOD, TRESA APODACA, ALICIA DAVIS,  
and JESSICA JACOBSON on behalf of  
themselves and all others similarly situated,

Case No.: 19-cv-03674-WHA

*Plaintiffs,*

v.

**AFFIDAVIT OF ALISON WRIGHT**

ELISABETH DEVOS, in her official  
capacity as Secretary of the United States  
Department of Education,

And

THE UNITED STATES DEPARTMENT OF  
EDUCATION,

*Defendants.*

I, Alison Wright, state as follows:

1. I am submitting this affidavit in relation to the above-captioned case.
2. I borrowed federal student loans in order for my son, John Wright, Jr., to attend the Wyotech Blairsville Diesel Technology and Management program.
3. In December 2015, in order to stop the harassing and threatening phone calls I received from the loan servicer, I refinanced my home to repay the loans in full.
4. On August 5, 2016, I submitted a borrower defense application to the United States Department of Education (“Application”), asking for these loans to be forgiven. A copy of the Application, with personal information redacted, is attached as Exhibit A.
5. My Application included both a letter with supporting evidence that Wyotech engaged in misconduct as well as a signed Attestation Form pertaining to certain Everest and Wyotech students.

1           6.       My son’s initial date of enrollment at Wyotech was August 26, 2011. He re-  
2 enrolled on February 13, 2013.

3           7.       On March 30, 2020, I received correspondence from the Department of  
4 Education, stating that my claim had been denied (“Denial Notice”). A copy of the Denial  
5 Notice is attached as Exhibit B.

6           8.       The Denial Notice says that my Application was denied because my claim was  
7 “Outside Coverage Dates” for Job Placement Rates.

8           9.       The Denial Notice says that my Application failed to state a legal claim that  
9 Wyotech engaged in misconduct related to Educational Services.

10          10.       The Denial Notice says that my Application failed to state a legal claim that  
11 Wyotech engaged in misconduct related to Employment Prospects.

12          11.       The Denial Notice says that my Application failed to state a legal claim that  
13 Wyotech engaged in misconduct related to Program Cost and Nature of Loans.

14          12.       The Denial Notice says that my Application failed to state a legal claim that  
15 Wyotech engaged in misconduct related to Career Services.

16          13.       The Department’s application form did not ask me to state any legal claims.

17          14.       The Denial Notice stated that my Job Placement Rate claim was “outside  
18 coverage dates,” but I do not know what that means. The Department’s application did not state  
19 that an initial enrollment date outside the “coverage dates” would result in a denial of that claim,  
20 but instead stated that I “may still be eligible for loan forgiveness.” Further, it is now my  
21 understanding that my son’s date of re-enrollment was within the coverage dates. And, I included  
22 in my Application written evidence regarding the false promises made to my son that influenced  
23 both his initial enrollment and his re-enrollment.

24          15.       The Denial Notice does not respond to any of the claims I made or information I  
25 provided about Wyotech’s misconduct.

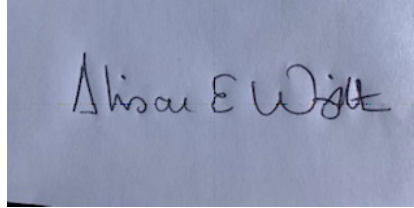
26          16.       The Denial Notice offers no information about whether any of the evidence I  
27 submitted was reviewed, let alone considered, or what was found to be deficient. I do not know  
28 whether my evidence was reviewed and how it was found deficient.

1           17.     The Denial Notice states that I can apply for reconsideration, but I am not aware  
2 of what additional evidence would be helpful, and based on the content of the Denial Notice, I do  
3 not know if the Department would review any additional evidence.  
4

5           I swear under penalty of perjury that the foregoing is true and correct.

6  
7 Executed on: August 20, 2020

8 \_\_\_\_\_,

A rectangular photograph of a handwritten signature in blue ink on a light-colored surface. The signature reads "Alison E Wright".

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11 Alison Wright  
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# **EXHIBIT A**





**UNITED STATES DEPARTMENT OF EDUCATION**

**ATTESTATION FOR CERTAIN EVEREST AND WYOTECH STUDENTS  
APPLICATION FOR BORROWER DEFENSE TO REPAYMENT LOAN DISCHARGE**

FORM APPROVED  
OMB NO: 1845-0132  
Exp. 11/30/2018

The Department of Education has found that at various times between 2010 and 2014, Everest Institute, Everest College, and Everest University ("Everest"), and WyoTech published misleading job placement rates for many of its programs of study. This form is designed to expedite the process of obtaining loan forgiveness based on borrower defense to repayment for loans taken out by Everest and WyoTech students to enroll in these programs. This form covers federal Direct Loans (including Parent PLUS loans issued to parents of Everest and WyoTech students) received on or after July 1, 2010. A list of covered programs and dates of enrollment is available at <https://studentaid.ed.gov/ev-wy-findings>. Please fill out this attestation ONLY IF your program and dates of enrollment are included on this list.

Everest and WyoTech students who did not attend programs where the Department of Education found misleading job placement rates, or whose decision to enroll was not influenced by those job placement rates, may still be eligible for loan forgiveness based on borrower defense to repayment. Additional instructions to file a claim for loan forgiveness can be found at <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/borrower-defense>.

**Instructions:** Please complete this form. To sign the form, insert a digital image of your signature in the appropriate field below or print a hard copy of the form and sign. Submit your form and all supplementary documents referenced in question #4 via email to [FSAOperations@ed.gov](mailto:FSAOperations@ed.gov) or mail to Department of Education, PO Box 194407, San Francisco, CA 94119.

**SECTION I: BORROWER INFORMATION**

First Name

Middle Name

Last Name

Date of Birth

Alison

E

Wright

Social Security Number (last 4 digits)

Telephone Number

Email Address

@Gmail.com

Home Address

City

State

Zipcode

I, Alison Wright, attest to the following:

I am submitting this attestation and additional materials in support of my application for a borrower defense to repayment discharge of my Direct Loans under 34 C.F.R. § 685.206 (c).

**SECTION II: PROGRAM INFORMATION**

If you enrolled in more than one covered Everest/WyoTech program, you will need to complete the following for each covered program you attended. For example, if you were a criminal justice student in 2011 and returned in 2012 for an accounting program, you should complete the first Campus Program section based on your enrollment in criminal justice and the second Campus Program section based on your enrollment in accounting.

If you have more than one program, click the Add Campus Program button that appears at the bottom of the Campus Program section.

**Note:** This form applies to students who enrolled in a program after misleading placement rates were published for the program. A list of covered programs and dates of enrollment is available at <https://studentaid.ed.gov/ev-wy-findings>. The earliest enrollment date covered is July 1, 2010.

CAMPUS PROGRAM			
Campus	Enrollment Start Date* (MM/YYYY)	Enrollment End Date* (MM/YYYY)	
Wyotech Blairsville, PA	08-26-2011	08-8-2013	
Program Name	Diesel Technology and Management		Credential

- Prior to my enrollment in this Everest/WyoTech program, I received information about job placement rates related to my program of study through one or more of the following ways (check each that applies)
  - Brochures advertising Everest/WyoTech academic programs or other printed materials, including those provided by Everest/WyoTech representatives or recruiters;
  - Emails, online materials, or online disclosures from or by Everest/WyoTech.
- I believed that the job placement rates related to my program of study indicated the level of quality an Everest/WyoTech education offered to students. I chose to enroll at Everest/WyoTech based, in substantial part, on the information I received about job placement rates related to my program of study and the quality of education I believed those placement rates represented.
- I applied for and received a federal Direct Loan to cover the cost of attendance of the Everest/WyoTech program in which I enrolled.
- As an attachment to this attestation, I have included documents(s) with additional information to confirm that I was enrolled in the program of study at Everest/WyoTech that I identified above, and was enrolled for the dates I provided above. (Suggested documents include transcripts and registration documents indicating your specific program of study at Everest/WyoTech and dates of enrollment.)  
The document(s) I have attached are:

Enrollment Agreement, Letter of frustration dated 4, 2015  
Wyotech 2010 Annual Placement Disclosure

- \*Select the check box if you had multiple periods of enrollment in a program, that is, if you enrolled in a program but subsequently discontinued enrollment, and then reenrolled in the same program at a later date, please provide all start and end dates applicable to this program. (Deselect the check box to remove any enrollment dates added in error.)

Add Campus Program

Remove Campus Program

### SECTION III: OTHER INFORMATION

Please provide or attach any other information about your experience at Everest/WyoTech that you believe is relevant: (2,000 characters max)

due to the frequent harrassing / threatening  
phone calls regarding this school loan, I refinanced  
my home to attain money to pay the loan off.  
This Loan was paid in full 12-26-2014  
to Great Lakes Confirmation [REDACTED]  
\$36,802.98

**SECTION IV: DIRECT LOAN FORBEARANCE**

By completing this form, you are eligible to have all of your federal loans placed into forbearance and for collections on any federal loans in default to stop while your claim is reviewed by the Department of Education. Please read the following information carefully before making your selection below.

During any period that your loans are in forbearance, you do not have to make payments on those loans, and the loans will not go into default. If your loans are already in default, collections will stop. This will continue until the loan discharge review process is completed. Your servicer will notify you when your loan has been placed into forbearance or stopped collections. Until you receive that notice, you should continue to make payments.

The forbearance or stopped collections will affect all of a borrower's federal loans, including loans that are not eligible for discharge through this form, such as Federal Family Education Loans (FFEL), loans taken out to attend an Everest and/or WyoTech program not on the enclosed list of covered programs, or loans taken out to attend another institution.

**Note that interest will continue to accrue on all of these federal loans, including subsidized loans, during the forbearance or stopped collections period.**

If you want the forbearance or stopped collections to apply only to those loans that may be eligible for a discharge using this form (federal Direct Loans received on or after July 1, 2010 to attend Everest and/or WyoTech programs covered by the enclosed list), you must notify your loan servicer. At any time during the forbearance or stopped collections period, you may voluntarily make payments on your loans, including payments for accrued interest, or end the forbearance or stopped collections by contacting your servicer.

If your claim made using this form is successful, your federal Direct Loans borrowed to attend a covered Everest/WyoTech program will be discharged. Also at that time, the forbearance or stopped collections period for your other federal loans will end. You will be responsible for repaying these other remaining loans, including interest that accrued during the forbearance or stopped collections period, under the terms of your promissory note.

If your claim is denied, you will not receive a discharge of any of your loans and the forbearance or stopped collections period will end for all of your loans. You will be responsible for repaying these loans, including interest that accrued during the forbearance or stopped collections period, under the terms of your promissory note.

*Loan has been paid in full!*

- Yes, I want my federal loans to be placed in forbearance and for collections to stop on any loans in default while my loan discharge claim is reviewed.
- No, I do not want my federal loans to be placed in forbearance and for collections to stop on any loans in default while my loan discharge claim is reviewed.

**SECTION V: CERTIFICATION**

By signing this attestation I certify that:

I agree to provide, upon request, testimony, a sworn statement, or other documentation reasonably available to me that demonstrates to the satisfaction of the Department of Education or its designee that I meet the qualifications for borrower defense to repayment loan discharge.

All of the information I provided is true and complete to the best of my knowledge and I agree, if asked, to provide information reasonably available to me to the Department of Education that will verify the accuracy of my completed attestation.

I understand that the Department of Education has the authority to verify information reported on this application with other federal or state agencies or other entities. I authorize the Department of Education, along with its agents and contractors, to contact me regarding this request at the phone number above using automated dialing equipment or artificial or prerecorded voice or text messages.

I understand that if I purposely provided false or misleading information on this application, I may be subject to the penalties specified in 18 U.S. Code § 1001.

Signature

Alwan E Wright

Date

7-11-2016

**Privacy Act Notice.** The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you: The authorities for collecting the requested information from and about you are §421 *et seq.*, §451 *et seq.* and §461 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 *et seq.*, 20 U.S.C. 1087(a) *et seq.*, and 20 U.S.C. 1087(a) *et seq.*, and the authorities for collecting and using your Social Security Number (SSN) are §428B(f) and §484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 20 U.S.C. 1091(a)(4) and 31 U.S.C. 7701(b)). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, the Federal Family Education Loan (FFEL) Program, or the Federal Perkins Loan (Perkins Loan) Program, and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate. The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan Program, FFEL, or Perkins Loan Programs, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) becomes delinquent or defaults. We also use your SSN as an account identifier and to permit you to access your account information electronically. The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies. In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

**Paperwork Reduction Act Notice.** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0132. Public reporting burden for this collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain a benefit (20 U.S.C. 1087e(h)). If you have comments or concerns regarding the status of your individual submission of this application, please contact [FSAOperations@ed.gov](mailto:FSAOperations@ed.gov).



Alison Wright

August 5, 2016

Department of Education

P.O. Box 194407

San Francisco, CA 94119

Regarding a letter I received about Direct Plus Loans recommended to Me from the School – Wyotec in Blairsville, PA, I have enclosed copies of documents I feel are relevant to this experience, and my request for Loan forgiveness or actually, refund.

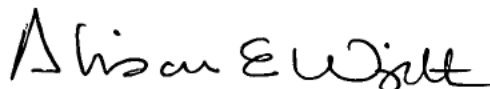
I am an RN employed by this region's Medical Center. My Husband is a Commercial Carpenter. We have worked for and paid for everything we have. Our oldest son thought Wyotec's Diesel Mechanic program would be a positive direction for his educational future and it was sold to us as that, as you may see on the enclosed 2010 Annual Placement Disclosure.

As you are already aware, this was a horrible experience for my son. The teachers in this school exhibited neglectful behavior and my son suffered a terrible depression and was asked to leave the school. He returned home explaining that the school was a horrible scam. My husband and I teach our children to finish what they start, and recommended him to return and finish the program in hopes of him having a career at completion. He finished and absolutely could not find a company that would hire him – Wyotec did not provide him with any accreditations.

Because of the high interest rate ( 7.9%) and the harassing phone calls, we refinanced our home and paid off the total of the loan = \$36,802.98, as you may see in the enclosed papers. I called for a paid in full letter or receipt, but never received one. The proof of payment from our bank account is enclosed.

If the Education Department is providing other students like my son with Loan forgiveness, I am requesting a **refund** in the same amount that others are receiving in forgiveness.

Thank you for your sincere work in this matter,



Alison E Wright



**Enrollment Agreement**

- Laramie Campus - 4373 North 3<sup>rd</sup> Street · Laramie, WY 82072 · Phone: (307) 742-3776 · Fax: (307) 721-4854
- Blairsville Campus - 500 Innovation Drive · Blairsville, PA 15717 · Phone: (724) 459-9500 · Fax: (724) 459-6499  
A branch of WyoTech in Laramie, WY
- Sacramento Campus - 980 Riverside Parkway · West Sacramento, CA 95605 · Phone: (916) 376-8888 · Fax: (916) 617-2059  
A branch of WyoTech in Laramie, WY
- Daytona Beach Campus - 470 Destination Daytona Lane · Ormond Beach, FL 32174 · Phone: (386) 255-0295 · Fax: (386) 252-3523
- Fremont Campus - 200 Whitney Place · Fremont, CA 94539 · Phone: (510) 490-6900 · Fax: (510) 490-8599

**1. STUDENT APPLICANT**

Last Name: Wright John First Name: SR Middle Initial: D Social Security Number: [REDACTED] Date: 6-16-11  
 Address: [REDACTED] Street City State Zip Tel. No. [REDACTED]

**2. EDUCATION PROGRAM**

Program: Diesel Technology and Management Program Code: DTM T 115  
 Academic Award:  Certificate  Diploma  Occupational AOST Degree  Occupational AOS Degree  
 Start Date: 8-26-11 Graduation Date: 8-23-12 Session: 6:00 AM/PM to 12:15 AM/PM  
 Semester Credit Hours: 65 Quarter Credit Hours: \_\_\_\_\_ Clock Hours: 1500 Length (weeks): 48

**3. TUITION AND FEES**

Tuition is charged by academic year.

	First Academic Year	Second Academic Year	Third Academic Year	Total Program Cost
Tuition	\$ <u>15,500</u>	\$ <u>9,750</u>	\$ _____	\$ <u>25,250</u>
Application Fee (+)	\$ <u>100</u>	\$ _____	\$ _____	\$ <u>100</u>
Technology / Materials Fee (+)	\$ _____	\$ _____	\$ _____	\$ _____
Student Tuition Recovery Fund Fee	\$ _____	\$ _____	\$ _____	\$ _____
Other Fees for Fremont (+)	\$ _____	\$ _____	\$ _____	\$ _____
On-line / Refresher/ Training Materials	\$ _____	\$ _____	\$ _____	\$ _____
Tuition Deposit (-)	\$ _____	\$ _____	\$ _____	\$ _____
Tuition Credit (-)	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	\$ <u>19,600</u>	\$ <u>9,750</u>	\$ _____	\$ <u>29,350</u>

Tuition is payable on the first day of class of each academic year. The application fee is payable upon enrollment. YOU ARE RESPONSIBLE FOR THIS AMOUNT. IF YOU GET A STUDENT LOAN, YOU ARE RESPONSIBLE FOR REPAYING THE LOAN AMOUNT PLUS ANY INTEREST. Additional 4%

**4. BOOKS, TOOLS, AND FEES:** Books and a set of tools will be provided (loaned) to the Laramie, Blairsville, and Sacramento students at no additional charge. Resident students must pay a \$100.00 book and tool deposit upon registration for the first academic year. The deposit will be returned within 30 days of student separation from school provided all books and tools are returned in the same condition as received less normal wear. The cost of lost or damaged books and tools will be deducted from the deposit. If the losses or damages exceed the deposit, the student must pay the difference prior to separation from school. Charges for books at the Fremont and Daytona Beach campuses are included in tuition. Tools and equipment will be provided (loaned) to Fremont and Daytona Beach students at no additional charge. Online students for the Fremont campus must pay a \$100.00 non-refundable online fee at the beginning of each six week phase of the online portion of training. Students at the Laramie, Blairsville, Sacramento, and Daytona Beach campuses will be charged a \$750.00 Materials Fee for diploma programs. Students at the Laramie and Blairsville campuses will be charged a \$1,500.00 Technology Fee for degree programs. Students at the Sacramento campus will be charged a \$1,500.00 Technology Fee for degree and Collision/Refinishing programs. Students at the Sacramento campus will be charged a \$500.00 Materials Fee for the Automotive Technician program. Students at the Fremont campus will be charged a \$500.00 Materials Fee. Students at the Fremont campus taking a refresher course will be charged \$275.00 and a \$200.00 Training Materials Fee.

**5. THE STUDENT APPLICANT UNDERSTANDS:**

- (a) The school does not guarantee employment following graduation, but does offer placement assistance to graduates. To obtain maximum employment opportunities the student may be required to relocate outside of their campus' location upon successful completion of the program.
- (b) The total program cost indicated in section 3 of this agreement does not include housing charges.
- (c) The school reserves the right to change class schedules, change or eliminate sessions, revise or withdraw programs, and make other changes in training-related matters at any time, provided in no event will this alter the duration of the course/program or the cost. These changes may occur for Illinois students with approval from the Illinois State Board of Education.
- (d) The terms and conditions of this agreement are not subject to amendment or modification by oral agreement. Any changes in this agreement are not binding on the student or the school unless such changes have been approved in writing by the authorized official of the school, the student, or the student's parent/guardian if the student is a minor.
- (e) The school is not responsible for any statements or promises that are contrary to this agreement or the school catalog.
- (f) The school reserves the right to discontinue a student's training for lack of satisfactory academic progress, non-payment of tuition or fees, or failure to comply with published rules of conduct.
- (g) If financial assistance will be requested, neither the amount of assistance nor a payment schedule for remaining unpaid charges can be determined at this time. When the amount of financial assistance has been determined, a separate Installment Contract shall be executed. In compliance with federal and state laws, the Installment Contract will disclose the school charges not satisfied by financial assistance, and indicate a repayment schedule for the remaining unpaid charges.
- (h) The tuition indicated in this agreement is applicable through the indicated graduation date, provided the student remains in continuous classroom attendance through that date, except for regularly scheduled school breaks.
- (i) The date of this transaction is the date this agreement is signed by the student applicant. The date of execution of this transaction for Illinois students is the postmark date of the letter of acceptance from the school.
- (j) WyoTech does not guarantee credit transfer in to or out of the school. Transferability is always at the discretion of the receiving school. The degree, diploma, and/or certificate programs of the school are terminal in nature and are designed for the graduate's employment upon graduation.

**BUYER'S RIGHT TO CANCEL**

You, the buyer, may cancel at any time after signing this Agreement and within five business days following the day of the first class of the first academic year. See the attached Notice of Cancellation form for an explanation of this right.

**NOTICE TO ALL SIGNATORIES:** (1) Do not sign this Agreement before reading it, including the writing on the reverse side or if it contains any blank spaces. (2) Both sides of this Agreement are legally binding when signed by the student applicant and accepted in writing at WyoTech. (3) It is unfair business practice for the school to sell, discount, or otherwise transfer this contract or promissory note without the signed written consent of the student or his/her financial sponsors and a written statement notifying all parties that the cancellation and refund policy continues to apply. (4) You acknowledge receipt of and have had the opportunity to review an exact copy of this Agreement, a Notice of Cancellation form, a school catalog including the definition and implications of the transferability of credit policy, and any information disclosure pages presented by the school. (5) You have been given the opportunity to tour the facilities.

My signature below certifies I read, understood, and agreed to my rights and responsibilities, and the school's cancellation and refund policies have been clearly explained to me.

Signature of Student Applicant: [Signature] Date: 6/16/11  
 Signature of Parent/Guardian (if applicant is a minor): \_\_\_\_\_ Date: \_\_\_\_\_  
 Date of Birth: [REDACTED] Age of Student Applicant: 20  
 Printed Name of Parent/Guardian: \_\_\_\_\_

As an authorized representative of the school, I have interviewed the student applicant, and I recommend his/her acceptance. I have not made any statements or promises contrary to the terms of this agreement or the school catalog. Illinois students who sign this agreement confirm compliance with the Illinois Act and Code. **Payment of the Application Fee (if applicable) and/or Tuition Deposit by the student applicant is acknowledged.** [Signature] Rep Number: 293 Date: 6-16-11

Accepted at WyoTech: \_\_\_\_\_ Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_



Washington Students: This school is licensed under Chapter 28C.10 RCW. Inquiries or complaints regarding this school may be made to the Work Force Training and Education Coordinating Board, 128 Tenth Avenue SW, P.O. Box 43105, Olympia, Washington 98504-3105; (360) 753-5673.

Notice: Any holder of this consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. Recovery hereunder by the debtor shall not exceed amounts paid by the debtor hereunder.

Illinois Students: Illinois students have the following additional cancellation provisions to receive all monies paid: the student applicant was not provided a copy of a valid enrollment agreement and a current catalog; the school fails to conduct classes on days or scheduled times, detrimentally affecting the student; and the student applicant cancels this agreement within five business days after the postmark date of the letter of acceptance. Arbitration Waiver: If Illinois parties do not agree to choose arbitration they may request a trial by jury. Complaints against this school may be registered with the state board of education. If you believe your rights have been violated, you may file a written complaint with the Illinois State Board of Education at one of the following addresses: Illinois State Board of Education, 100 West Randolph, Suite 14-300, Chicago, IL 60601-3405, (312) 814-5818; Illinois State Board of Education, Private Business & Vocational Schools, Accountability Division, 100 West Randolph, Suite 14-300, Chicago, IL 60601-3405, (312) 814-5818; Illinois State Board of Education, Private Business & Vocational Schools, Accountability Division, 100 North First Street, E230, Springfield, IL 62777-0001, (217) 782-2948. NOTICE: Every assignee of this agreement makes it subject to all claims and defenses of the student or his successors in interest arising under this agreement. The Illinois Student Placement Statistics and Enrollment Agreement Disclosures form is page 3 of this agreement.

California Students: If you have any complaints, questions, or problems which you cannot work out with the school, write or call the Bureau for Private Postsecondary Education, 1625 North Market Boulevard, Suite S-202, Sacramento, CA 95834. Colorado Students: In the event a class start date is postponed, a student reserves the right to cancel or receive a refund based on the revised start date. Inquiry or complaint may be made to the Colorado Department of Higher Education, Division of Private Occupational Schools at (303) 894-2960 or www.state.co.us/dhps. The student has a two-year limitation of Division action on student complaints. Agents licensed by the Colorado Department of Higher Education, Private Occupational School Board. Illinois Students: Illinois students have the following additional cancellation provisions to receive all monies paid: the student applicant was not provided a copy of a valid enrollment agreement and a current catalog; the school fails to conduct classes on days or scheduled times, detrimentally affecting the student; and the student applicant cancels this agreement within five business days after the postmark date of the letter of acceptance. Arbitration Waiver: If Illinois parties do not agree to choose arbitration they may request a trial by jury. Complaints against this school may be registered with the state board of education. If you believe your rights have been violated, you may file a written complaint with the Illinois State Board of Education at one of the following addresses: Illinois State Board of Education, Private Business & Vocational Schools, Accountability Division, 100 West Randolph, Suite 14-300, Chicago, IL 60601-3405, (312) 814-5818; Illinois State Board of Education, Private Business & Vocational Schools, Accountability Division, 100 North First Street, E230, Springfield, IL 62777-0001, (217) 782-2948. NOTICE: Every assignee of this agreement makes it subject to all claims and defenses of the student or his successors in interest arising under this agreement. The Illinois Student Placement Statistics and Enrollment Agreement Disclosures form is page 3 of this agreement.

STATE INFORMATION SECTION

12. ARBITRATION: The student agrees that any dispute arising from my enrollment at the school, no matter how described, pleaded or styled, shall be resolved by binding arbitration under the Federal Arbitration Act conducted by the American Arbitration Association ("AAA") under its Commercial Rules. The award rendered by the arbitrator may be entered in any court having jurisdiction. Both student and the school irrevocably agree that any dispute between them shall be submitted to Arbitration. Neither the student nor the school shall file or maintain any lawsuit in any court against the other, and agree that any suit filed in violation of this Agreement shall be dismissed by the court in favor of an arbitration conducted pursuant to this Agreement. The costs of the arbitration filing fee, arbitrator's compensation and facilities fees will be paid by the school, to the extent these fees are greater than a Superior Court filing fee. The arbitrator's decision shall be set forth in writing and shall set forth the essential findings and conclusions upon which the decision is based. Any remedy available from a court under the law shall be available in the arbitration. Nothing in this Agreement prohibits the student from filing a complaint with the state regulatory agency. Students are strongly encouraged, but not required, to utilize the Grievance Procedure described in the catalog, prior to filing an arbitration. A student desiring to file an arbitration should first contact the school president, who will provide the student with the appropriate forms and detailed instructions. The student should bring this form to the AAA. A student may, but need not, be represented by an attorney at the Arbitration. By my signature on the reverse, I acknowledge that I understand that both I and the school are irrevocably waiving rights to a trial by jury, and are selecting instead to submit any and all claims to the decision of an arbitrator instead of a court. I understand that the award of the arbitrator will be binding, and not merely advisory. I also acknowledge that I may at any time, before or after my admission, obtain a copy of the Rules of the American Arbitration Association, at no cost, from the school president.

11. FEDERAL RETURN OF TITLE IV FUNDS POLICY: Please refer to the catalog section titled "Federal Return of Title IV Funds Policy" for further detail that may affect the return of federal funds.

10. REFUND EXAMPLE: If a student enrolls in a 1,500 clock hour program, paid \$25,700 for tuition + \$750 for Materials Fee, and completed 1000 clock hours, their refund would be calculated as follows: (1) Total program cost of \$25,700 + \$750 Materials Fee, divided by 1,500 clock hours = \$17.63 per clock hour cost for the program. (2) \$17.63 multiplied by the 1000 clock hours attended = \$17,630 owed by the student. (3) Total of \$25,700 + \$750 - \$17,630 owed = \$8,820 refunded to the student.

9. PAYMENT OF REFUNDS: Refunds due to the student will be paid within 30 days from the date of determination of withdrawal. Refunds due to students attending the Blairsville, PA campus will be paid within 30 days from the last date of attendance.

8. SPECIAL REFUND CIRCUMSTANCES: In case of student prolonged illness or accident, death in the family, or other circumstances that make it impractical to complete an academic year, the school will make a settlement that is reasonable and fair to all parties.

7. REFUND POLICY: Notification of intent to withdraw should be made to the Registrar's Office located at your campus. The school will perform a pro rata refund calculation for students who terminate their training before completing the period of enrollment. Under a pro rata refund calculation, the school is entitled to retain only the percentage of charges (tuition, fees, room, board, etc.) proportional to the period of enrollment completed by the student. The period of enrollment completed by the student is calculated by dividing the total number of days in the period of enrollment into the days scheduled to be completed as of the student's last date of attendance. The period of enrollment for students enrolled in modular programs is the academic year. The refund is calculated using the following steps: (1) Determine the total charges for the period of enrollment. (2) Divide this figure by the total number of days in the period of enrollment. (3) The answer to the calculation in step (2) is the daily charge for instruction. (4) The amount owed by the student for the purposes of calculating a refund is derived by multiplying the total days that the student was scheduled to attend as of the student's last date of attendance by the daily charge for instruction. (5) The refund shall be any amount in excess of the figure derived in step (4) that was paid by the student.

6. CANCELLATION POLICY: All notices of cancellation should be in writing, signed and dated, and mailed or delivered to the Admissions Office located at your campus. (a) The student applicant will be returned all monies paid if: (1) The school rejects the applicant; (2) The enrollment of the student was procured as the result of any misrepresentation through advertising, promotional materials of the school, or representations by the owner or representative of the school; (3) The school cancels the student's program. The student applicant will be returned all monies paid the latter of: (4) The student applicant cancels this agreement within five business days after signing the agreement and making an initial payment; (5) The student applicant cancels this agreement within five business days following a tour of the school and inspection of school equipment; (6) The student applicant cancels this agreement within five business days following the first scheduled class of the first academic year; (7) California students enrolling for the Sacramento, CA campus may cancel at any time after signing this agreement and within five business days following the day of the first class of the first academic year, less the application fee (if applicable), if this agreement is cancelled more than five business days after signing the agreement and (a)(5), (a)(6), or (a)(7) above do not apply.

5. (a) The student applicant will be returned all monies paid if: (1) The school rejects the applicant; (2) The enrollment of the student was procured as the result of any misrepresentation through advertising, promotional materials of the school, or representations by the owner or representative of the school; (3) The school cancels the student's program. The student applicant will be returned all monies paid the latter of: (4) The student applicant cancels this agreement within five business days after signing the agreement and making an initial payment; (5) The student applicant cancels this agreement within five business days following a tour of the school and inspection of school equipment; (6) The student applicant cancels this agreement within five business days following the first scheduled class of the first academic year; (7) California students enrolling for the Sacramento, CA campus may cancel at any time after signing this agreement and within five business days following the day of the first class of the first academic year, less the application fee (if applicable), if this agreement is cancelled more than five business days after signing the agreement and (a)(5), (a)(6), or (a)(7) above do not apply.

4. (a) The student applicant will be returned all monies paid if: (1) The school rejects the applicant; (2) The enrollment of the student was procured as the result of any misrepresentation through advertising, promotional materials of the school, or representations by the owner or representative of the school; (3) The school cancels the student's program. The student applicant will be returned all monies paid the latter of: (4) The student applicant cancels this agreement within five business days after signing the agreement and making an initial payment; (5) The student applicant cancels this agreement within five business days following a tour of the school and inspection of school equipment; (6) The student applicant cancels this agreement within five business days following the first scheduled class of the first academic year; (7) California students enrolling for the Sacramento, CA campus may cancel at any time after signing this agreement and within five business days following the day of the first class of the first academic year, less the application fee (if applicable), if this agreement is cancelled more than five business days after signing the agreement and (a)(5), (a)(6), or (a)(7) above do not apply.

3. (a) The student applicant will be returned all monies paid if: (1) The school rejects the applicant; (2) The enrollment of the student was procured as the result of any misrepresentation through advertising, promotional materials of the school, or representations by the owner or representative of the school; (3) The school cancels the student's program. The student applicant will be returned all monies paid the latter of: (4) The student applicant cancels this agreement within five business days after signing the agreement and making an initial payment; (5) The student applicant cancels this agreement within five business days following a tour of the school and inspection of school equipment; (6) The student applicant cancels this agreement within five business days following the first scheduled class of the first academic year; (7) California students enrolling for the Sacramento, CA campus may cancel at any time after signing this agreement and within five business days following the day of the first class of the first academic year, less the application fee (if applicable), if this agreement is cancelled more than five business days after signing the agreement and (a)(5), (a)(6), or (a)(7) above do not apply.

2. (a) The student applicant will be returned all monies paid if: (1) The school rejects the applicant; (2) The enrollment of the student was procured as the result of any misrepresentation through advertising, promotional materials of the school, or representations by the owner or representative of the school; (3) The school cancels the student's program. The student applicant will be returned all monies paid the latter of: (4) The student applicant cancels this agreement within five business days after signing the agreement and making an initial payment; (5) The student applicant cancels this agreement within five business days following a tour of the school and inspection of school equipment; (6) The student applicant cancels this agreement within five business days following the first scheduled class of the first academic year; (7) California students enrolling for the Sacramento, CA campus may cancel at any time after signing this agreement and within five business days following the day of the first class of the first academic year, less the application fee (if applicable), if this agreement is cancelled more than five business days after signing the agreement and (a)(5), (a)(6), or (a)(7) above do not apply.

1. (a) The student applicant will be returned all monies paid if: (1) The school rejects the applicant; (2) The enrollment of the student was procured as the result of any misrepresentation through advertising, promotional materials of the school, or representations by the owner or representative of the school; (3) The school cancels the student's program. The student applicant will be returned all monies paid the latter of: (4) The student applicant cancels this agreement within five business days after signing the agreement and making an initial payment; (5) The student applicant cancels this agreement within five business days following a tour of the school and inspection of school equipment; (6) The student applicant cancels this agreement within five business days following the first scheduled class of the first academic year; (7) California students enrolling for the Sacramento, CA campus may cancel at any time after signing this agreement and within five business days following the day of the first class of the first academic year, less the application fee (if applicable), if this agreement is cancelled more than five business days after signing the agreement and (a)(5), (a)(6), or (a)(7) above do not apply.

Recruiter

Chad Saddlemire  
518-275-9931

**WYOTECH CAMPUS LOCATIONS**  
Blairsville, PA · Daytona, FL · Fremont, CA  
Laramie, WY · Long Beach, CA · Sacramento, CA  
Member of the Corinthian Colleges, Inc. Global Network



art popular  
start

WyoTech, Blairsville - Outcomes

2010 Annual Placement Disclosure

Director of Education  
Harry Weimann

WyoTech, Blairsville is accredited by the Accrediting Commission of Career Schools and Colleges (ACCSC) and as such annually prepares and submits an Annual Report. The following are the most recent placement statistics submitted to ACCSC.

Jim Thomas - Assistant

sociate agree

sel management

Applied Services Management Occupational Programs	AST Degree Program	Placement
Motorsports Chas Fab w/ Auto		89%
Motorsports Chas Fab w/ Coll		92%
Motorsports Chas Fab w/ Diesel		86%
Street Rod w/ Auto Tech		82%
Street Rod w/ Coll. Ref.		85%
Street Rod w/ Diesel		77%
Col. Ref. w/ Uphol. Tech		77%
Auto Tech w/ Light Duty Diesel		88%
AST Auto Tech & Mgmt		83%
AST Col. Ref. Tech & Mgmt		86%
AST Diesel & Mngt		100%
Auto Tech w/ High Perf Power Trains		83%
Auto/Diesel Vehicle Technology		73%
Auto Tech w/ Trim & Upholstery		N/A
Diesel Technician		100%
Diesel w/ High Perf Power Trains		85%
Diesel w/ Light Duty Diesel		95%
Diesel/Auto Vehicle Technology		78%

\$29,250.00  
Per year

Core Elective  
4 months add on

\$8,700.00

Federal Work Study  
Must Qualify  
through Annual Moor. Admin.

off campus job opportunities  
Part-time

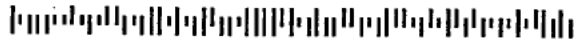
ACCSC outcomes are calculated by program length, tracking start cohorts from their start date through graduation. To determine the cohort date range, the ACCSC calculation counts backwards from the report date as follows: program length times 1.5 plus 3 months for placement activity. Employment is calculated by taking the total graduates placed in field divided by the total number of graduates minus graduates waived for employment because of continuing education, military, health, incarceration, foreign students or death.

School 6 hrs/day morning 6A - 12<sup>15</sup>, T-1<sup>40</sup> AM  
Homework = reading chapter  
2010 Annual Retention Disclosure  
The retention rates are calculated by taking the full-time, first-time cohort of students who enrolled between October 13, 2008 through November 30, 2008 and then looking at the student status as of that cohort during the  
can only miss 22 hrs of school / yr



15 Scott's Corner Drive, Montgomery, NY 12549

\*\*\*\*\*AUTO\*\*SCH 5-DIGIT 12586  
704 1.0524 AV 0.381 3 1 87



JOHN D WRIGHT  
ALISON E WRIGHT

ACCOUNT STATEMENT

Account Number

Page 1 of 3

Statement Period:  
12-25-14 thru 01-23-15

Customer Contact Center  
(845) 457-7700  
Option 3

For your convenience,  
we now offer gift cards for all occasions.  
Stop by any branch to make your purchase.

Super Now 16855

Balance last statement 12-24-14		\$45,937.83
Deposits and other additions	+	8,453.67
Checks paid and other subtractions	-	53,069.24
Ending balance on 01-23-2015		\$1,322.26

Activity on Your Account

Date	Description	Deposits and other additions	Checks paid and other subtractions	Balance
12-26-14	758011 POS PURCHASE PGI*PYRAMID COLL 877-7561628 MA 11039030 758011		41.90	45,895.93
12-26-14	785548 POS PURCHASE SHOPRITE MONTGOM MONTGOMERY NY 38950100 785548		144.62	45,751.31
12-29-14	8377 ATM WITHDRAWAL WALDEN SAV BANK PINEBUSH NY NY000863 008377		40.00	45,711.31
12-29-14	8233 ATM WITHDRAWAL WALDEN SAV BANK CIRCLEVILLE NY NY000859 008233		100.00	45,611.31
12-29-14	GREAT LAKES STUDENT LN 6KCEO1J9KJ1		36,802.98	8,808.33
12-30-14	246684 POS PURCHASE PGI*PYRAMID COLL 877-7561628 MA 86459520 246684		69.95	8,738.38
12-30-14	CHECK # 6744		75.00	8,663.38
12-31-14	DEPOSIT	700.00		9,363.38
12-31-14	ORANGE REGIONAL PR PAYMENT 0001-002000140	2,214.21		11,577.59
12-31-14	WEB TRANSFER TO XXXX3669 12/31 10:01		50.00	11,527.59
12-31-14	WEB TRANSFER TO XXXX2470 12/31 10:02		50.00	11,477.59
12-31-14	WEB TRANSFER TO XXXX4903 12/31 10:02		100.00	11,377.59
12-31-14	INTEREST AT .0978 %	2.83		11,380.42
01-01-15	479692 POS PURCHASE SHOPRITE MONTGOM MONTGOMERY NY 31690157 479692		23.93	11,356.49
01-01-15	733146 POS PURCHASE VALLEY SUPREME L PINE BUSH NY 31111459 733146		25.93	11,330.56





U.S. Department of Education  
Information about your federal student loan



U.S. DEPARTMENT OF EDUCATION (798581)  
PLUS/SLS Loan Account [REDACTED]

January 10, 2015

005426




ALISON E. WRIGHT



Don't Pay a Fee for Help That's Free

Ignore any company that asks you to pay for student loan services. **Save your money! Let us help you for free.**

Visit [mygreatlakes.org/go/free](http://mygreatlakes.org/go/free) for more information.



Hi Alison E. Wright,

The number you've been waiting for is here—**your 1098-E is now available.** You can find the number for this account on the back of this letter, or by logging into [mygreatlakes.org](http://mygreatlakes.org).

Your number is the amount of interest paid on your Great Lakes-serviced student loans in 2014. You'll have one number for each account listed in your Account Summary on [mygreatlakes.org](http://mygreatlakes.org). You may be able to deduct some or all of the amounts from your income on your federal tax return, which could reduce the amount you pay—good news for you!

If you have student loans with other lenders or servicers, they'll provide you with the interest paid on those loans. Add all of your numbers together to determine the total student loan interest paid for the year. Check with a tax advisor to determine which interest is tax deductible, and provide that amount in box 1 in the student loan interest deduction portion of your tax return.

Find more information on the 1098-E by visiting [mygreatlakes.org/go/taxstatements](http://mygreatlakes.org/go/taxstatements).

Sincerely,

Great Lakes Borrower Services

Your Great Lakes ID: [REDACTED]

**U.S. Department of Education Privacy Policy**

In 1999, Congress enacted the Gramm-Leach-Bliley Act (Public Law 106-102). This Act requires that lenders provide certain information to their customers regarding the collection and use of nonpublic personal information. Because you have a loan held by the U.S. Department of Education, we are sending you this Notice.

In general, the categories of nonpublic personal information collected about you from your application, your educational institution, and consumer reporting agencies, include your address and other contact information, demographic background, loan and educational status, family income, social security number, employment information, collection and repayment history, and credit history. We disclose nonpublic personal information to third parties as necessary to process and service your loan and as permitted by the Privacy Act of 1974. The Privacy Act permits disclosure to third parties as authorized under certain routine uses. Examples of disclosures permitted under the Privacy Act include disclosure to federal and state agencies, private parties such as relatives, present and former employers, and creditors, and our contractors for purposes of administration of the student financial assistance programs, for enforcement purposes, for litigation, and for use in connection with audits or other investigations.

We do not sell or otherwise make available any information about you to any third parties for marketing purposes. We protect the security and confidentiality of nonpublic personal information by implementing the following policies and practices. All physical access to the sites where nonpublic personal information is maintained is controlled and monitored by security personnel. Our computer systems offer a high degree of resistance to tampering and circumvention. These systems limit data access to our staff and contract staff on a need-to-know basis and control individual users' ability to access and alter records within the systems. All users of these systems are given a unique user ID with personal identifiers. All interactions by individual users with the systems are recorded.

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, address, and telephone number U.S. DEPARTMENT OF EDUCATION PO BOX 7860 MADISON, WI 53707-7860 (800) 236-4300		OMB No. 1545-1576  <b>2014</b>  Form 1098-E	<b>Student Loan Interest Statement</b>  <b>Copy B For Borrower</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.
RECIPIENT'S federal identification no. [REDACTED]	BORROWER'S social security number [REDACTED]	<b>1</b> Student loan interest received by lender \$7,773.78	
BORROWER'S name and address ALISON E. WRIGHT [REDACTED]		U.S. DEPARTMENT OF EDUCATION (798581) PLUS/SLS LOAN ACCOUNT	
Account number (see instructions) [REDACTED]		<b>2</b> If checked, box 1 does not include loan origination fees and/or capitalized interest for loans made before September 1, 2004 <input type="checkbox"/>	

Form 1098-E

(keep for your records)

www.irs.gov/form1098e

Department of the Treasury - Internal Revenue Service

### Instructions for Borrower

A person (including a financial institution, a governmental unit, and an educational institution) that receives interest payments of \$600 or more during the year on one or more qualified student loans must furnish this statement to you.

You may be able to deduct student loan interest that you actually paid in 2014 on your income tax return. However, you may not be able to deduct the full amount of interest reported on this statement. Do not contact the recipient/lender for explanations of the requirements for (and how to figure) any allowable deduction for the interest paid. Instead, for more information, see Pub. 970, Tax Benefits for Education, and the Student Loan Interest Deduction Worksheet in your Form 1040 or 1040A instructions.

**Borrower's identification number.** For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN). However, the issuer has reported your complete identification number to the IRS and, where applicable, to state and/or local governments.

**Account number.** May show an account or other unique number the lender assigned to distinguish your account.

**Box 1.** Shows the interest received by the lender during the year on one or more student loans made to you. For loans made on or after September 1, 2004, box 1 must include loan origination fees and capitalized interest received in 2014. If your loan was made before September 1, 2004, you may be able to deduct loan origination fees and capitalized interest not reported in box 1.

**Box 2.** If checked, indicates that loan origination fees and/or capitalized interest are not included in box 1 for loans made before September 1, 2004. See Pub. 970 for how to figure any deductible loan origination fees or capitalized interest.

**Future developments.** For the latest information about developments related to Form 1098-E and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form1098e](http://www.irs.gov/form1098e).

<b>Contact Us for Help or Make a Payment</b>		Your Great Lakes ID: [REDACTED]
<a href="http://mygreatlakes.org">mygreatlakes.org</a> Access account information make payments, visit the Knowledge Center, or email us.	(800) 236-4300 or (608) 246-1700 TTY: 711 Monday - Friday 7:00 am - 9:00 pm CT	<i>Payment address only. Please include your Great Lakes ID.</i> Great Lakes PO Box 530229 Atlanta, GA 30353-0229
You can self-serve 24/7 online or by phone. Some calls may be monitored or recorded for quality assurance purposes.		



12-26-14

Pay off

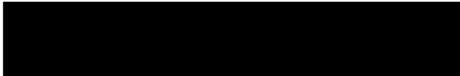


U.S. Department of Education  
Information about your federal student loan

65,000.00  
58,821.21

November 19, 2014

009567



ALISON E. WRIGHT



68,425.49 6,178.79

A-10-2015 David

Department of Ed would have

Hi Alison,

Sent Paid in full statement

Passive

7,000.00

You're headed down the wrong path with your student loans. But it's not too late to change course.

If you can, please make a payment equal to the past due amount on the back of this letter. If you're unable to, let's work together to find a solution. Here are some options:

- Change to a repayment plan based on your income. It could reduce your monthly payment to as low as \$0.
- Postpone your payments with a deferment or forbearance and resolve your past due payments.
- Explore loan forgiveness.
- Consider loan consolidation.

For additional information, read the enclosed *Know Your Repayment Options* or call us.

**Doing Nothing Only Makes It Worse**

Your delinquent loans may have already been reported to national credit bureaus. If you don't take action and the loans default, the default will be reported to all national credit bureaus and your defaulted loans will be transferred to either the loan guarantor or the U.S. Department of Education for collection. Collection action may include garnishing your wages, seizing tax refunds and other payments made by the government, and legal action to collect the loans.

Give us a call and let us help you get on the right path.

Sincerely,

Great Lakes Borrower Services

**Contact Us for Help or Make a Payment**

Your Great Lakes ID: [Redacted]



[mygreatlakes.org](http://mygreatlakes.org)

Access account information, make payments, visit the Knowledge Center, or email us.



(800) 236-4300 or (608) 246-1700

TTY: 711

Monday - Friday 7:00 am - 9:00 pm CT



Payment address only. Please include your Great Lakes ID.

Great Lakes  
PO Box 530229  
Atlanta, GA 30353-0229

You can self-serve 24/7 online or by phone. Some calls may be monitored or recorded for quality assurance purposes.

**A Snapshot of Your Great Lakes-Serviced Student Loan Accounts as of 11/19/2014**

Accounts Referenced in this Letter								
Loan Type	Lender	Principal Balance and Interest Rate Subsidized	Unsubsidized	Accrued Interest	Account Balance	Next Payment Due Date	Past Due Days	Past Due Amount
Parent PLUS	U.S. DEPARTMENT OF EDUCATION (798581)	\$0	\$35,533.94 @ 7.900%	\$984.45	\$36,518.39	12/16/2014	95	\$1,777.44
				<b>Total Balance:</b>	<b>\$36,518.39</b>			<b>Total Past Due Amount:</b>
								<b>\$1,777.44</b>

36,802.98 Paid

Diane  
12/26/2014 Confirmation

**Loan Type** The type of student loan you borrowed.

**Lender** The organization that loaned you money for school, such as banks, credit unions, or the U.S. Department of Education.

**Principal Balance and Interest Rate** The amount of money you borrowed for school and the interest rate, minus any principal payments or refunds received.

**Subsidized** This amount doesn't build up interest during certain statuses because the federal government pays it for you, unless you reach the 150% subsidy limit and lose the government subsidy.

**Unsubsidized** This amount always builds up interest.

**Accrued Interest** The amount of interest that has built up so far.

**Account Balance** The principal balance plus the interest that's built up so far. Keep in mind, this is not your payoff amount.

**Next Payment Due Date and Amount** The date your next payment and amount is due.

**Past Due Days and Amount** The number of days and the amount your account is past due.



08-21-2012

PAGE: 1

[REDACTED]  
ALISON E. WRIGHT  
[REDACTED]

BORROWER: ALISON E. WRIGHT  
ACCT TYPE: Fed Parent PLUS  
LENDER: U.S. DEPARTMENT OF EDUCATION 798581 581  
PMT REF NR: [REDACTED]

PAYMENT DATE	PMT TYPE	AMOUNT	APPLIED TO PRINCIPAL	APPLIED TO INTEREST	APPLIED TO LATE CHRGS	UNPAID PRINCIPAL BALANCE
09/26/2011	ND	9,358.00				9,358.00
03/23/2012	ND	13,048.00				22,406.00
04/30/2012	ND	597.00				23,003.00
04/30/2012	ND	598.00				23,601.00
06/21/2012	IC	810.77				24,411.77

002115

GREAT LAKES EDUCATIONAL LOAN SERVICES, INC. | MYGREATLAKES.ORG  
2401 INTERNATIONAL LANE | MADISON, WI 53704-8192 | 608.246.1800



May 2, 2014



001306



ALISON E. WRIGHT



**Is this your correct email address?**



We tried sending you this information by email, but it didn't go through.

Please go to [mygreatlakes.org/go/profile](http://mygreatlakes.org/go/profile) to make sure we have your correct email address. Also, check that your service provider isn't blocking emails from glhec.org.



Dear Alison E. Wright:

Your May 2, 2014 billing statement is now available on mygreatlakes.org. Your statement keeps you informed about your account balance, and details how any recent payments were applied.

**Payment for All Accounts:  
Due By:**

**\$888.72  
5/16/2014**

Your summary and payment instructions are on the next page.

Pay online at mygreatlakes.org. Consider enrolling in Auto Pay.

To view your full statement, visit mygreatlakes.org.

This communication seeks to collect a debt and any information we receive will be used for this purpose. Please make a payment today.

Sincerely,

Great Lakes Borrower Services  
Great Lakes ID: 

**Unemployed? Underemployed? Need Relief?**

Troubled by unemployment, a low salary, or not enough hours at work? Lower or postpone your student loan payments and help lighten your load. The availability of other plans depends on your loan type, when you borrowed money, and the amount of time left in repayment. Learn more at [www.mygreatlakes.org/go/unemploymentrelief](http://www.mygreatlakes.org/go/unemploymentrelief) or contact us. Visit [mygreatlakes.org](http://mygreatlakes.org) or call us at (800) 236-4300 or (608) 246-1700. TTY users call 711. You can also write to us at Great Lakes, PO Box 7860, Madison, WI 53707-7860. Some calls may be monitored or recorded for quality assurance purposes.

The Department of Education's website, [studentaid.ed.gov](http://studentaid.ed.gov), also provides information about options that may be available to you.







**Your May 2, 2014 Billing Statement Summary**To view your full statement, visit [mygreatlakes.org](http://mygreatlakes.org).**Billing Statement Summary****Parent PLUS - U.S. DEPARTMENT OF EDUCATION (798581)**  
[REDACTED]

<b>Amount Past Due:</b>	<b>\$444.36</b>
Scheduled Monthly Payment:	\$444.36
<b>Minimum due by 5/16/2014:</b>	<b>\$888.72</b>

<b>Total Payment:</b>	<b>\$888.72</b>
<b>Due By:</b>	<b>5/16/2014</b>

The fastest way to make your payment is at [mygreatlakes.org](http://mygreatlakes.org). You can also pay by phone or by mail.

 (800) 236-4300 or (608) 246-1700  
 TTY: 711  
*You can self-serve 24/7.*

 Great Lakes  
 PO Box 530229  
 Atlanta, GA 30353-0229

If you pay by mail, include this number with your payment:  
[REDACTED]

4-10-2015 Student aid.ed.gov  
Complaint filed

Direct Plus loan

ED Great Lakes referred by School

" As already reported - My Son is another victim of WyoTech's instructors NEGLECT to teach & answer questions during classes. Misleading recruitment tactics (AST Diesel & Mngt - 100% job placement), was absolutely unable to find a job in his area of study. Daily phone calls at home & via cell to me and my son - the student - harassing & demanding payment, threatening collections & bad credit reporting. I refinanced my Home to pay off this Parent Plus Loan. I was told by Tina Austin at WyoTech, during a financial phone call that I was responsible to finance my son's education up until he was 26 years of age, but I ~~did~~<sup>was</sup> not allowed access to academic reports or progress. Any of my phone calls to instructors went to unanswered voice mail. I was able to speak to Director of Education - Harry Weiman - only once. This was a very bad experience for my son - he was left discouraged & depressed after coming home from WyoTech in Blairsville, PA. He never did get a job in Diesel.

WyoTech - Request for Readmission

Instructions:

1. This form must be completed and returned to the Student Services Dept. within 6 weeks of a readmission date.
2. Do not travel to WyoTech until your request for readmission is approved in writing.
3. Mail this form to:

WyoTech  
 Attn: Student Services  
 500 Innovation Drive  
 Blairsville, PA 15717

If you have already filled out a readmission form in the Student services Dept, it is not necessary to complete this form again.

Do not leave anything blank on this form as it could delay the readmission process.

Applicant Name: JOHANNY WRIGHT CMDS #: [REDACTED]

Current Address: [REDACTED] Soc Sec #: [REDACTED]

Telephone #: [REDACTED]

Permanent Address: \_\_\_\_\_

Telephone #: \_\_\_\_\_

1. What date did you last attend school? 5/24/2012

2. Were you ever on probation while attending school?  Yes  No

3. If yes, what was the reason for your probation? \_\_\_\_\_

4. Why did you leave school? TIME RELATED

5. \*\*\* Returning students must show up to class and record attendance on the day that their class begins. Any student who is absent on the first day of class will be un-scheduled and may not return for that re-start date.\*\*\*

Requested Return Date: 2/13/2013 Phase: 900 / Power TRAINS / DAYS

I understand that WyoTech reserves the right to refuse my request for readmission based upon my attendance and academic and social conduct history at WyoTech. I also understand that I should not travel to WyoTech until I am notified in writing that my request for readmission has been approved.  
 Pending conditions met prior to return

[Signature]  
 Applicant Signature

1/14/2013  
 Date

May 25, 2012

John D. Wright Jr.

Dear John:

Effective 5/24/12, you were suspended from school because you have exceeded the (10) tardy occurrences allowed in any one course. Your last official date of attendance was 5/24/2012.

You may apply for readmission for the phase beginning 2/2/2013 by completing the enclosed "Request for Readmission" form. Please be aware that the school reserves the right to refuse readmittance. This decision will be based upon your previous record at WYOTECH to include attendance, academics, professional and social behavior. The readmission process may take approximately six weeks to complete.

*Do not travel to WYOTECH until you have been notified in writing that your request for readmission has been approved. A copy of this letter will be placed in your student permanent record and sent to your parents or guardian, subject to the privacy rights contained in the General Education Provisions Act, section 438.*

Please contact your Coordinator or the Registrar with any questions regarding your suspension or readmission process.

Sincerely,



Harry Weimann  
Director of Education

HW:cy  
Enclosure

cc: Student Academic File

rpt\_salLedgerCard.rpt  
TAustin2@admin.cci.edu

10/11/2013

# Student Ledger

Blairsville  
Wright Jr, John D

Student ID [REDACTED]  
SSN [REDACTED]  
Start Date 08-26-2011  
Program Version Diesel Technology and Management 65 Credits AS  
Current Status Drop  
Account Status  
Clock Hours 1,500.00  
LDA 05-24-2012  
Payment Plan 0

00475  
500 Innovation Drive  
Blairsville, PA 15717

(800)822-8253

EffectiveDate	ProgramVersion	SchoolStatus	StartDate	ActionDate	DOD	Withdrawal	LastDate
05/24/2012	Diesel Technology and Management 65 Credits AS	Drop	08/26/2011	05/25/2012	05/24/2012	05/24/2012	05/24/2012
08/08/2013	8 HR - Diesel Technology and Management 65 crs 1500 hrs AS	Graduate	02/13/2013	08/12/2013			08/08/2013

## Diesel Technology and Management 65 Credits AS

Item Posted	AY	Trx Seq	Item Description	Fund Source	Receipt #	Comments	Charges	Payments	Refunds	Balance
08-27-2011	1	1	TUIT Tuition			Auto-Bill	19,500.00	0.00	\$0.00	19,500.00
08-27-2011	1	1	RENT Rent Charges			Auto-Bill	2,440.00	0.00	\$0.00	21,940.00
09-18-2011	1	1	RENT Rent Charges			Auto-Bill	(50.00)	0.00	\$0.00	21,890.00
09-28-2011	1	1	Direct Subsidized Loan 2 2011-12	DLSUB2	11-271-0097	FA 225105	0.00	1,742.00	\$0.00	20,148.00
09-28-2011	1	1	Direct Unsubsidized Loan 2 2011-12	DLUSUB2	11-271-0102	FA 225105	0.00	995.00	\$0.00	19,153.00
10-04-2011	1	1	Direct PLUS Loan 2 2011-12	DLPLUS2	11-277-0033	FA 227494	0.00	9,125.00	\$0.00	10,028.00
10-07-2011	1	1	RENT Rent Charges			Auto-Bill	(30.00)	0.00	\$0.00	9,998.00
10-11-2011	1	1	RENT Rent Charges			Auto-Bill	30.00	0.00	\$0.00	10,028.00
10-18-2011	1	1	Stipend - DLPLUS2 2011-12	DLPLUS2	1382679		0.00	0.00	\$(100.00)	10,128.00
10-18-2011	1	1	Stipend - DLPLUS2 2011-12	DLPLUS2	1392575		0.00	0.00	\$(508.00)	10,636.00
10-25-2011	1	1	Stipend - DLPLUS2 2011-12	DLPLUS2	0001402714		0.00	0.00	\$(508.00)	11,144.00
11-21-2011	1	1	Stipend - DLPLUS2 2011-12	DLPLUS2	0001416841		0.00	0.00	\$(508.00)	11,652.00
12-23-2011	1	1	RENT Rent Charges			Auto-Bill	762.50	0.00	\$0.00	12,414.50
12-27-2011	1	1	Stipend - DLPLUS2 2011-12	DLPLUS2	0001444962		0.00	0.00	\$(100.00)	12,514.50



10/11/2013

# Student Ledger

Blairsville

00475  
500 Innovation Drive  
Blairsville, PA 15717

(800)822-8253

Wright Jr, John D

Student ID

SSN

Start Date 08-26-2011

Program Version Diesel Technology and Management 65 Credits AS

Current Status Drop

Account Status

Clock Hours 1,500.00

LDA 05-24-2012

Payment Plan 0

## Diesel Technology and Management 65 Credits AS

Item Posted	AY Trx Seq Type	Sa Bill Code	ItemDescription	Fund Source	Receipt #	Comments	Charges	Payments	Refunds	Balance
12-27-2011	1 I	RENT	Rent Charges			Auto-Bill	(762.50)	0.00	\$0.00	11,752.00
01-04-2012	1 P		Stipend - DLPLUS2 2011-12	DLPLUS2	0001448393		0.00	0.00	\$(408.00)	12,160.00
01-23-2012	1 P		Stipend - DLPLUS2 2011-12	DLPLUS2	0001455313		0.00	0.00	\$(508.00)	12,668.00
02-24-2012	1 P		Stipend - DLPLUS2 2011-12	DLPLUS2	0001485943		0.00	0.00	\$(508.00)	13,176.00
03-21-2012	1 P		Stipend - DLPLUS2 2011-12	DLPLUS2	0001494836		0.00	0.00	\$(508.00)	13,684.00
03-23-2012	1 P		Direct Unsubsidized Loan 2 2011-12	DLUSUB2	12-083-0003	FA 277335	0.00	995.00	\$0.00	12,689.00
03-23-2012	1 P		Direct Subsidized Loan 2 2011-12	DLSUB2	12-083-0006	FA 277335	0.00	1,742.00	\$0.00	10,947.00
03-23-2012	1 P		Direct PLUS Loan 2 2011-12	DLPLUS2	12-083-0010	FA 277335	0.00	12,722.00	\$0.00	(1,775.00)
04-20-2012	1 P		Stipend - DLPLUS2 2011-12	DLPLUS2	0001506082	VOID Check #0001506082, was voided per incident 1218048	0.00	0.00	\$(508.00)	(1,267.00)
04-30-2012	1 P		Direct PLUS Loan 2 2011-12	DLPLUS2	12-121-0009	FA 285509	0.00	584.00	\$0.00	(1,851.00)
04-30-2012	1 P		Direct PLUS Loan 2 2011-12	DLPLUS2	12-121-0010	FA 285509	0.00	583.00	\$0.00	(2,434.00)
05-22-2012	1 P		Stipend - DLPLUS2 2011-12	DLPLUS2	0001528249	VOID Check #0001528249, was voided per incident 1226599	0.00	0.00	\$(508.00)	(1,926.00)
05-24-2012	1 P		Stipend - DLPLUS2 2011-12	DLPLUS2	Net		0.00	0.00	\$(508.00)	(1,418.00)
06-06-2012	1 I	RENT	Rent			Rent Adj	122.58	0.00	\$0.00	(1,295.42)
06-07-2012	1 P		Refund - DLUSUB2 2011-12	DLUSUB2	Net		0.00	0.00	\$(1,296.00)	0.58
06-11-2012	1 P		VOID: Stipend - DLPLUS2 2011-12	DLPLUS2			0.00	0.00	\$508.00	(507.42)

**Student Ledger**

10/11/2013

Blairsville

00475  
500 Innovation Drive  
Blairsville, PA 15717

(800)822-8253

Wright, Jr., John D.

Student ID

SSN

Start Date 08-26-2011

Program Version Diesel Technology and Management 65 Credits AS

Current Status Drop

Account Status

Clock Hours 1,500.00

LDA 05-24-2012

Payment Plan 0

**Diesel Technology and Management 65 Credits AS**

Item Posted	AY	Trx Seq	Sa Bill	Item Description	Fund Source	Receipt #	Comments	Charges	Payments	Refunds	Balance	
06-19-2012	1	P		Refund - DLPLUS2 2011-12	DLPLUS2 Net			0.00	0.00	\$(1,016.00)	508.58	
06-20-2012	1	P		Refund - DLPLUS2 2011-12	DLPLUS2 Net			0.00	0.00	\$(508.00)	1,016.58	
07-11-2012	1	P		VOID: Stipend - DLPLUS2 2011-12	DLPLUS2			0.00	0.00	\$508.00	508.58	
08-13-2013	1	P		Non-Title 4 Balance Transfer 2011-12	NT4BALX	NONCASH/13-2225-0340		0.00	508.00	\$0.00	0.58	
08-30-2013	1	C		Rent			Rev Trans 46Change description	(437.50)	0.00	\$0.00	(436.92)	
								\$21,575.08	\$28,996.00	\$(6,984.00)	(436.92)	
								\$21,575	\$22,012	\$508	\$0	
								Charges	Payments	NT4Payments	T4 Payments	Write Offs
								\$21,575	\$22,012	\$508	\$21,504	\$0
								\$436.92				

10/11/2013

# Student Ledger

Blairsville  
 Wright Jr., John D

Student ID [Redacted]

00475  
 500 Innovation Drive  
 Blairsville, PA 15717

SSN [Redacted]  
 Start Date 08-26-2011  
 Program Version Diesel Technology and Management 65 Credits AS  
 Current Status Drop  
 Account Status  
 Clock Hours 1,500.00  
 LDA 05-24-2012  
 Payment Plan 0

## Diesel Technology and Management 65 Credits AS

Item Posted	AY	Trx Seq Type	Sa Bill Item Description	Fund Source	Receipt #	Comments	Charges	Payments	Refunds	Balance	
06-06-2012	2	D	TUIT Tuition			RC	0.00	0.00	\$0.00	(436.92)	
06-19-2012	2	P	Write Off No Collect 2011-12	WONOCC NONCASH/12-171-1692		INC 1222248	0.00	0.58	\$0.00	(437.50)	
05-10-2013	2	I	RENT Rent Charges			Auto-Bill	437.50	0.00	\$0.00	0.00	
							<b>Charges</b>	<b>Payments</b>	<b>NT4Payments</b>	<b>T4 Payments</b>	<b>Write Offs</b>
							\$438	\$1	\$0	\$1	\$436.92



10/11/2013

# Student Ledger

Blairsville  
00475  
500 Innovation Drive  
Blairsville, PA 15717  
(800)822-8253

Wright Jr, John D  
Student ID [Redacted]  
SSN [Redacted]  
Start Date 02-13-2013  
Program Version 8 HR - Diesel Technology and Management 65 crs 1500 hrs  
Current Status Graduate  
Account Status  
Clock Hours 1,500.00  
LDA 08-08-2013  
Payment Plan 0

8 HR - Diesel Technology and Management 65 crs 1500 hrs AS

Item Posted	AY	Trx Seq	Sa	Bill Type	Item Description	Fund Source	Receipt #	Comments	Charges	Payments	Refunds	Balance
02-13-2013	1	1	I	TUIT	Tuition (Offset=0)			Auto-Bill	12,160.72	0.00	\$0.00	12,160.72
02-19-2013	1	1	I	RENT	Rent Charges			Auto-Bill	1,623.09	0.00	\$0.00	13,783.81
02-25-2013	1	1	C	TUIT	Tuition			Re-entry FEE ID	(2,410.72)	0.00	\$0.00	11,373.09
03-06-2013	1	1	P		Direct Subsidized Loan 2 2012-13	DLSUB2	13-065-0016	FA 527410	0.00	1,386.00	\$0.00	9,987.09
03-06-2013	1	1	P		Direct Unsubsidized Loan 2 2012-13	DLUSUB2	13-065-0017	FA 527410	0.00	792.00	\$0.00	9,195.09
03-06-2013	1	1	P		Stipend - DLPLUS2 2012-13	DLPLUS2	0001681112		0.00	0.00	\$(427.81)	9,622.90
03-08-2013	1	1	P		Direct PLUS Loan 2 2012-13	DLPLUS2	13-067-0010	FA 528478	0.00	5,046.00	\$0.00	4,576.90
03-21-2013	1	1	P		Stipend - DLPLUS2 2012-13	DLPLUS2	0001687988		0.00	0.00	\$(427.81)	5,004.71
03-27-2013	1	1	P		Cash Payment 2012-13	CASH	6596/13-086-3869	ck 032513	0.00	508.00	\$0.00	4,496.71
04-22-2013	1	1	P		Stipend - DLPLUS2 2012-13	DLPLUS2	0001697743		0.00	0.00	\$(427.81)	4,924.52
05-15-2013	1	1	P		Direct Unsubsidized Loan 2 2012-13	DLUSUB2	13-135-1261	FA 541784	0.00	792.00	\$0.00	4,132.52
05-21-2013	1	1	P		Stipend - DLPLUS2 2012-13	DLPLUS2	0001712808		0.00	0.00	\$(427.81)	4,560.33
06-07-2013	1	1	I	TUIT	Tuition (Offset=114)			Auto-Bill	12,160.71	0.00	\$0.00	16,721.04
06-13-2013	1	1	I	TUIT	Tuition			Inc 0267683	(12,160.71)	0.00	\$0.00	4,560.33
06-21-2013	1	1	P		Stipend - DLPLUS2 2012-13	DLPLUS2	0001724471		0.00	0.00	\$(427.81)	4,988.14
06-27-2013	1	1	P		Direct Subsidized Loan 2 2012-13	DLSUB2	13-178-1172	FA 547638	0.00	1,386.00	\$0.00	3,602.14
06-27-2013	1	1	P		Direct PLUS Loan 2 2012-13	DLPLUS2	13-178-1173	FA 547638	0.00	5,046.00	\$0.00	(1,443.86)
07-22-2013	1	1	P		Stipend - DLPLUS2 2012-13	DLPLUS2	0001736708		0.00	0.00	\$(427.81)	(1,016.05)
08-13-2013	1	1	D	TUIT	Tuition			grad	0.00	0.00	\$0.00	(1,016.05)
08-13-2013	1	1	P		Non-Title 4 Balance Transfer 2012-13	NT4BALX	NONCASH/13-225-0339		0.00	(508.00)	\$0.00	(508.05)

10/11/2013

# Student Ledger

Blairsville  
Wright Jr, John D

Student ID [Redacted]

00475  
500 Innovation Drive  
Blairsville, PA 15717

SSN [Redacted]  
Start Date 02-13-2013  
Program Version 8 HR - Diesel Technology and Management 65 crs 1500 hrs  
Current Status Graduate  
Account Status

(800)822-8253

Clock Hours 1,500.00  
LDA 08-08-2013  
Payment Plan 0

## 8 HR - Diesel Technology and Management 65 crs 1500 hrs\_AS

Item	AY	Trx	Sa	Bill	ItemDescription	Fund	Receipt #	Source	Comments	Charges	Payments	Refunds	Balance
Posted	Seq	Type	Code										
08-13-2013	1	P			Stipend - DLUSUB2 2012-13	DLUSUB2	0001742721		VOID Check #0001742721: \$508.05, was voided per incident 0339572 statedated	0.00	0.00	\$(508.05)	0.00
09-10-2013	1	P			VOID: Stipend - DLUSUB2 2012-13	DLUSUB2				0.00	0.00	\$508.05	(508.05)
09-18-2013	1	P			Refund - DLUSUB2 2012-13	DLUSUB2 Net				0.00	0.00	\$(509.00)	.95
										\$11,373.09	\$14,448.00	\$(3,075.86)	0.95
										Charges	Payments	Write Offs	
										\$11,373	\$11,372	\$0	\$0.95
										NT4Payments	T4 Payments		
										\$0	\$11,372	\$0	\$0.95

10/11/2013

# Student Ledger

Wright Jr, John D

Blairsville

00475  
500 Innovation Drive  
Blairsville, PA 15717

(800)822-8253

Student ID

SSN

Start Date 02-13-2013

Program Version 8 HR - Diesel Technology and Management 65 crs 1500 hrs

Current Status Graduate

Account Status

Clock Hours 1,500.00

LDA 08-08-2013

Payment Plan 0

## Account Summary

AY Seq	StartDate	EndDate	Charges	Payments	Refund	Balance
Diesel Technology and Management 65 Credits AS						
1	08/26/2011	04/20/2012	\$ 21,575.08	\$ 28,996.00	(\$6,984.00)	(\$436.92)
2	04/25/2012	08/17/2012	\$ 437.50	\$ 0.58	\$ 0.00	\$ 436.92
8 HR - Diesel Technology and Management 65 crs 1500 hrs AS						
1	02/13/2013	08/08/2013	\$ 11,373.09	\$ 14,448.00	(\$3,075.86)	\$ 0.95
<b>Student Totals :</b>			<b>33385.67</b>	<b>43,444.58</b>	<b>-10,059.86</b>	<b>0.95</b>

## Credit Balance Summary

AY Seq	StartDate	EndDate	Charges	Payments	T4Payments	NT4Payments	Writeoffs	Balance	Waiver
Diesel Technology and Management 65 Credits AS									
1	08/26/2011	04/20/2012	\$ 21,575.08	\$ 22,012.00	\$ 21,504.00	\$ 508.00	\$ 0.00	(436.92)	N
2	04/25/2012	08/17/2012	\$ 437.50	\$ 0.58	\$ 0.00	\$ 0.00	\$ 0.58	436.92	N
8 HR - Diesel Technology and Management 65 crs 1500 hrs AS									
1	02/13/2013	08/08/2013	\$ 11,373.09	\$ 11,372.14	\$ 11,372.14	\$ 0.00	\$ 0.00	0.95	N
<b>Student Totals :</b>			<b>33,395.67</b>	<b>33,384.72</b>	<b>32,876.14</b>	<b>508.00</b>	<b>0.58</b>	<b>0.95</b>	

## Student Account Summary - Wright Jr, John D

Page 1 of 3

## Student Account Summary

Student Name & Address	
Name	Wright Jr, John D
Address	[REDACTED]
City	[REDACTED]
	UNITED STATES
Telephone	[REDACTED]
Work phone	[REDACTED]
E-Mail	[REDACTED]
Birthdate	[REDACTED]

Enrollment Details			
Campus	Blairsville	Enroll ID	WR11061839
Program	Diesel Technology and Management 65 Credits AS	Shift	Mod Morning
Status	Drop	Balance	0.95
Enroll Date	6/16/2011	Grad Date	12/21/2012
Start Date	8/26/2011	LDA	5/24/2012
<hr/>			
Campus	Blairsville	Enroll ID	WR13028668
Program	8 HR - Diesel Technology and Management 65 crs 1500 hrs AS	Shift	Mod Morning
Status	Graduate	Balance	0.95
Enroll Date	2/12/2013	Grad Date	8/8/2013
Start Date	2/13/2013	LDA	8/8/2013

Ledger Card						
Date	Check #/Ref.	Enroll Nbr.	Description/Term	AY/Pmt. Per	Amount	Balance
8/27/2011	/Auto-Bill	WR11061839	Tuition /	1	19,500.00	19,500.00
8/27/2011	/Auto-Bill	WR11061839	Rent Charges /	1	2,440.00	21,940.00
9/18/2011	/Auto-Bill	WR11061839	Rent Charges /	1	-50.00	21,890.00
9/28/2011	/FA 225105	WR11061839	Direct Subsidized Loan 2 2011-12 / 110826P1021.8	Ac Yr1/PP1	1,742.00	20,148.00
9/28/2011	/FA 225105	WR11061839	Direct Unsubsidized Loan 2 2011-12 / 110826P1021.8	Ac Yr1/PP1	995.00	19,153.00
10/4/2011	/FA 227494	WR11061839	Direct PLUS Loan 2 2011-12 / 110826P1021.8	Ac Yr1/PP1	9,125.00	10,028.00
10/7/2011	/Auto-Bill	WR11061839	Rent Charges /	1	-30.00	9,998.00
10/11/2011	/Auto-Bill	WR11061839	Rent Charges /	1	30.00	10,028.00
10/18/2011	1382679/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-100.00	10,128.00
10/18/2011	1392575/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	10,636.00
10/25/2011	0001402714/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	11,144.00
11/21/2011	0001416841/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	11,652.00
12/23/2011	/Auto-Bill	WR11061839	Rent Charges /	1	762.50	12,414.50
12/27/2011	0001444962/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-100.00	12,514.50

## Student Account Summary - Wright Jr, John D

Page 2 of 3

12/27/2011	/Auto-Bill	WR11061839	Rent Charges /	1	-762.50	11,752.00
1/4/2012	0001448393/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-408.00	12,160.00
1/23/2012	0001455313/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	12,668.00
2/24/2012	0001485943/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	13,176.00
3/21/2012	0001494836/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	13,684.00
3/23/2012	/FA 277335	WR11061839	Direct Unsubsidized Loan 2 2011-12 / 120228P0420.8	Ac Yr1/PP2	995.00	12,689.00
3/23/2012	/FA 277335	WR11061839	Direct Subsidized Loan 2 2011-12 / 120228P0420.8	Ac Yr1/PP2	1,742.00	10,947.00
3/23/2012	/FA 277335	WR11061839	Direct PLUS Loan 2 2011-12 / 120228P0420.8	Ac Yr1/PP2	12,722.00	-1,775.00
4/20/2012	0001506082/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	-1,267.00
4/30/2012	/FA 285509	WR11061839	Direct PLUS Loan 2 2011-12 / 120425P0620.8	Ac Yr1/PP2	584.00	-1,851.00
4/30/2012	/FA 285509	WR11061839	Direct PLUS Loan 2 2011-12 / 120425P0620.8	Ac Yr1/PP2	583.00	-2,434.00
5/22/2012	0001528249/	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	-1,926.00
5/24/2012	Net/1508800	WR11061839	Stipend - DLPLUS2 2011-12 /	1	-508.00	-1,418.00
6/6/2012	/RC	WR11061839	Tuition / 120425P0620.8	2	0.00	-1,418.00
6/6/2012	/Rent Adj	WR11061839	Rent / 120425P0620.8	1	122.58	-1,295.42
6/7/2012	Net/	WR11061839	Refund - DLUSUB2 2011-12 / 110826P1021.8	1	-1,296.00	0.58
6/11/2012	0001506082/VOID	WR11061839	VOID: Stipend - DLPLUS2 2011-12 /	1	508.00	-507.42
6/19/2012	NONCASH/INC 1222248	WR11061839	Write Off No Collect 2011-12 / 120430P0625.8	2	0.58	-508.00
6/19/2012	Net/	WR11061839	Refund - DLPLUS2 2011-12 / 120228P0420.8	1	-1,016.00	508.00
6/20/2012	Net/	WR11061839	Refund - DLPLUS2 2011-12 / 120425P0620.8	1	-508.00	1,016.00
7/11/2012	0001528249/VOID	WR11061839	VOID: Stipend - DLPLUS2 2011-12 /	1	508.00	508.00
2/13/2013	/Auto-Bill	WR13028668	Tuition (Offset=0) / 130627P0808.6	1	12,160.72	12,668.72
2/19/2013	/Auto-Bill	WR13028668	Rent Charges /	1	1,623.09	14,291.81
2/25/2013	/Re-entry	WR13028668	Tuition / 130228P0331.6	1	2,410.72	11,881.09
3/6/2013	/FA 527410	WR13028668	Direct Subsidized Loan 2 2012-13 / 130213P0326.6	Ac Yr1/PP1	1,386.00	10,495.09
3/6/2013	/FA 527410	WR13028668	Direct Unsubsidized Loan 2 2012-13 / 130213P0326.6	Ac Yr1/PP1	792.00	9,703.09
3/6/2013	0001681112/	WR13028668	Stipend - DLPLUS2 2012-13 /	1	-427.81	10,130.90
3/8/2013	/FA 528478	WR13028668	Direct PLUS Loan 2 2012-13 / 130213P0326.6	Ac Yr1/PP1	5,046.00	5,084.90
3/21/2013	0001687988/	WR13028668	Stipend - DLPLUS2 2012-13 /	1	-427.81	5,512.71
3/27/2013	6596/ck 032513	WR13028668	Cash Payment 2012-13 / 130304P0425.8	1	508.00	5,004.71
4/22/2013	0001697743/	WR13028668	Stipend - DLPLUS2 2012-13 /	1	-427.81	5,432.52
5/10/2013	/Auto-Bill	WR11061839	Rent Charges /	2	437.50	5,870.02
5/15/2013	/FA 541784	WR13028668	Direct Unsubsidized Loan 2 2012-13 / 130513P0621.6	Ac Yr1/PP2	792.00	5,078.02

Student Account Summary - Wright Jr, John D

Date	Account	WR	Description	QTY	Amount	Balance
5/21/2013	0001712808/	WR13028668	Stipend - DLPLUS2 2012-13 /	1	-427.81	5,505.83
6/7/2013	/Auto-Bill	WR13028668	Tuition (Offset=114) / 130627P0808.6	1	12,160.71	17,666.54
6/13/2013	/Inc 0267683	WR13028668	Tuition / 130530P0711.6	1	-12,160.71	5,505.83
6/21/2013	0001724471/	WR13028668	Stipend - DLPLUS2 2012-13 /	1	-427.81	5,933.64
6/27/2013	/FA 547638	WR13028668	Direct Subsidized Loan 2 2012-13 / 130213P0326.6	Ac Yr1/PP2	1,386.00	4,547.64
6/27/2013	/FA 547638	WR13028668	Direct PLUS Loan 2 2012-13 / 130213P0326.6	Ac Yr1/PP2	5,046.00	-498.36
7/22/2013	0001736708/	WR13028668	Stipend - DLPLUS2 2012-13 /	1	-427.81	-70.55
8/13/2013	/grad	WR13028668	Tuition / *TRANSFER	1	0.00	-70.55
8/13/2013	NONCASH/	WR13028668	Non-Title 4 Balance Transfer 2012-13 / CONVERT	1	-508.00	437.45
8/13/2013	NONCASH/	WR11061839	Non-Title 4 Balance Transfer 2011-12 / CONVERT	1	508.00	-70.55
8/13/2013	0001742721/	WR13028668	Stipend - DLUSUB2 2012-13 /	1	-508.05	437.50
8/30/2013	/Rev Trans 46	WR11061839	Rent / 130809P0920.6	1	437.50	0.00
9/10/2013	0001742721/VOID	WR13028668	VOID: Stipend - DLUSUB2 2012-13 /	1	508.05	-508.05
9/18/2013	Net/	WR13028668	Refund - DLUSUB2 2012-13 / 110826P1021.8	1	-509.00	0.95
<b>Acct. Balance</b>					<b>0.95</b>	

**Expected Funding**

Fund Source	Award Year	Payment Period	Exp. Date	Exp.Amount
<b>Total</b>				<b>0.00</b>

**Category Breakdown**

Category	Total Charged	Total Credit Adj	Payment Applied	Category Balance
Rent	4,573.17	437.50	0.00	4,135.67
Tuition	31,660.72	2,410.72	0.00	29,250.00
UNAPPLIED	0.00	0.00	33,384.72	-33,384.72
<b>TOTALS</b>	<b>36,233.89</b>	<b>2,848.22</b>	<b>33,384.72</b>	<b>0.95</b>





JULY 8, 2016

ALISON WRIGHT



Dear Alison:

Our records indicate that you have received one or more Direct PLUS Loans to help pay for your child's enrollment in programs offered by Everest Institute, Everest College, or Everest University ("Everest") or WyoTech between 2010 and 2014. **You may be eligible to have those loans forgiven.**

The U.S. Department of Education determined that Everest and WyoTech published misleading job placement rates for many of its programs between 2010 and 2014. The specific programs and enrollment periods can be found at [StudentAid.gov/ev-wy-findings](http://StudentAid.gov/ev-wy-findings).

If your child was enrolled in one of the programs on or after the date listed for that program, you may be able to receive forgiveness of your Direct PLUS Loans.

To apply for loan forgiveness:

- complete the enclosed attestation form and mail it to the address listed on the form
- or complete the form online at [BorrowerDischarge.ed.gov/attestation/EverestWyoTech](http://BorrowerDischarge.ed.gov/attestation/EverestWyoTech)

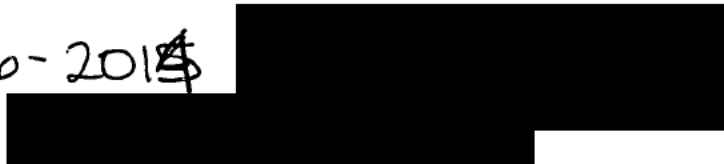
For more information, please visit [StudentAid.gov/corinthian](http://StudentAid.gov/corinthian).

If you have questions, call our hotline at 1-855-279-6207 or e-mail your questions to [FSAOperations@ed.gov](mailto:FSAOperations@ed.gov).

Thank you,

U.S. Department of Education  
Office of Federal Student Aid

Great Lakes  
 Paid in full \$36,802.98  
 12-26-2014



**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

830 First Street, NE, Washington, DC 20202  
[StudentAid.gov](http://StudentAid.gov)

# EXHIBIT B



----- Forwarded message -----

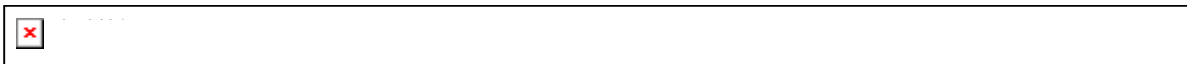
From: **U.S. Department of Education** <[noreply@studentaid.gov](mailto:noreply@studentaid.gov)>

Date: Mon, Mar 30, 2020, 11:39 AM

Subject: Borrower defense discharge ineligibility information for you

To: [REDACTED]

[Click here to view this email as a web page.](#)



March 30, 2020

Borrower Defense Application# [REDACTED]

Dear Alison Wright:

The U.S. Department of Education (ED) has completed its review of your application under the applicable Borrower Defense to Repayment regulations for discharge of your William D. Ford Federal Direct Loans (Direct Loans) made in connection with your or your child's enrollment at a school operated by Corinthian Colleges, Inc. (CCI), including Everest Institute, Everest College, Everest University, Heald College, and WyoTech. "You" as used here should be read to include your child if you are a Direct PLUS Loan borrower who requested a discharge for loans taken out to pay for a child's enrollment at a CCI-operated institution. ED has determined that your application is ineligible for relief based on review of the facts of your claim and the regulatory criteria for relief; this decision means that your Direct Loans will not be discharged. ED explains the reasons below.

### **Applicable Law**

For Direct Loans first disbursed prior to July 1, 2017, a borrower may be eligible for a discharge (forgiveness) of part or all of one or more Direct Loans if the borrower's school engaged in acts or omissions that would give rise to a cause of action against the school under applicable state law. See § 455(h) of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1087e(h), and 34 C.F.R. § 685.206(c) and 685.222 (the Borrower Defense regulations). ED recognizes a borrower's defense to repayment of a Direct Loan only if the cause of action directly relates to the Direct Loan or to the school's provision of educational services for which the Direct Loan was provided. 34 C.F.R. §§685.206(c)(1), 685.222(a)(5); U.S. Department of Education, Notice of Interpretation, 60 Fed. Reg. 37,769 (Jul. 21, 1995).

### **Borrower Defense Claims Based on CCI Job Placement Rates**

ED has determined that students who enrolled in certain programs at certain schools operated by CCI between 2010 and 2014 have borrower defense claims arising from the publication of misleading job placement rates for many of their programs of study and are eligible for a discharge of part or all of their loans under ED's Borrower Defense regulation. Lists of covered programs and time periods are available online at these links for Everest/WyoTech and Heald, respectively: [StudentAid.gov/ev-wy-findings](http://StudentAid.gov/ev-wy-findings) and [StudentAid.gov/heald-findings](http://StudentAid.gov/heald-findings) (the "covered programs").

In order to have a successful borrower defense claim based on ED's CCI findings, you must have enrolled in one of the covered programs during a listed time period. ED has established a process for the review of borrower defense to repayment claims for job placement rates asserted by borrowers enrolled in the covered programs at CCI schools during the eligibility period. Each CCI borrower's application is reviewed under the same process to determine whether the borrower qualifies for borrower defense to payment relief based on a CCI school job placement rate claim.

### **Why was my application determined to be ineligible for CCI Job Placement Rates?**

ED reviewed your application regarding the campus(es) you attended, the program(s) in which you enrolled, and the date(s) that you enrolled. ED also reviewed data from the National Student Loan Data System (NSLDS®) and, if available, school-provided data regarding your program(s) and enrollment date(s), in addition to the enrollment information on any official school documents that you provided with your application.

Based on that review, ED has determined that you did not enroll in a covered program at a CCI school during the eligibility period. Either (a) the initial enrollment date(s) or program(s) you provided in your application fell outside the eligibility period for a covered program(s) at one or more of the CCI campuses or (b) both NSLDS data and the school's data demonstrated that you were not enrolled in a covered program at one or more of the CCI schools during the eligibility period.

Accordingly, based upon our review of your job placement rate allegation, ED has determined that your borrower defense to repayment application is ineligible and will not discharge your Direct Loan(s).

### **Why was my application determined to be ineligible for other allegations?**

In addition, ED reviewed your other borrower defense claims based on any evidence submitted by you in support of your application, your loan data from NSLDS, and evidence provided by other borrowers.

#### Allegation 1: Job Placement Rate

You allege that WyoTech engaged in misconduct related to Job Placement Rate. This allegation fails for the following reason(s): Outside Coverage Dates.

Your claim for relief on this basis therefore is denied.

#### Allegation 2: Educational Services

You allege that WyoTech engaged in misconduct related to Educational Services. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### Allegation 3: Employment Prospects

You allege that WyoTech engaged in misconduct related to Employment Prospects. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### Allegation 4: Program Cost and Nature of Loans

You allege that WyoTech engaged in misconduct related to Program Cost and Nature of Loans. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### Allegation 5: Career Services

You allege that WyoTech engaged in misconduct related to Career Services. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### **What evidence was considered in determining my application's ineligibility for other allegations?**

We reviewed evidence provided by you, other borrowers, and the school. Additionally, we considered evidence gathered from the following sources:

1. Documents from the Illinois, California, Massachusetts and Wisconsin Attorneys General
2. Data from National Center for Education Statistics
3. *Transfer Credit Practices of Designated Educational Institutions*, American Association of Collegiate Registrars and Admissions Officers (the 1994-1996, 1996-1998, 1998-2000, 2006, 2009, 2012, and 2015 editions.)
4. Government Accountability Office report, *Transfer Students Postsecondary Institutions Could Promote More Consistent Consideration of Coursework by Not Basing Determinations on Accreditation* (GAO-06-22, October 2005)
5. Statements from former Corinthian Colleges Inc., executive Mark Pelesh
6. Heald Fine Letter. See <https://www.ed.gov/news/press-releases/us-department-education-fines-corinthian-colleges-30-million-misrepresentation>.

#### **What if I do not agree with this decision?**

If you disagree with this decision, you may ask ED to reconsider your application. To submit a request for reconsideration, please send an email with the subject line "Request for Reconsideration ref:\_00Dt0Gyiq.\_500t0DPvMH:ref" to [BorrowerDefense@ed.gov](mailto:BorrowerDefense@ed.gov) or mail your request to U.S. Department of Education, P.O. Box 1854, Monticello, KY 42633. In your Request for Reconsideration, please provide the following information:

1. Which allegation(s) you believe that ED incorrectly decided;
2. Why you believe that ED incorrectly decided your borrower defense to repayment application; and
3. Identify and provide any evidence that demonstrates why ED should approve your borrower defense to repayment claim under the applicable law set forth above.

ED will not accept any Request for Reconsideration that includes new allegations. If you wish to assert allegations that were not included in your application, please see the following section.

Additionally, your loans will not be placed into forbearance during the reconsideration process. Failure to begin or resume repayment will result in collection activity, including administrative wage garnishment, offset of state and federal payments you may be owed, and litigation. For more information about the reconsideration process, please contact our borrower defense hotline at 1-855-279-6207 from 8 a.m. to 8 p.m. Eastern time (ET) on Monday through Friday.

### **Can I apply for borrower defense if I have additional claims?**

If you wish to file a new application regarding acts or omissions by the school other than those described in borrower defense application 01469003, please submit an application at [StudentAid.gov/borrower-defense](https://StudentAid.gov/borrower-defense). In the new application, you should explain in the relevant section(s) the basis for any new borrower defense claim(s) and submit all supporting evidence.

### **What should I do now?**

Because your borrower defense to repayment application was found to be ineligible, you are responsible for repayment of your loans. ED will notify your servicer(s) of the decision on your borrower defense to repayment application within the next 15 calendar days, and your servicer will contact you within the next 30 to 60 calendar days to inform you of your loan balance. Further, if any loan balance remains, the loans will return to their status prior to the submission of your application. If your loans were in forbearance as a result of your borrower defense to repayment application, the servicer will remove those loans from forbearance. **\*See COVID-19 Note below.**

If your loans are in default and are currently in stopped collections, your loans will be removed from stopped collections. Failure to begin or resume repayment could result in collection activity such as administrative wage garnishment, offset of state and federal payments that you may be owed, and litigation. **\*See COVID-19 Note below.**

While normally interest would not be waived for unsuccessful borrower defense applications, given the extended period of time it took ED to complete the review of this application, the Secretary is waiving any interest that accrued on your Direct Loans from the date of the filing of your borrower defense application to the date of this notification. Your servicer will provide additional information in the coming months regarding the specific amount of interest adjusted. **\*See COVID-19 Note below.**

**\*COVID-19 Note:** In March 2020, President Trump announced an interest rate waiver, and Secretary DeVos authorized additional payment and collection relief to provide student loan relief to borrowers during the coronavirus (COVID-19) national emergency. Effective March 13, 2020, all borrowers with federally held student loans will: (1) automatically have their interest rates set to 0% for a period of at least 60 days; and, (2) have the option to suspend their payments for at least 60 days to allow greater flexibility during the national emergency. In addition, also effective March 13, 2020, for defaulted borrowers, all proactive collection activities, wage garnishments, and Treasury offsets have been stopped. Your federal loan servicer will answer any questions you have about your specific situation. In addition, Federal Student Aid's COVID-19 information page for students, borrowers, and parents is located at [StudentAid.gov/coronavirus](https://StudentAid.gov/coronavirus). Please visit the page regularly for updates.

### **What if I have another pending borrower defense application?**

If you have additional pending borrower defense to repayment applications, this information applies to you:

- If your loans associated with an additional borrower defense to repayment application that is still pending are in forbearance or another status that does not require you to make payments, your loans will remain in forbearance or that other status. Similarly, if your loans associated with that borrower defense application are in default and you are currently in stopped collections, those loans will remain in stopped collections.
- If you are unsure if you have additional pending applications, or if you would like to check on the status of your loans associated with an additional application, contact our borrower defense hotline at 1-855-279-6207 from 8 a.m. to 8 p.m. ET on Monday through Friday.

ED offers a variety of loan repayment options, including the standard 10-year repayment plan, as well as extended repayment, graduated repayment, and income-driven repayment plans. For more information about student loan repayment options, visit [StudentAid.gov/plans](https://studentaid.gov/plans). If you have questions about the status of your loans or questions about repayment options, please contact your servicer(s). If you do not know the name of your federal loan servicer, you may go to [StudentAid.gov](https://studentaid.gov) to find your servicer and view your federal loan information.

Sincerely,

U.S. Department of Education  
Federal Student Aid

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

830 First Street, NE, Washington, D.C. 20202

[StudentAid.gov/borrower-defense](https://studentaid.gov/borrower-defense)

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

THERESA SWEET, CHENELLE  
ARCHIBALD, DANIEL DEEGAN, SAMUEL  
HOOD, TRESA APODACA, ALICIA DAVIS,  
and JESSICA JACOBSON on behalf of  
themselves and all others similarly situated,

*Plaintiffs,*

v.

ELISABETH DEVOS, in her official  
capacity as Secretary of the United States  
Department of Education,

And

THE UNITED STATES DEPARTMENT OF  
EDUCATION,

*Defendants.*

Case No.: 19-cv-03674-WHA

**AFFIDAVIT OF BOBBY VANG**

I, Bobby Vang, state as follows:

1. I am submitting this affidavit in relation to the above-captioned case.

2. I borrowed federal student loans in order to attend ITT Technical Institute (“ITT Tech”) in Rancho Cordova, CA.

3. On February 4, 2019, I submitted a borrower defense application to the United States Department of Education, asking for these loans to be cancelled. A copy of that application is attached as Exhibit A, with redactions for personally identifiable information and communications with my attorneys.

4. On May 20, 2020, I received correspondence from the Department of Education, stating that my claim had been denied. A copy of that correspondence is attached as Exhibit B, with redactions for personally identifiable information and communications with my attorneys.

5. In between the time that I first submitted an application for loan cancellation and when I received the notification of denial, my federal student loans have been in forbearance.





# Exhibit A



## U.S. DEPARTMENT OF EDUCATION APPLICATION FOR BORROWER DEFENSE TO LOAN REPAYMENT

OMB Number: 1845-0146  
Expiration Date: 12/31/2019

If your school misled you or engaged in other misconduct, you may be eligible for "borrower defense to repayment," which is the forgiveness of some or all of your federal student loan debt.

**FORM INSTRUCTIONS:** To apply, you must complete, sign, and submit this form to the U.S. Department of Education for review.

You may attach additional documents, such as transcripts, enrollment agreements, and promotional materials from your school. Once completed, please submit this form and any additional documents you believe will help us review your application by email to [BorrowerDefense@ed.gov](mailto:BorrowerDefense@ed.gov) or mail to US Department of Education - Borrower Defense to Repayment, PO Box 1854, Monticello, KY 42633.

Fields marked with an asterisk (\*) are required for your application to be considered complete.

### SECTION I: BORROWER INFORMATION

Please provide contact information for the borrower:

*Name ( <i>First, Middle, Last</i> ) Bobby Vang		*Date of Birth ( <i>mm/dd/yyyy</i> ) [REDACTED]	*Social Security Number [REDACTED]	
*Telephone Number [REDACTED]	*Email Address [REDACTED]			
*Street Address [REDACTED]		*City [REDACTED]	*State [REDACTED]	*Zipcode [REDACTED]

\*Are you a PARENT who took out a federal loan on behalf of the student?

Yes     No

\*If yes, please enter the full name of the student (*Last, First, Middle*):

\*If yes, please enter the student's Social Security Number:

### SECTION II: SCHOOL INFORMATION

\*School

ITT Technical Institute

Campus (*including on-line campuses for distance education borrowers*)

\*Location (*City, State*)

Rancho Cordova, CA 95670

\* Enrollment Dates at this school:

\*From (*month/year*): 7/2004

\*To (*month/year*): 2/2007

If you are still attending this school/campus, please indicate by checking the box.

Check if the enrollment dates above are approximate, or if you are unsure of them.

---

If your attendance at the school listed above was not or has not been continuous (for example, from October 2015 to March 2016, then again from August 2016 to November 2016), please describe all dates that you attended.

---

\*Program Name or Major (e.g. *Nursing, Medical Assistant, Paralegal*).

---

Credential/Degree Sought (e.g. *Certificate, Diploma, Associates, Bachelors, Masters*).

---

If you enrolled in multiple programs at the school listed above, please describe all programs that you were enrolled in.

---

\*Current Status at school listed above

Graduated     Transferred Out     Withdrew     Attending

---

### SECTION III: OTHER LOAN REDUCTION OR TUITION RECOVERY REQUESTS

---

\*Have you made any other requests to have your Federal loans forgiven (for example, under a closed school discharge or false certification discharge from the U.S. Department of Education)?

Yes     No

\*If yes, please describe these other request(s), including the amount of any loan forgiveness that you received, and attach any documentation about the requests, if available.

---

\*Have you made any requests to anyone else to recover tuition amounts that you paid to your school (for example, a lawsuit against the school or a claim made to a tuition recovery program)?

Yes     No

\*If yes, please describe these other request(s), including the amount of the payment that you received (if any), and attach any documentation about the requests, if available.

---

### SECTION IV. BASIS FOR BORROWER DEFENSE

Answer the questions for each section below that applies to you.

For each section below that applies to you, please provide a **detailed** description of why you believe you are entitled to borrower defense, including the following information:

1. How the school communicated with you, whether in a brochure, online, over the phone, by email, or in person
2. The name/title of people who you believe misled you (*if known*)
3. What the school told you or failed to tell you.
4. Why you believe you were misled.

Attach any related documents, such as transcripts, enrollment agreements, promotional materials from the school, emails with school officials or your school's manual, or course catalog.

**Note: You only need to provide information for the sections below that apply to you, but you must complete at least one section. If you are a Parent PLUS borrower, the word "you" in the following sections also refers to the student.**

If you need more space to complete any section, please attach additional pages to your application.

---

EMPLOYMENT PROSPECTS

Did the school mislead you (*or fail to tell you important information*) about promises of future employment, likelihood of finding a job, eligibility for certification or licensure in your field of study, how many students graduate, and/or earnings after graduation?

Yes     No

If yes, you must provide detailed information about how the school misled you. Please also describe any financial harm to you as a result of the school's conduct.

See Ex. 1 at ¶¶ 169-226, 367-391; Ex. 2.

\*Did you choose to enroll in your school based in part on the issues you describe above?

Yes     No

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PROGRAM COST AND NATURE OF LOAN

Did the school mislead you (*or fail to tell you important information*) about how much your classes would cost, how you would pay for your education, the terms of loan repayment, and/or other issues about the cost of your education?

Yes     No

If yes, you must provide detailed information about how the school misled you. Please also describe any financial harm to you as a result of the school's conduct.

\*Did you choose to enroll in your school based in part on the issues you describe above?

Yes     No

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TRANSFERRING CREDITS

Did the school mislead you (*or fail to tell you important information*) about transferring your credits from this school to other schools?

Yes  No

If yes, you must provide detailed information about how the school misled you. Please also describe any financial harm to you as a result of the school's conduct.

See Ex. 1 at ¶¶ 93-109, 118, 450; Ex. 3.

\*Did you choose to enroll in your school based in part on the issues you describe above?

Yes  No

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CAREER SERVICES

Did the school mislead you (*or fail to tell you important information*) about the availability or quality of job placement, career services assistance, or the school's connections to employers within your field of study?

Yes  No

If yes, you must provide detailed information about how the school misled you. Please also describe any financial harm to you as a result of the school's conduct.

See Ex. 1 at ¶¶ 169-184, 190-201, 208-226; Ex. 4.

\*Did you choose to enroll in your school based in part on the issues you describe above?

Yes  No

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EDUCATIONAL SERVICES

Did the school mislead you (*or fail to tell you important information*) about educational services, such as the availability of externships, qualifications of teachers, instructional methods, or other types of educational services?

Yes     No

If yes, you must provide detailed information about how the school misled you. Please also describe any financial harm to you as a result of the school's conduct.

See Ex. 1 at ¶¶ 119-168; Ex. 5.

\*Did you choose to enroll in your school based in part on the issues you describe above?

Yes     No

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ADMISSIONS AND URGENCY TO ENROLL

Did the school mislead you (*or fail to tell you important information*) about the importance of enrolling immediately, the consequences of failure to enroll, how difficult it was to be admitted, or anything else about the admission process?

Yes     No

If yes, you must provide detailed information about how the school misled you. Please also describe any financial harm to you as a result of the school's conduct.

See Ex. 1 at ¶¶ 65-117.

\*Did you choose to enroll in your school based in part on the issues you describe above?

Yes     No

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**OTHER**

Do you have any other reasons relating to your school that you believe qualify you for borrower defense, such as your school failing to perform its obligations under its contract with you, or that there is a judgment against your school in a Federal court, a State court, or in front of an administrative board or that you believe that you have a state law cause of action against the school?

Yes  No

Is there some other reason you feel your school misled you?

Yes  No

If yes, you must provide detailed information about how the school misled you. Please also describe any financial harm to you as a result of the school's conduct.

Numerous lawsuits against ITT allege facts and violations of law that would qualify me for borrower defense. See Ex. 1 (Student Claimants' compl. against ITT Educational Services, Inc., et al.); Deborah J. Caruso, the Chapter 7 Trustee for ITT Educational Services, Inc. et al. v. Kevin Modany, et al., No. 16-07207-JMC-7A (Bankr. S.D. Ind. May 31, 2018), ECF No. 2562; Consumer Financial Protection Bureau v. ITT Educational Services, Inc., No. 1:14-cv-292 (S.D. Ind. Feb. 26, 2014), ECF No. 1; see also ITT Educational Services, Inc. and Daniel Webster College, Inc., No. 16-07207-JMC-7A (Bankr. S.D. Ind. Nov. 30, 2018), ECF No. 3079 (final order granting Trustee's Motion to Settle with Student Clamaints in the ITT bankruptcy case).

My answers contained above, in ""Section IV. Basis for Borrower Defense," also support my belief that I have a state law cause of action against ITT.

I request that, in additional to the information provided in this form, including exhibits and attachments, any other information or findings in the Department's possession that would support my claim be used and applied in the evaluation of my Borrower Defense application.

\*Did you choose to enroll in your school based in part on the issues you describe above?

Yes  No

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**SECTION V: FORBEARANCE/STOPPED COLLECTIONS**

If you are not currently in default on your federal student loans, you may request to have them placed into **forbearance** status while your application is under review. **Forbearance means that you do not have to make loan payments and your loans will not go into default.** Forbearance will continue until the borrower defense review process of your application is completed. Your servicer will notify you when your loans have been placed into forbearance status.

If your federal student loans are in **default**, you may request to have debt collection on your loan stopped ("**stopped collections status**"). **This means that the federal government or debt collection companies will stop attempting to collect on the loans, including by not withholding money from your wages or income tax refunds.** Stopped collections status will continue until the borrower defense review process of your application is completed.

Please see the "Common Questions and Answers Regarding Forbearance/Stopped Collections" section on the Borrower Defense website (<https://studentaid.ed.gov/borrower-defense>) if you have any questions regarding choosing to enter forbearance or stopped collections.

**Note that interest will continue to accumulate on federal loans regardless of what status they are in, including subsidized loans. If your application for borrower defense is denied, or partially approved, the total amount you owe on those loans may be higher.**

**PLEASE NOTE:** You do not have to place your loans in forbearance or stopped collections to apply for borrower defense relief.

For the most current information with regard to your rights and obligations regarding forbearance and stopped collections, please visit the Borrower Defense website at <https://studentaid.gov/borrower-defense>.

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\*Are you requesting forbearance/stopped collections?

- Yes, I want all of my federal loans currently in repayment to be placed in forbearance and for collections to stop on any loans in default while my borrower defense application is reviewed. During this time period, I understand that interest will continue to accrue.
- No, I do not want all of my federal loans currently in repayment to be placed in forbearance and for collections to stop on any loans in default while my borrower defense application is reviewed. During this time period, I understand that interest will continue to accrue and that I must continue to make loan payments.

If you do not select one of the options immediately above, your federal loans currently in repayment will automatically be placed into forbearance and collections will stop for any defaulted loans, and the Department will request forbearance for any commercially held Federal Family Education Loan (FFEL) program loans currently in repayment and for debt collection to stop for any defaulted, commercially held FFEL program loans that you have currently (*as applicable*).

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## SECTION VI. CERTIFICATION

By signing this attestation I certify that:

All of the information I provided is true and complete to the best of my knowledge. Upon request, I agree to provide to the U.S. Department of Education information that is reasonably available to me that will verify the accuracy of my completed attestation.

I agree to provide, upon request, testimony, a sworn statement, or other documentation reasonably available to me that demonstrates to the satisfaction of the U.S. Department of Education or its designee that I meet the qualifications for borrower defense.

I certify that I received proceeds of a federal loan, in whole or in part, to attend the school/campus identified in Section II (above).

I understand that if my application is approved and some or all of my loans are forgiven, I am assigning to the U.S. Department of Education any legal claim I have against the school for those forgiven loans. By assigning my claims, I am effectively transferring my interests in any claim that I could make against the school relating to the forgiven loans (including the ability to file a lawsuit over those forgiven loans and any money ultimately recovered in compensation for those forgiven loans in court or other legal proceedings) to the U.S. Department of Education. I am not assigning any claims I may have against the school for any other form of relief --including injunctive relief or damages related to private loans, tuition paid out-of-pocket, unforgiven loans, or other losses.

I understand that the U.S. Department of Education has the authority to verify information reported on this application with other federal or state agencies or other entities. I authorize the U.S. Department of Education, along with its agents and contractors, to contact me regarding this request at the phone number above using automated dialing equipment or artificial or prerecorded voice or text messages.

I understand that any rights and obligations with regard to borrower defense to repayment are subject to the provisions currently in effect under Title 34 of the Code of Federal Regulations.

I understand that if I purposely provided false or misleading information on this application, I may be subject to the penalties specified in 18 U.S.C. § 1001, including fines. I understand that I may be asked to confirm the truthfulness of the statements in this application to the best of my knowledge under penalty of perjury.

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\*Signature



Date

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Submit this form and any additional documents you believe will help us review your application by email to [BorrowerDefense@ed.gov](mailto:BorrowerDefense@ed.gov) or by mail to: U.S. Department of Education - Borrower Defense to Repayment, PO Box 42633, Monticello, KY 42633.

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**PRIVACY ACT NOTICE**

Information required by subsection (e)(3) of the *Privacy Act of 1974*, as amended (*Privacy Act*) (5 U.S.C. 552a(e)(3)) requires the following notice be provided to you:

The authorities for collecting the requested information from and about you are Section 455(h) of the *Higher Education Act of 1965*, as amended (*HEA*) (20 U.S.C. 1087e(h)) and 34 C.F.R. § 685.206(c) and the authorities for collecting and using your Social Security Number (SSN) are the same but also include 31 U.S.C. 7701(b). The primary purpose of the information collected is for the use and administration of the U.S. Department of Education's office of Federal Student Aid (ED/we) for borrower defense to loan repayment program. The information you provide ED on this form and your SSN are voluntary, but you may need to provide the requested information on this form, including your SSN and/or a Federal Student Aid ID (FSA ID) that provides ED your verified SSN and other individual information pertaining to a student's or parent's Student Financial Assistance Programs account(s), for ED to process or complete our review of your borrower defense to loan repayment application. You may submit a form without your SSN or an FSA ID by filling out a form and sending it to ED via email or physical mail because disclosure of the information requested on this form is voluntary. However, without providing all the requested information on this form, ED may not be able to conduct a full investigation and complete the review of your application.

We use the information that you provided on this form including your name, SSN, date of birth, address, email address, telephone number(s), and / or an FSA ID, to receive, review, evaluate, and process requests for relief under the borrower defense to loan repayment regulations, to render decisions on the merits of such requests for relief, and, where requests for borrower defense to loan repayment are successful, to determine the relief that is appropriate to borrowers under the circumstances as well as to initiate appropriate proceedings to require schools whose acts or omissions resulted in the successful defenses against repayment to pay ED the amounts of the loans that apply to the defenses. Without your consent, ED may disclose the information that you provided and as otherwise allowed by the *Privacy Act*, pursuant to the routine uses identified in the system of records notice (SORN) entitled "Customer Engagement Management System (CEMS)" (18-11-11) and published in the Federal Register as [83 FR 27587-27591 \(June 13, 2018\)](#). These routine uses include, but are not limited to, a routine use that permits ED to disclose your information to foreign agencies, Federal agencies, State agencies, Tribal, or local agencies, accreditors, schools, lenders, guaranty agencies, servicers, and private collection agencies when further information is relevant to ED's resolution of your complaint, request, or other inquiry, tracking your application or your inquiry, and, where a request for borrower defense to loan repayment is successful, to determine the relief that is appropriate under the circumstances as well as to initiate the appropriate proceeding to require the school whose acts or omissions resulted in the successful defense against loan repayment to pay ED the amount of the loan that apply to the defenses. We may use your information for reporting, analyzing the data to make recommendations in student financial assistance programs, and assisting in the informal resolution of disputes. Disclosure of relevant information also may be made to the responsible foreign, Federal, State, Tribal or local agencies charged with investigating or prosecuting a violation or potential violation of law in the event that information indicates, either on its face or in connection with other information, a violation or potential violation of any applicable statute, regulation, or order of a competent authority.

In the event of litigation or alternative dispute resolution (ADR) involving ED or that we have an interest in and if that a party is either any component of ED, any ED employee in his or her official capacity, any ED employee in his or her individual capacity where representation for the employee has been requested or has been agreed to by ED or the Department of Justice (DOJ), or the United States where ED determines that the litigation is likely to affect ED or any of its components, we may disclose your information to DOJ, a court, adjudicative body, a person or an entity designated by ED or otherwise empowered to resolve or mediate disputes, or a counsel, party, representative, or witness if the disclosure is relevant and necessary to the litigation or ADR. ED also may disclose your information to DOJ to the extent necessary for obtaining DOJ's advice on any matter relevant to an audit, inspection, or other inquiry. We may send information to members of Congress if you ask them to help you with federal student aid or Student Financial Assistance Programs account(s) questions. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. As part of such a contract, we will require the contractor to maintain safeguards to protect the security and confidentiality of the records that are disclosed to the contractor. If a record is relevant and necessary to a borrower complaint regarding participants in any Federal Student Financial Assistance Programs under title IV of the *HEA*, ED may disclose a record only during the course of

processing, reviewing, investigating, fact-finding, or adjudicating the complaint to: any party to the complaint; the party's counsel or representative; a witness; or a designated fact-finder, mediator, or other person designated to resolve issues or decide the matter. ED also may disclose records to the DOJ or Office of Management and Budget (OMB) if ED concludes that disclosure is desirable or necessary in determining whether particular records are required to be disclosed under the *Freedom of Information Act (FOIA)* or the *Privacy Act*. ED may disclose your information to appropriate agencies, entities, and persons when ED suspects or has confirmed that there has been a breach of the system maintaining your information; which poses a risk of harm to individuals, ED (including its information systems, programs, and operation), the Federal agencies, or national security and the disclosure made to such agencies, entities, and persons is reasonably necessary to assist ED's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm. ED also may disclose your information to another Federal agency or Federal entity, when ED determines that your information is reasonably necessary to assist the recipient agency or entity in responding to a suspected or confirmed breach or preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal agencies, or national security, resulting from a suspected or confirmed breach.

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### **PAPERWORK REDUCTION ACT NOTICE**

According to the *Paperwork Reduction Act of 1995*, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0146. Public reporting burden for this collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain a benefit (20 U.S.C. 1087e(h)). If you have comments or concerns regarding the status of your individual submission of this application, please contact [BorrowerDefense@ed.gov](mailto:BorrowerDefense@ed.gov) directly.

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# Exhibit 1

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

<p>IN RE:</p> <p>ITT EDUCATIONAL SERVICES, INC., et al.,</p> <p style="text-align: center;">Debtors.</p>	<p>Chapter 7</p> <p>Case No. 16-07207-JMC-7A</p> <p>Jointly Administered</p>
<p>JORGE VILLALBA, JAMES ERIC BREWER, JOSHUA CAHILL, JUAN HINCAPIE, and CHERYL HOUSE, on their own behalf and on behalf of all other persons similarly situated,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">v.</p> <p>ITT EDUCATIONAL SERVICES, INC., et al.,</p> <p style="text-align: center;">Defendants.</p>	<p>Adv. Pro. No. 17- _____</p>

**CLASS ACTION ADVERSARY PROCEEDING COMPLAINT**

Plaintiffs bring this adversary proceeding on behalf of a putative class of former ITT students. The students assert claims against Debtor ITT, its affiliates, and alter egos, based on consumer protection violations and breach of contract. Simultaneously with this adversary complaint, Plaintiffs have filed a class-wide Proof of Claim and a Motion for Class Treatment at the Claim Filing Stage.

This pleading is supported by testimony of thousands of former ITT students, describing extensive, widespread, and systematic deceit. ITT perpetrated these illegal actions pursuant to corporate policies and imperatives directed at churning students through a costly sham. ITT relentlessly pitched itself to students as a sound investment with a healthy return in the form of guaranteed or near-guaranteed entry-level employment in a lifelong career. In reality, ITT deliberately and severely underinvested in resources needed to deliver on these promises, leaving students with an expensive but valueless credential. Former ITT students have an easier time obtaining employment when they remove ITT from their resumes entirely.



ITT engaged in systemic and sustained activities to conceal the nature of its sham. It silenced whistleblowers and threatened students. It also falsely reported job placement statistics to its accreditor, and invented complicated ploys to achieve the appearance of regulatory compliance, all while students faltered.

In the last ten years alone, ITT took in over \$11 billion in revenue, including \$8.4 billion in federal student aid. ITT generated this revenue almost exclusively by facilitating student loan debt. In the past ten years alone, by a conservative estimate, ITT created \$7.3 billion in student loan debt, both federal and private. Lifetime default rates on these loans reach as high as 80%. ITT students, who earn on average the same or less than high school graduates with no college education, cannot sustain this debt. Yet, unlike ITT's obligations, students' debt cannot be discharged easily in bankruptcy.

ITT students are the true creditors of ITT. They seek recognition as creditors in this bankruptcy, a fair apportionment of the remaining estate, and an adjudication of their claims that will clear the path to loan cancellation in collateral proceedings.

### **JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b). The statutory bases for the relief requested herein are Bankruptcy Code sections 105(a), 501 and 502.

### **THE PARTIES**

2. Plaintiff JORGE VILLALBA is 36 years old and resides in Glendale, California. Mr. Villalba attended ITT in California and completed a bachelor's degree in digital entertainment and game design in 2010.

3. Plaintiff JAMES ERIC BREWER is 32 years old and resides in Monrovia, Indiana. Mr. Brewer attended ITT in Indiana and completed an associate degree program in computer network systems in 2012.

4. Plaintiff JOSHUA CAHILL is 32 years old and resides in Omaha, Nebraska. Mr. Cahill attended ITT in Nebraska and completed a bachelor's degree in information systems cyber security in 2015.

5. Plaintiff JUAN HINCAPIE is 25 years old and resides in Taunton, Massachusetts. Mr. Hincapie attended ITT in Massachusetts and completed a bachelor's degree in information systems security in 2014.

6. Plaintiff CHERYL HOUSE is 37 years old and resides in Mesa, Arizona. Ms. House attended ITT in New Mexico and completed a bachelor's degree program in criminal justice in 2012.

7. Plaintiffs seek to represent a class of students who were enrolled in ITT programs between 2006 and 2016 and were harmed by ITT's deceptive conduct, and breach of contractual obligations, including its breach of the implied covenant of good faith and fair dealing.

8. Defendant ITT EDUCATIONAL SERVICES, INC. was a Delaware corporation, with its principal place of business located at 13000 North Meridian Street, Carmel, Indiana. Throughout we use ITT to refer to debtors in this case and their alter egos.

### **FACTUAL ALLEGATIONS COMMON TO THE CLASS**

#### **I. BACKGROUND**

9. ITT was a publicly traded for-profit institution that was owned and operated by ITT Educational Services, Inc., with headquarters in Carmel, Indiana. At one time, ITT operated in 38 states, with over 140 campuses. ITT closed its doors in September 2016.

10. ITT offered associate and bachelor's degree programs in different schools: Business, Drafting and Design, Electronics Technology, Criminal Justice, Information Technology, and Health Sciences, which encompassed the Breckenridge School of Nursing at ITT.

11. ITT's business model depended on expansion and increasing enrollments year over year. In its 2009 Annual Report (Form 10-K), ITT explained that it was "implementing a growth strategy designed to increase revenue and operating efficiencies by increasing the number and types of program offerings and student enrollment at existing institutes" and adding programs and campuses. ITT also intended to increase revenue generation at its facilities by increasing over time the number of students who would enroll in bachelor's degree programs after completing an associate degree at ITT.

12. Marketing and advertising were critical to this expansion plan: "If we were unable to successfully market or advertise our programs, our ability to attract and enroll prospective students in our programs would be adversely affected and, consequently, our ability to increase revenue or maintain profitability would be impaired." Year after year, ITT reported on its "growth strategy," including in its 2015 Annual Report, published just six months before ITT filed for bankruptcy.



**A. Highly Centralized and Tightly Controlled Operation**

20. ITT was headquartered in Carmel, Indiana. ITT's President, Chief Operating Officer, and Senior Vice President of Operations, among others, all worked out of ITT's headquarters.

21. ITT headquarters provided centralized services to all campuses in the areas of accounting, marketing, public relations, curricular development, management information systems, purchasing, legal, regulatory, legislative affairs, real estate, human resources, and compliance and internal audits.

22. Major institutional functions, including recruiting, finance, academic affairs, career services, library, and registration all operated out of ITT's headquarters. ITT also maintained a centralized call center in Indiana, part of the function of which was to call students who had not reenrolled in ITT and threaten to take them to collections if they did not pay their alleged outstanding balances to ITT or re-enroll.

23. ITT was divided into twelve regions nationwide, all overseen by a district manager who was supervised by the senior vice president of operations. The college director of each campus reported directly to the district manager. Each campus also had a director of recruitment, a director of career services, a director of finance, a dean, and a registrar.

24. Corporate headquarters dictated policies and procedures at all ITT campuses, including program offerings and curriculum, instructor hiring, staffing levels, and policies and procedures for recruitment, financial aid, and career services departments.

25. Corporate headquarters produced promotional materials and advertising for ITT campuses, including the website and catalog for each location.

26. Kevin Modany was ITT's Chief Executive Officer at the time of its closing, and had held that position since 2007. Mr. Modany was President of ITT from April 2005 until March 2009. He also served as director from July 2006 until August 2014. Daniel Fitzpatrick was ITT's Senior Vice President and Chief Financial Officer until 2015, having held that position since 2005.

27. In or around 2011, ITT sought and received from its accreditor, ACICS, classification as a centrally-controlled institution. ACICS accreditation standards applicable to such institutions required ITT to maintain an "academic administrative center" capable of controlling educational activities at multiple locations. ITT also demonstrated to ACICS that the

administrative center, located at corporate headquarters in Indiana, dictated and controlled the development and delivery of instructional programming, hiring, facilities, and the selection and purchasing of instructional equipment. The administrative center also played an active role in the accreditation of each ITT campus, including in the site visits paid by ACICS to each ITT campus.

28. One former campus director described the level of control by ITT headquarters as “100 percent,” and the overall operation as a “command and control entity.”

29. This lack of autonomy hampered ITT’s ability to respond to local job market conditions and cater its programming to local needs. For example, each campus allegedly sent surveys to local employers for their opinion and input in determining course content. As reported to ACICS during a site visit to a California campus in 2012, these employer surveys were never seen by the local campus; they were returned directly to ITT headquarters.

30. Any recommendations for curriculum changes were considered by the central administration academic affairs department. Actual curricular decision-making, including curriculum authoring and resource materials selection was performed by central administration, under the supervision of the chief academic officer of ITT.

31. This central control of curriculum and resources extended across every program offered by ITT, including the nursing schools. For example, in 2015, the Indiana State Board of Nursing observed, regarding the ITT South Bend nursing program, “the curriculum continues to be created by the corporate parent company with little to no input from local faculty.” A May 15, 2015 consent agreement between the Arizona State Board of Nursing and the Breckenridge School of Nursing at ITT contained numerous findings of wrongdoing by the school, including that “[c]ontrol of Respondent’s program, including day-to-day classroom activities, such as testing requirements, daily schedule, calculation of grades and curriculum, rests with ITT Education Services, Inc. (corporate), and not the local faculty and program administrator,” as required by state nursing regulations. The Board found that this violation had been persistent and ongoing since the inception of the program.

32. Headquarters also made decisions about which classes a campus would offer at a given time. If enrollment was too low, and therefore not profitable, central administration would make a decision to cancel the class or program altogether.



33. Campuses also used software provided by ITT headquarters in their operations, including “Smart Forms” in the financial aid department and “Student Success System” or “S3” in the career placement department.

34. Neither local campuses nor regional districts had their own Human Resources Department. Rather, all personnel, compliance, and other human resources issues were managed by the central administration.

35. Central headquarters closely tracked performance metrics at each campus. For example, headquarters sent weekly emails to district managers, campus directors, and managers containing a performance chart that compared the actual number of enrollments or financial aid “packages” with the projected numerical targets that corporate headquarters had set for the campus.

36. ITT headquarters ensured that recruiters and their supervisors were subject to constant pressure. Headquarters required that all corrective actions be approved by the central human resources office. Recruitment numbers, including enrollment rates and financial aid packaging rates, were reviewed on a weekly basis. ITT asked recruiters to meet all of ITT’s expectations including those that were “written and implied.” These expectations were suggested on a counseling form provided by ITT headquarters.

37. District managers disseminated instructions to campuses within their region at the direction of central headquarters regarding recruiting techniques. For example, after headquarters ascertained that ITT’s “TV close rate,” or the rate of enrollments on prospective students who saw TV advertisements for the school, had gone down, a member of ITT’s headquarters contacted regional offices with instructions for campus directors to set a “phone-a-thon” for TV leads and to divide admissions representatives within a campus into groups that would compete against one another for enrollments.

38. On another occasion, ITT’s national Vice President of Recruitment Karen Corlozzi provided a roster comparing “closing rates” across ITT campuses, and instructed campuses to “personally reach out to all individuals that were confirmed [for an appointment] but did not attend.” This tactic of encouraging competition among campuses was commonly used by corporate headquarters.

39. District managers also reviewed enrollment and financial aid packaging numbers on a weekly basis with campus directors, directors, and staff, in what were called “show meetings.”

40. Central Human Resources would perform trainings that were mandatory for all directors.

41. Central Human Resources also dictated that underperforming recruiters would be punished in a systematic way. For example, the corporate head of Human Resources communicated by email to all campus directors that it was “critical that we are all on the same page” regarding the discipline system of recruitment personnel. ITT’s Human Resources team created templates, PowerPoint presentations and trainings to make sure that all locations disciplined underperforming admissions reps in a uniform manner, escalating from a verbal warning up through termination.

42. Central headquarters was also actively involved in dictating and monitoring the processes and procedures used by ITT financial aid representatives. According to one former campus-level director of financial aid, headquarters dictated everything from the order in which a financial aid administrator should show students the relevant forms and the language to be used in explaining these forms, to the way to escalate punishments for students who did not show up to financial aid appointments or pay their bills.

43. ITT reinforced the “command and control” culture and uniformity of procedures across the ITT network by moving top performing personnel to low-performing campuses in order to improve their performance. Directors at campuses with subpar performance metrics were expected to adopt the systems of directors at higher-performing campuses.

44. Similarly, recruiters who were not able to meet their enrollment and financial aid packaging quotas were asked to observe “seasoned representatives” to adopt their tactics.

45. Former ITT employees state that ITT evaluated every staff person in every department on a point system that determined retention, promotion, and compensation. Campus managers and campus directors were also reviewed based on their enrollment and financial aid packaging numbers. Managers penalized and publicly embarrassed staff members who were not meeting their numbers. ITT paid bonuses to financial aid staff members who exceeded their quotas.

## **B. Significant Underinvestment in Educational Services**

46. In this “command and control” system, central headquarters was responsible for the allocation of every penny of revenue, and determined the spending budgets for every campus and department.

47. ITT management was fixated on increasing student enrollments without increasing the cost of providing educational services to students, thereby maximizing profits.

48. Despite purporting to offer cutting-edge vocational training in technology and related fields—areas where equipment and techniques rapidly become outdated—corporate headquarters continually shortchanged students by allocating resources away from educational services in favor of spending that helped ITT’s bottom line.

49. ITT made the centralized decision to not invest in curriculum updates and better technology equipment, choosing to invest in marketing and advertising instead of educating students.

50. Although ITT promised students state-of-the-art equipment, one former campus director of ITT stated that in his four years at that campus, “no expenditures were ever approved or invested in the classroom,” and that corporate headquarters denied any and all requests from the campus for classroom expenditures.

51. Once headquarters decided to discontinue a program, it also cut all spending on that program, so that students already enrolled could not receive any new equipment or curricular upgrades or updates.

52. One financial analyst who followed ITT and its industry closely observed in late 2014, “[i]t seems almost impossible that [ITT] could spend less on educational delivery than it is currently.”

53. This same analyst observed, in 2016, that “[o]n a nominal basis, [ITT]’s investment in delivering education at the campus level for the past three years has been on par with what the company spent in the late 1990s on instruction.”

54. Between 2012 and 2016, ITT spent a combined total of \$131,000 on all capital expenditures—technology updates and curriculum development—per campus. In just a single quarter in 2016, ITT spend \$200,000 compensating its CEO.

55. ITT spent more on a per-student basis on marketing than on instruction. And for each tuition dollar spent on student instruction, more than twice that amount was allocated as corporate profit.

56. Over the decade preceding its bankruptcy, ITT spent approximately \$2 billion on share repurchases at an average price exceeding \$75 per share. The vast majority of this expenditure was approved by ITT management in 2009 and onward—a time when the company’s financial health and student outcomes were precipitously declining. These share repurchases benefitted ITT management, as they reduced the total number of shares and boosted the stock price and the earnings per share ratio (“EPS”).

57. EPS was the principal determinant of executive compensation at ITT.

58. ITT’s spending on boosting its stock, compensating executives, and marketing dwarfed ITT’s investment in students, even though ITT enrolled a student population that required intensive educational supports in order to obtain any good outcome from a postsecondary program.

59. Since at least 2008, ITT knowingly targeted this population. It purchased lower-quality leads from lead generators—meaning that the likelihood that a student was interested in and prepared for post-secondary education was low. ITT relied on its deceptive and abusive recruiting techniques to convert these leads to enrollments.

60. To facilitate enrollment, ITT did away with even the pretense of applying any admissions standards, dispensing with the requirement that students receive a minimum passing score on the Wonderlic test, a basic aptitude measure.

61. Additionally, over this period ITT enrolled students from lower-income families. In 2011, only 11% of ITT’s revenue came from Pell Grants—need-based federal student aid grants. In 2015, 23% of its revenue was derived from Pell Grants.

62. The average ITT student who is single with no dependents earns only a few thousand dollars annually above the poverty line, and has a deeply subprime credit profile. The average ITT student with a family is living below the poverty line.

## **II. ITT’S CONSUMER PROTECTION ACT VIOLATIONS AGAINST THE CLASS**

63. At every turn in its dealings with students, ITT violated applicable consumer protection laws. ITT employed abusive, unfair and deceptive recruitment, retention, and financial aid practices. ITT misled students about the training they would receive and that their ITT

credentials were valued and sought after by employers. ITT misled students to believe that ITT would guarantee a return on their educational investment in form of job placement and enhanced earnings. ITT's illegal conduct towards students infected every single aspect of its operation and affected every aspect of students' experience.

**A. ITT's Abusive, Unfair and Deceptive Recruitment and Retention Strategies**

64. ITT made a host of misrepresentations concerning its teachers, its equipment, its facilities, its curriculum, its class size, the academic ability of its students, the necessity of certification and its ability to provide those certifications, its job placement assistance, its graduate's actual success in obtaining employment, and the earnings of its graduates. All of these were the product of ITT's systematic and abusive recruitment and retention methods.

***1. Enrollment Quotas and Boiler-Room Atmosphere***

65. ITT systematically tracked the performance of recruiters along a highly detailed point system. One metric of performance was the number of in-person consultations with prospective students that a recruiter scheduled.

66. One former director of admissions describes a numbers-driven sales culture that encouraged recruiters to "say whatever it took" to convince students to enroll, even if those statements were false or misleading.

67. ITT imposed enrollment and retention quotas for each campus. They were set by the national dean and referred to as "Market Plans" and never "quotas." Recruitment representatives that enrolled high numbers of students were often promoted to more senior positions and given a salary increase. These raises and promotions were linked directly to the number of students the recruiter enrolled.

68. Prior to 2008, when the Department of Education imposed a ban on incentive-based compensation, ITT's management employees were evaluated and compensated based on achieving corporate objectives including 9% enrollment growth. Managers were empowered to use salary, prizes and awards to drive "sales," or new student enrollments.

69. After 2008, ITT cleaned up its externally-facing documents, but maintained an internal culture that was driven by the constant need to recruit and enroll more students. One former ITT manager who was a "top ranked director of recruitment" for three years from 2012-2014 described the incentive scheme that drove ITT's high pressure sales tactics: "The recruiters

had a certain number of calls they had to make, appointments they had to make, students they had to sign. If they didn't, there were corporate polices to discipline them. They had to get written up, even terminated for not making sales metric numbers." The environment created by these systems tacitly approved hard-sell tactics, and a "say anything, do anything" approach to enrolling students.

70. Recruiters would boost their numbers by tracking down students they had previously enrolled and convincing them to switch programs, even if the student had no interest in doing so.

71. Former admissions representatives describe a competitive and fearful working environment. Representatives were expected to call 100 prospective students per day, and were publicly shamed in weekly "show" meetings if they failed to meet their quotas.

72. ITT also required representatives to aggressively pursue students or "leads," which were provided by central headquarters. If a representative was unable to reach a student, she or he was required to call that student at least once every twenty-four hours until they made contact.

## ***2. Abusive Tactics***

73. ITT's signature approach, in which all managers and recruitment personnel were trained, was to probe potential students about "what causes pain in their lives," and then to "dig in," and "find an issue and use it." This exploitation of prospective students' vulnerabilities was encapsulated in a visual that accompanied training, known as the ITT "Pain Funnel."

74. ITT trained employees to ask eight specific questions that would reveal a clear picture of the four dimensions of "pain" a student was having. These questions were designed to be progressively hurtful to students, culminating at a point where, in the judgment of the ITT employee, the student had "enough pain" to be ready to enroll in ITT. Recruiters were trained to present ITT as the solution to that particular problem, and promise that "ITT will change your life."

75. As a former recruiter described it, they were trained to make prospective students feel that enrolling in ITT was the only way out of their problems. For example, when a prospective student had small children, the representative would ask the prospective students to visualize what a degree from ITT could do to improve their children's lives.



76. Materials emphasizing pain-based recruitment were circulated to executives at ITT headquarters and were presented in trainings to over 100 ITT Tech employees at multiple locations, in functions that ranged from recruitment to financial aid managers to academic instructors and department chairs.

77. ITT also trained recruiters to create a false sense of urgency and enroll students as quickly as possible, before they had time to reconsider.

78. All of the ITT campuses in Southern California used the false pretense of urgency to induce students to enroll by claiming that if the student didn't enroll immediately, they would be unable to enroll for another six months.

79. One former admissions representative reported that "she and other recruitment personnel were instructed to pressure prospective students to enroll 'immediately' during their campus visit." It was imperative to get students to sign before they left the building during their first appointment, so that they did not have the opportunity to research and change their mind. Multiple students describe the experience with ITT recruiters as similar to an interaction with a car salesman. One student states: "They breezed over everything extremely fast, and treated the situation as if they were a car salesman trying to get me in a brand new car." *See* Connor Decl. Ex. 18 ¶ 245.

### 3. "Bait and Switch" Tactics

80. ITT used "bait and switch" recruiting tactics. *See generally id.* Ex. 9.

81. Some students who were looking to enroll in a Bachelor program were told to enroll in an associate degree program, and that by the time they finished, the bachelor's degree program would be offered. *Id.* Ex. 9 ¶¶ 2, 8, 10, 11, 12, 14, 16, 18, 19, 22, 31, 33, 34, 36, 37.

82. One student reports: "[W]hen I first started at ITT it was under the belief that they would be getting the Bachelors Game Design Program. They said it would be coming in a couple of months but to sign up for it anyway. I did and began the Associate's degree first in Visual Communications. After about three quarters they came to us and said that if we wanted to complete that degree we would have to move out west where the classes were at." *Id.* Ex. 9 ¶ 16.

83. If a prospective student was interested in enrolling a particular program that ITT did not offer, the student would be pressured to enroll into a different program as "back up," assuring them that they could "try it out" before deciding. In reality, ITT's policy was that once a student attended a single class, she or he was liable for that tuition.

84. ITT also misrepresented the content of its programs to make prospective students believe the program was a perfect match with their perceived needs. *Id.* Ex. 9 ¶¶ 13, 23, 24, 28, 32.

85. For example, many students interested in the Criminal Justice program believed that it would train them to become forensic specialists. In reality, such positions would require scientific training that was not part of the ITT program. Nevertheless, ITT recruiters would tell students that their future jobs would be “just like on CSI.” ITT compounded this misimpression with a handout, the “Career Wheel,” for the Criminal Justice program. The center of the wheel identified the program. The inside ring named some of the courses within the program (e.g., Criminal Evidence and Criminology, Criminal Law, Law Enforcement, Legal Procedures, the Courts, Corrections) that could help the student develop the skills and knowledge to obtain the type of entry-level positions identified in the outer ring. For criminal justice, this outer ring lists communications, correctional programs, criminology, security and policy, criminal investigations. This marketing tool existed for all ITT programs. *See, e.g., id.* Ex. 2 ¶¶ 101, 171.

#### ***4. Enrolling Unqualified Students***

86. Part of ITT’s recruitment process entailed an admissions test that was designed to leave the impression that ITT was selective, and only admitted students with the aptitude to succeed. In reality, the test was impossible to fail. One mystery shopper made a point to fail the short exam, but was told that she passed anyway.

87. Former recruiters at ITT’s Massachusetts campuses reported being pressured to enroll students regardless of whether they were likely to succeed in the program. They enrolled students with reading levels at or below the fourth grade, and with serious learning disabilities. The Attorney General of New Mexico similarly alleged that ITT’s admissions policies “did not adequately screen or exclude those students that were unlikely to benefit from the program,” including those enrolled in the Nursing program, where ultimate passage of the NCLEX exam is a virtual prerequisite to employment as a nurse.

88. Recruitment representatives and financial aid representatives alike were instructed to, and would, fill out a student’s enrollment paperwork if the student either did not know how to use a computer, or was unable to successfully complete the paperwork for some other reason, such as a language barrier, or not being able to read.

89. Such measures were necessary because ITT enrolled people who were completely unprepared and unable to succeed. One former dean of academic affairs at a Florida ITT campus observed a blind person who was enrolling in the Computer Networking program, and a student who was functionally illiterate.

90. This lack of admissions criteria was facilitated by an ITT policy change in spring 2013, which eliminated the use of the Wonderlic exam altogether as an admissions criteria.

91. Nominally, ITT had a policy that allowed each campus registrar to interview prospective students who had been flagged as unqualified, and “veto” their enrollment. However, registrars were directed by management never to use this power. ITT silenced any employees who questioned the fitness of a prospective applicant or reenrolled student with the consistent response that it was not that employee’s place to “judge” the student, and “everyone had the right” to go to college.

92. Under policy dictated by corporate headquarters, employees who questioned whether it was appropriate to enroll a particular student were shut down and/or rebuked. For example, a former recruiter who later became director of finance at an ITT raised concerns about particular students who were enrolled despite not being qualified. She was told by her supervisors that she was “overthinking things” and stepping “outside the boundaries” of her role. A campus director of an ITT location in California was reprimanded for suggesting that a particular prospective student take a remedial class at a community college before enrolling.

##### ***5. Misrepresentations about Accreditation and Transferability of Credits***

93. ITT recruiters misrepresented to prospective students that ITT credits would easily transfer, both within ITT and externally, when neither statement was true. *See generally id* Ex. 10 (misrepresentations regarding transferability of credits reported by students enrolled in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin).

94. Transferability of credits is a function of accreditation, and cannot be prospectively guaranteed unless a school has an articulation agreement with another particular school regarding the transferability of credits between the two institutions.

95. According to a Consumer Financial Protection Bureau (“CFPB”) investigation, ITT recruiters made false statements including that ITT’s accreditation “was the same as any traditional college or university,” that ITT was accredited by the Department of Defense, and that every school was accredited by ITT’s accreditor, ACICS. In reality, ACICS is a national accreditor, which means that regionally accredited schools—”traditional” colleges or universities—were unlikely to accept ITT credits. But ITT representatives also took advantage of the obscurity of the accreditation system, claiming that “national accreditation was better than regional accreditation.”

96. In the words of one student,  
prior to going to ITT I really didn’t know anything about accreditation. I was told during my initial (high pressure sales) visit that all colleges had to be accredited. That some colleges were just regionally accredited by ITT was nationally accredited (like that was a good thing). [ ] So after my associates was over I tried to transfer as I felt like I was getting a subpar education. That’s when I learned what accreditation was and I couldn’t even transfer to a community college. I tried to enroll in TU [Tulsa University]...after my associates and basically got laughed at. I tried OSU [Oklahoma State University] as well. I would have had to start completely over to do either.

*Id.* Ex. 10 ¶ 442.

97. Another student recalls that,  
the ITT Tech rep or sales rep/recruiter explained that the school was nationally accredited and that most if not all universities would be honored and grateful to accept all students whom possessed ITT Tech units. I asked if they were WASC accredited and he explained they were better than that because WASC was based off a west coast system accreditation whereas ITT Tech’s accreditation was based off a National Widely considered accreditation. And began showing us plaques of accreditation at the San Bernardino campus. I began going to a community college..., and none of my units would transfer. So I started it all over[.]

*Id.* Ex. 10 ¶ 78.

98. In other instances, ITT told students that credits would transfer anywhere, or to specific schools a prospective student was interested in. For example, one student states,  
one of their misleading recruitment tactics was telling me that I would be able to transfer my credits should I wish to continue my education further. For example, I was told I would be able to transfer credits to Youngstown State University. The credits from ITT did not transfer to Youngstown State University or any university or community college. This fact cannot be denied. [ ] In reality not

ONE CREDIT would transfer. Approx. \$50,000 and not ONE CREDIT was transferable.

*Id.* Ex. 10 ¶ 435.

99. Another student,

was told at the time of registration prior to agreeing to attend that if students have a good attendance rate and a high GPA their credits will transfer anywhere. I have a perfect attendance record in 2 years of going to ITT, I never missed a class. I graduated with a 3.95 GPA, with several recommendations from instructors, yet I found out soon after graduating that my credits would not even transfer to my local community college.

*Id.* Ex. 10 ¶ 379.

100. Yet another student recounts:

[ITT] lied to me about how well accredited it was, and how my credits could transfer after a 2 year or 4 year degree, to another school, specifically in my case I wanted to accumulate enough credits so I could be accepted into the Air Force with my GED. After attending for 2 semesters, I come to find out that the military doesn't even recognize this school's credits.

*Id.* Ex. 10 ¶ 248.

101. Another student explains,

the whole reason I went to this school was so I can get my Associates degree and then move on to a State school to finish my bachelor's degree. [ ] Before I signed paperwork to attend ITT Technical Institute, I was told that it was very common for people to earn an Associates degree with ITT Technical Institute and move on to a State school to finish their education. [ ] After graduation, all of my credits were not transferable. I was told by the State school that they have never transferred any units from ITT Technical Institute.

*Id.* Ex. 10 ¶ 63.

102. ITT students attempted and failed to transfer any or all but one or two credits from ITT to the following, non-exhaustive list of schools: Akron University, Arizona State University, Art Institute, Art Institute of Design, Austin Community College, Bellevue College, Bluegrass Community & Technical College, Boise State University, Broward College, Bucks County Community College, Buffalo State, SUNY Oswego, Cal Poly Tech, California State University-Stanislaus, Central Michigan University, Central New Mexico Community College, Central Washington University, Chicago State University, Cincinnati State University, Cleveland State University, College of Red Woods, College of Southern Nevada, Colorado Tech,

Columbus State Community College, Columbus State University, Cooley Law School, Cuyahoga Community College, Cypress Community College, Davenport University, DeVry University, Drexel University, Eastern Washington University, Edmond Community College, El Camino College, Everest Community College, Evergreen University, Ferris State, Florida International University, Full Sail University, Fullerton University, Gainesville College, Gaston College, George Mason University, George State University, Georgia Perimeter College, Glendale Community College, Harrisburg Community College, Heartland Community College, Houston Baptist Community College, Houston Community College, Humboldt State University, Indiana University, Ivy tech Community College, Johnson County Community College, Kent State University, Kings College, Lakeland University, Lawrence Technological University, Longview Community College, Los Angeles Community College, Mesa Community College, Miami University, Michigan State, Middle Tennessee State University, Military, New England Institute of Technology, Montcalm Community College, Nashville State Community College, National Park Community College, Navarro College, Nevada State College, Northern Arizona University, Northern Virginia Community College, Nova Southeastern University, Oklahoma State University, Old Dominion University, Oregon Institute of Technology, Oregon State, Penn State University, Penn State, Piedmont College, Pima Community College, Pomona College, Portland Community College, Portland State University, Purdue University, Richland Community College, Sacramento State University, Sage College of Albany, Salt Lake Community College, San Bernardino Community College, San Jacinto Community College, Savannah College of Art and Design, School Craft College, Southern New Hampshire University, St. Petersburg College, Strayer University, Tarrant County College, Temple University, Tennessee State University, Troy University, Tulsa University, University of Arizona, University of Arkansas, University of Buffalo, University of California, University of California-Los Angeles, University of California-Los Angeles, University of Central Florida, University of Cincinnati, University of Dayton, University of Hawaii, University of Houston, University of Las Vegas, University of Maryland, University of Massachusetts-Lowell, University of Michigan, University of Minnesota, University of New Mexico, University of Oregon, University of Phoenix, University of Portland, University of Southern Florida, University of Southern Indiana, University of Southern Maine, University of Texas, University of Toledo, University of Utah, University of Washington, University of Washington, University



of Wisconsin, Valencia College, Volunteer State Community College, Wallace Community College, Wallace State, Washington State University, Wayne State, Webster University, Wesleyan University, Western Governor's University, Wright State University, Youngstown State University. *See generally id.* Ex. 10.

103. Once students realized that they could not transfer their credits, many chose to remain enrolled in ITT because it was the only place they could obtain a degree without starting over—something that many could not afford to do because they had exhausted much or all of their financial aid at ITT. *Id.* Ex. 10 ¶¶ 50, 51, 55, 66, 70, 144, 157, 165, 166, 170, 175, 176, 200, 231, 235, 271, 278, 287, 307, 329, 367, 393, 402, 419, 456, 474, 477, 555, 587, 640, 666.

104. One student “was told that [ITT was] nationally accredited. Once I realized that this school wasn't what I had expected, I tried to leave but none of my credits would transfer, not ONE! So since I was using the GI Bill I was pretty much at a loss so I felt trapped and felt like I was going to just have to finish my degree here otherwise my GI Bill would have been wasted without anything to show for it.” *Id.* Ex. 10 ¶ 55.

105. Others decided not only to complete their initial associate degree program, but to enroll in a bachelor's degree program as well, because it was the only place that they could earn that credential without having to start over. *Id.* Ex. 10 ¶¶ 160, 302, 338, 366, 493, 509, 519, 595.

106. As one student describes,

They lied about accreditation. When I graduated with my Associates degree I tried to stop going to [ITT] because at that point I began to suspect foul play from the school but I was convinced that if I wanted any credits to transfer to any graduate program I must complete the Bachelor's degree there at ITT Tech. I asked many times my recruiter and my dean if I would be able to transfer my degree for a graduate [program] and I was assured that the credits for the Bachelor's were accredited and I could be accepted in other graduate universities. So I completed the Bachelor's and no one accepted my credits. I've tried several universities and they always tell me I have no credits and that the school itself is not accredited. I have to start from the beginning again if I want to get an education.

*Id.* Ex. 10 ¶ 366.

107. ITT's misrepresentations about accreditation status also hid from students the limitation of the credential offered by ITT.

108. For example, because ITT's nursing program lacked programmatic accreditation, other colleges and universities were unlikely to accept ITT students' transfer credits or allow an

associate degree from ITT to serve as the basis for a Bachelor of Science in Nursing or other advanced degrees. In New Mexico, ITT misled prospective and enrolled nursing students by claiming that it held or was in the process of receiving programmatic accreditation, including in ITT documents distributed at enrollment sessions. Programmatic accreditation is critical to the transferability of ITT nursing credits.

109. Another student recounts,

“I was never told that the school was not regionally accredited. I only found out after I received an associates degree that it would not transfer to UW [University of Wisconsin] system colleges, so I felt like I had no choice but to stay with ITT because I didn’t want to lose out on more time and money by starting over somewhere else. And now, I do not qualify to get a professional teaching license because [to qualify] my education must come from a regionally accredited school.”

*Id.* Ex. 10 ¶ 587.

#### **6. Misrepresentations and Omissions about Program Cost**

110. ITT trained recruiters not to answer direct questions about the actual cost of ITT. To deflect such questions, ITT recruiters used canned responses such as, “do you want a discount education, or a valuable one that will give you a return in the future?” An investigation by the CFPB concluded that ITT headquarters provided recruiters with scripted responses to student queries about actual cost, to avoid giving a direct answer. A typical suggested response was, “I cannot tell you what your exact cost will be...it varies from student to student.”

111. Another student recalls that when he asked a recruiter how much the program cost, “[n]ot only did he avoid directly answering the question,” he turned the question back on the student, asking, “what’s a real future worth to you?” and stating “you will not be able to provide as a man doing what you’re doing now.” *Id.* Ex. 11 ¶ 67.

112. ITT also trained recruiters to make misleading cost comparisons to nearby schools such as community colleges. Recruiters would assure students that the cost was roughly the same, but in fact ITT was one of the most expensive schools on the market. For example, one student who attended ITT from 2009 to 2011 was told that ITT’s tuition was “on par[] with Ivy Tech,” a community college in Indiana. *Id.* Ex. 11 ¶ 101. In fact, at \$44,895 the cost of a 2-year associate degree at ITT’s Indianapolis Campus cost nearly five times as much as a comparable program at Ivy Tech. *See id.* 11 ¶¶ 8, 72, 81, 83, 95, 101, 111, 117, 158, 159, 205, 279.

### 7. Continued Deception

113. Once a student was enrolled, ITT recruitment and financial aid representatives would use deceptive and abusive tactics to keep students enrolled.

114. Enrollment and financial aid representatives were trained to “keep the student’s financial aid ramifications in front of their face” in order to pressure students who wavered to remain enrolled and to keep borrowing. This meant showing them how high their loan repayments would be if they dropped out of ITT, and promising that ITT would bring them to court if they did not pay. Only by remaining enrolled, or in other cases, enrolling in a further degree program, could students defer their financial obligations.

115. One student wanted to drop out of ITT once he learned that the school would not offer a bachelor’s degree in his program as promised, and experienced this tactic: “I was furious and wanted to drop out, but they said that if I did I would have to pay for all three quarters of classes right away. I was unable to do so, so I ended up switching to the Electronics program to avoid having to pay my loans immediately.” *Id.* Ex. 9 ¶ 16.

116. Another student who was unclear about the total cost of his ITT program reports that “[ITT] told us the true amount when we passed the halfway mark in the program to where if we quit we would have no diploma and still owe the money.” *Id.* Ex. 15 ¶ 1.

117. ITT also perpetuated false promises about program offerings in order to keep students enrolled. According to one student,

I originally attended ITT Tech to study Digital Entertainment and Game Design. I was told a prerequisite was to complete a two-year Visual Communications program. I did that, half way through two instructors at the school warned the students that the Digital Entertainment and Game Design program didn’t exist anymore. Those two instructors were quickly removed along with the Department Chair of the Design programs. All students were told there is nothing to worry about, that we can still sign up for the Digital Entertainment and Game Design program. 2 years later...we got told sorry, Digital Entertainment and Game Design program has been away for the past year. It was actually gone, yet I was told I could still get into the program. They told us this so we would stay and complete the second year. The only reason I attended ITT Tech was taken away and I was lied to so the school wouldn’t lose my federal student loan aid from my leaving to study Digital Entertainment and Game Design somewhere else.

*Id.* Ex. 9 ¶ 18.

118. ITT enlisted faculty members to pressure students as well. One student had a “faculty member try to ‘persuade’ me into staying at ITT by telling me that none of my credits would transfer to any other school.” *Id.* Ex. 10 ¶ 70.

**B. Deceptive Misrepresentations that ITT Adequately Trained Students for Entry-Level Positions in Technical Fields that are Sought After by Employers**

119. ITT promoted itself to prospective students as providing hands-on training in cutting-edge facilities, in classrooms taught by experienced and knowledgeable industry professionals. These attributes, ITT claimed, were a virtual guarantee that students would land coveted entry-level positions in their field of study, allowing them to pay back the massive student loan debt that they incurred in order to finance their education. For example, one direct mailing to students stated, “ITT Technical Institute offers practical, hands-on experience in fields where there are good careers. You spend your time learning the things you need to do a good job. You don’t spend time on subjects that are unrelated to your career goals.” ITT’s website proclaimed that “ITT Tech students also spend considerable time in the lab, where they are encouraged to apply what was taught in the classroom and see for themselves who, why and what makes things work.”

***1. Misrepresentations and Deception about Hands-on Learning in State-of-the-Art Facilities with Cutting Edge Curriculum***

120. Students consistently found that the promise of hands-on, experiential learning in state-of-the-art facilities featuring cutting-edge curriculum relevant to employers was an empty one. *Id.* Ex. 6 (student reports of misrepresentations about actual facilities, curriculum, and learning environment made by ITT in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin).

121. ITT did not provide the hands-on learning experience that it advertised. *See id.* Ex. 6 ¶¶ 6, 15, 23, 27, 29, 37, 48, 50, 53, 63, 70, 72, 77, 89, 90, 100, 101, 105, 107, 109, 115, 116, 120, 122, 126, 129, 130, 131, 138, 139, 140, 153, 156, 173, 183, 188, 192, 194, 201, 205, 212, 213, 225, 228, 232, 237, 246, 265, 267, 273, 287, 313, 315, 321, 323, 325.

122. For example, one student who spent four years enrolled in a program on information systems security, “never even saw or touched a server in the 4 years that I attended the school. I only remember seeing one server rack throughout all of my classes. The IT students often shared the same classes as nursing and criminal justice students.” *Id.* Ex. 6 ¶ 77. Another student “spent less than 30 minutes with a real router the entire time I attended the school. The education had nearly nothing to do with being ready for certification, and none of the coursework prepared me for testing.” *Id.* Ex. 6 ¶ 37.

123. A nursing student reports that:

We had 2 semesters of clinical s at the hospital where we spent 90 percent of the time in the cafeteria instead of on the floor learning. Then after the school was not allowed back at the hospitals we did our clinicals on you tube videos. There was also a class I had that we . . . [n]ever had a teacher.

*Id.* Ex. 6 ¶ 89.

124. A criminal justice student states:

Classes that should have had hands on training or field time were taught by video like loading and shooting a gun. I was told that would be taught at the shooting range. . . . They never prepared us for police Academy or any of the training that comes along with being in law enforcement. I went into the field completely unaware of all the things I still had to do to become a cop. Most of my jobs outside of ITT have been security guard jobs. Definitely not what I paid 30,000 to do with my life.

*Id.* Ex. 6 ¶ 6.

125. Even when ITT did provide hands-on learning, it was on outdated and/or broken equipment. ITT did not provide students with the promised “top of the line” facilities. Former students from Massachusetts noted that lab sessions involved equipment that didn’t even work, and equipment that was outdated or not available. Another student who attended ITT found that “[t]here was never enough supplies for each student and a lot of the time we had to work on our projects at home without any guidance” because labs did not work. *Id.* Ex. 6 ¶ 51. Further, “[t]here was no point in actually using ‘lab time’ because all of the software we would [use] was very outdated.” *Id.* Another student recalls that “[t]he amount of times that my classes were denied the computer laboratories for computer-based programs was beyond count.” *Id.* Ex. 6 ¶ 111.

126. One student, enrolled in the Multimedia program, states that he was “sold on the fact that [ITT] had state-of-the-art equipment in their labs and the best instructors. I found out that it was all lies[.] The equipment was not state of the art, in fact it was all very outdated.” *Id.* Ex. 6 ¶ 51. Although ITT “boasted about how their programs were the most current with industry standard computer systems and software,” “EVERYTHING at ITT Tech was severely out of date. The books, the lessons, the hardware and the software were all very dated. The computers were constantly crashing because they weren’t the latest technology and needed to be upgraded. The software was at least 3-4 versions behind[.]” *Id.*; *see also id.* Ex. 6 ¶¶ 1, 2, 5, 12, 16, 19, 22, 37, 38, 41, 47, 49, 50, 51, 62, 64, 66, 68, 79, 82, 83, 88, 92, 97, 105, 106, 107, 108, 113, 114, 117, 118, 122, 126, 127, 130, 137, 139, 142, 143, 144, 147, 151, 152, 154, 157, 163, 168, 169, 170, 171, 178, 182, 185, 189, 190, 191, 200, 203, 210, 211, 217, 221, 223, 229, 242, 246, 248, 255, 256, 264, 266, 271, 282, 285, 290, 295, 297, 305, 308, 312, 316, 317, 319, 324, 325 (stating that specific technology and software necessary to field outdated or not available).

127. Many students reported that equipment in laboratories was broken, missing, or nonfunctional. *Id.* Ex. 6 ¶¶ 1, 7, 13, 28, 32, 37, 57, 58, 69, 72, 76, 85, 93, 100, 104, 107, 113, 122, 129, 139, 153, 154, 157, 169, 175, 176, 182, 183, 185, 192, 193, 203, 208, 209, 232, 260, 261, 270, 273, 287, 324. One student reports that “half of the routers in my router class were broken, and when we [tried] to get help from the instructor he would tell us he didn’t care.” *Id.* Ex. 6 ¶ 193.

128. Students also report that ITT had them use pirated versions of software. *Id.* Ex. 6 ¶¶ 2, 117, 151, 272, 273, 299, 306. One student discovered that “All the software I received was pirated and I even had a few teachers tell me that if I was serious about becoming a game designer that I should change schools.” *Id.* Ex. 6 ¶ 306.

129. Students also found that their course materials and textbooks were outdated. *See id.* Ex. 6 ¶¶ 12, 13, 16, 17, 20, 21, 22, 24, 25, 31, 32, 46, 51, 53, 58, 67, 69, 71, 80, 83, 86, 87, 87, 113, 117, 118, 121, 126, 144, 155, 164, 165, 168, 171, 177, 182, 185, 195, 196, 199, 204, 205, 219, 227, 237, 250, 261, 263, 268, 269, 275, 280, 281, 282, 283, 286, 290, 297, 305, 307, 308, 309, 310, 312, 317, 326. One student notes that “their equipment was out of date and there classes were out of date and did not apply to today’s technology. 20 years out of date.” *Id.* Ex. 6 ¶ 306. Another student says “The software and knowledge we were trained on was thoroughly



out of date in some even 13 year old out of date software that had no place in modern jobs.” *Id.* Ex. 6 ¶ 246.

130. ITT’s accreditor, ACICS, reported after a site visit to the San Bernardino campus in 2012 that students in the Digital Entertainment and Game Design course expressed dissatisfaction with the level of computer support for the program. Students indicated that there were not enough computers to complete their assignments. This program had been cancelled by ITT, so the decision had been made not to invest in any further equipment upgrades or improvements, although the students were still paying top-dollar tuition to attend the program.

**2. Misrepresentation and Deception about Teacher Qualifications**

131. ITT students consistently report that their instructors were not as ITT promised. Students found that their teachers were not in fact experienced, and often lacked basic knowledge of the subject area and professionalism. *See id.* Ex. 6 (students report that ITT instructors were not qualified or knowledgeable in Alabama, Arizona, Arkansas, California, Florida, Indiana, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin).

132. Students frequently were assigned teachers with absolutely no knowledge of the subject matter. *See id.* Ex. 6 ¶¶ 2, 3, 4, 5, 10, 13, 14, 17, 18, 21, 22, 23, 25, 26, 29, 30, 32, 35, 40, 41, 49, 54, 55, 58, 59, 65, 66, 83, 85, 89, 93, 94, 96, 97, 98, 99, 103, 106, 108, 110, 118, 119, 121, 123, 124, 125, 126, 135, 136, 144, 145, 146, 149, 150, 152, 158, 159, 161, 165, 166, 172, 174, 175, 176, 178, 181, 184, 186, 188, 193, 196, 197, 198, 199, 202, 203, 206, 208, 210, 214, 216, 217, 218, 226, 227, 228, 230, 231, 233, 234, 238, 239, 240, 241, 243, 245, 248, 249, 251, 257, 258, 259, 262, 264, 269, 271, 274, 279, 280, 281, 282, 283, 284, 289, 290, 294, 297, 298, 300, 320, 322, 324 (stating that teachers were unqualified to teach subject matter).

133. One student’s instructor was “learning alongside” the students and “even admitted that he didn’t know one thing about this program.” *Id.* Ex. 6 ¶ 94. Another student from Florida reports that teachers “were often times less educated than the students.” *Id.* Ex. 6 ¶ 51.

134. Another student reports that “[m]ost of the time teachers... weren’t qualified to teach that specific class and [it] was evident because they did not understand the curriculum.” *Id.* Ex. 6 ¶ 58. Yet another student had a teacher who

spent the entire class sitting in the room playing their guitar and chatting with their friends in the classroom rather than teaching. [ ] In other situations they had teachers with finance degrees teaching digital media, they had teachers with no work experience teaching development and management of projects. They had teachers showing up and falling asleep in class. The quality of their educational services was extremely poor.

*Id.* Ex. 6 ¶ 65.

135. Teachers' lack of subject matter knowledge led to them telling students to consult with other students or the internet to answer basic questions in class. One student states that "[i]f it was not for other students that were more advanced than most of the instructors I would not have learned anything." *Id.* Ex. 6 ¶ 88. A student reports that he "learned more by self-teaching than I did in 2 years of going there. I am extremely disappointed and unhappy that I wasted 2 years of my life there, put myself into financial ruin and put myself 2 steps back from square one because of the debt from ITT's loans." *Id.* Ex. 6 ¶ 119.

136. Students report the common experience at ITT of being left to teach themselves and, sometimes, their classmates, the material, because no teacher was willing or able to provide instruction. *Id.* Ex. 6 ¶¶ 5, 27, 28, 30, 43, 51, 78, 88, 119, 123, 133, 136, 147, 158, 186, 187, 196, 199, 202, 219, 224, 239, 245, 247, 249, 278, 279, 292, 294, 297, 313. A student reports that she "learned most of what I needed to know from online tutorials not from the instructors. We had instructors that came in drunk and taught us nothing." *Id.* Ex. 6 ¶ 88. Students commonly report the specific experience of asking a teacher a question and being told to "look it up on YouTube," *id.* Ex. 6 ¶¶ 6, 9, 27, 51, 52, 66, 67, 89, 95, 119, 139, 142, 158, 205, 224, 237, 297, 303, 325, or "Google it," *id.* Ex. 6 ¶¶ 96, 101, 284, 318, 325.

137. ITT students also experienced a high turnover of teachers in a single class, and sometimes a complete lack of any teacher. A student enrolled in the Network Systems Administration program states, "[m]ost of the time teachers didn't show up to class. So we would wait and a substitute would finally show up but not have any idea what class they were teaching or even the curriculum. Teachers that did show left halfway through the quarter." *Id.* Ex. 6 ¶ 58. As another student explained, "the school cycled through teachers and administration because they were unable to keep good ones that didn't want anything to do with the scam ITT Tech had created." *Id.* Ex. 6 ¶ 58. Another student, in the Visual Communications program reports he "was repeatedly given classes that had teachers dropping and never returning, leaving the class to bring the brand-new instructor up to speed on where the class was at in terms of

lessons and homework. A handful of my 11-week-long courses were taught by up to three (sometimes four) different instructors[.]” *Id.* Ex. 6 ¶ 111; *see also id.* Ex. 6 ¶¶ 4, 13, 18, 20, 26, 43, 49, 51, 57, 58, 60, 75, 80, 85, 89, 90, 92, 98, 111, 119, 120, 123, 125, 133, 140, 141, 158, 174, 176, 181, 185, 187, 193, 206, 208, 212, 225, 244, 248, 254, 259, 281, 282, 292, 295, 297, 298, 303, 307, 311.

138. ITT had frequent vacancies in leadership roles within its Departments, resulting in a lack of subject-matter expertise at its campuses. A former adjunct instructor at ITT’s Seattle and Everett, Washington locations described misrepresentations in ITT’s catalog for the Everett location, published and deemed current as of March 31, 2016. The catalog claimed that the campus had employees who served as chairs of the Drafting department and the Electronics department, when these positions were in fact empty. Similarly, the catalog stated that the campus had a top-level administrator when it did not. When the instructor raised these inaccuracies to ITT’s President and Chief Operating Officer in May 2016, he responded that subject matter chairs were not necessary, because their expertise function was fulfilled by the presence of adjunct instructors.

139. In other circumstances, ITT placed academic personnel in positions for which they were not qualified. Indiana’s nursing oversight board cited the ITT Merrillville nursing program for hiring a program director without sufficient experience to meet the minimum requirements prescribed by regulation. Ohio’s nursing oversight board cited ITT for having an instructor in its nursing program who was not licensed as a registered nurse, a requirement under state law.

140. Corporate headquarters dictated that each location maintain no more than a certain number or percentage of fulltime instructors, and fill the rest of its teaching spots with lower-cost adjunct instructors, who were less invested in students and were only compensated for time spent in class.

### ***3. Misrepresentation and Deception about Small Class Size***

141. ITT recruiters made misrepresentations to prospective students that ITT offered small class sizes and one-on-one attention from teachers. Students who attended from 1999 through 2016 report that ITT recruiters told them that they would be placed in small classes, that the small class size justified the expense of ITT, and elevated ITT’s reputation among future employers.

142. In reality, students experienced overcrowded classrooms with students sitting in the aisles on the floor, and instructors who did not have time to provide individualized instruction. One student was “promised small classes and one on one with the teacher.” After enrolling, this student “had 40 people in my classes until graduation and never fully talked to a teacher more than 10 min because they were too busy with other students.” *Id.* Ex. 6 ¶ 84. Another student reports “They claimed small classes, more than once we had so many students people left or had to sit in odd places like the floor, or the aisle.” *Id.* Ex. 6 ¶ 289.

143. In fact it was ITT corporate policy to maximize classroom size and cancel classes with low enrollment, in order to maximize profits. As reported in ITT’s 2006 Annual Report, ITT undertook “efforts to optimize institute capacity and class size” in order to “increase student enrollment without incurring a proportionate increase in fixed costs at our institutes.” In August 2015, ITT’s Director of Recruitment distributed an email with “Just 3 weeks left!” before the beginning of September classes. The email informed recruiters that programs with low enrollment numbers would be abruptly cancelled unless they ramped up recruitment efforts.

144. In one instance, when students found out about a cancellation on the same day that they were scheduled to begin classes, the students escalated complaints to ITT’s headquarters. A representative from headquarters stated by email, “[s]ince small class size is not as effective as [a] good educational environment, we try to avoid it whenever we can.” With respect to class sizes, ITT’s growth-oriented strategy for maximizing profits was diametrically opposed to the promise of small class sizes that it used to attract students.

#### **4. Grade Falsification**

145. ITT put profits ahead of students and further diluted the value of any credential from ITT by a policy of mandatory grade inflation and falsification. Students observed this practice at ITT campuses in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and in online programs. *See generally id.* Ex. 7.

146. Teachers faced penalties for giving students failing grades even when those grades were accurate indicators of the student’s grasp of the material. According to one student, “I talked with multiple teachers who disclosed that because of the teacher rating system, they

essentially had to pass the majority of their students every quarter just to keep their position.” *Id.* Ex. 7 ¶ 95. Many students report that ITT fired teachers who did not pass students at high enough rates. *Id.* Ex. 7 ¶¶ 10, 12, 64, 66. Others report that their teachers quit rather than inflate grades. *Id.* Ex. 7 ¶¶ 26, 114.

147. One student of ITT reports that “[a]n associate dean actually \*GAVE\* me answer to a final on a post-it[.]” *Id.* Ex. 7 ¶ 9. Another ITT student describes a math teacher who made very clear that any student DURING AN EXAM whom did not understand the questions should raise their hand so he could give them the answers. Sonny got his name and photo on a plaque in the hallway of the school while I was there, teach[er] of the year it said. This is clearly Sonny understanding that the school has a vested interest in the enrollment and successful graduation of its students. They don’t care what happens to you when you leave, but while you’re there, they want you in class and getting good grades...regardless of whether you’re actually learning anything or not.

*Id.* Ex. 7 ¶ 13.

148. Another described the educational experience as “laughable,” as “teachers were just out to get you to pass the class as it would benefit them. They would go over the answers to all tests before the test actually started to make sure the students pass. It wasn’t about teaching the students, it was about passing them.” *Id.* Ex. 7 ¶ 19.

149. Another reports that teachers gave students the answers to midterm and final exams in the form of a “study guide” prior to the test, and “allowed the use of notes during tests which included the study guide that was the exact copy of [the] test.” *Id.* Ex. 7 ¶ 125. Another student found that teachers

would put false grades on tests and labs just to pass students. I caught on about midway through when I was already too deep in debt to quit. I actually put down several wrong answers on a test to see if what I thought would happen would. And sure enough I came out of the test with a 100 percent[.]

*Id.* Ex. 7 ¶ 73; *see also id.* Ex. 7 ¶¶ 7, 10, 15, 16, 18, 28, 29, 31, 36, 38, 39, 42, 44, 45, 53, 54, 55, 69, 73, 77, 78, 100, 109 (reporting inflated or falsified grades).

150. Still others reported that teachers encouraged them to cheat or help other students cheat on exams. For example, one student was “encouraged by the teachers to help my classmates during tests. [ ] When I would finish a test they would ask me to assist the other students in class who needed help.” *Id.* Ex. 7 ¶ 104; *see also id.* Ex. 7 ¶¶ 1, 9, 12, 13, 19, 24, 26,

32, 34, 49, 50, 55, 67, 74, 75, 79, 85, 89, 96, 99, 104, 106, 107, 111, 119, 122, 125, 129, 132 (students given answers to tests or encouraged to cheat).

151. Students knew that ITT was not holding them and/or their classmates to account. Some report that they or their classmates passed their classes despite not handing in work. *Id.* Ex. 7 ¶¶ 2, 6, 11, 32, 33, 43, 52, 55, 56, 89, 106, 114, 126. Others noticed that they and/or their classmates passed despite not attending classes. *Id.* Ex. 7 ¶¶ 6, 7, 10, 23, 76, 86, 97. As one student explained, “[y]ou passed without turning in work. Kids that hardly ever showed up got the same grade as the student that was there everyday and worked super hard.” *Id.* Ex. 7 ¶ 32.

152. Sometimes the lack of integrity in grading was a mechanism to mask poor teaching. For example, one student reports that

[t]eachers couldn’t answer questions about what they were teaching and had to use help wizards to teach. Most teachers didn’t show up for classes and if they did weren’t prepared because they were thrown into classes they knew nothing about. [ ] Another teacher taught the wrong book the entire class and we didn’t find out until it was time for the final exam. She gave us the answers so we would pass.

*Id.* Ex. 7 ¶ 32. Similarly, another student reports that

90% of our tests were open book, even though the top of the test stated it should not be. One instructor of MANY of our classes would not even attempt to really teach, it truly seemed he did not know the material. We took a closed book final in Active Directory, which is [a] very important part of this field, the entire class failed, yet we all wound up with As on that test?!?!

*Id.* Ex. 7 ¶ 44.

153. Grade inflation and the attendant grade falsification was the result of ITT policy. The student who reported that his class received A’s on an exam they had all failed reports:

[m]y class filed a petition that day stating that this teacher was not qualified and we were not being prepared for the material. Severe grading curves were the norm in that school. [ ] I had spoken with the Dean of Students at the time, telling him of my suspicions, that this school was passing people thru so they could get the federally secure[d] student loans. He came to me one day and said my suspicions were true, but he would never admit it if I brought it up again, because he had a family to feed.

*Id.* Ex. 7 ¶ 44. This policy was widely known among ITT students. *Id.* Ex. 7 ¶¶ 10, 12, 17, 19, 20, 34, 35, 49, 61, 66, 77, 80, 81, 85, 87, 95, 113, 131, 133.

154. These claims of grade falsification were also substantiated by the investigation of the Massachusetts Attorney General into ITT. One student reported to the Attorney General that



“in one of my classes I got an A just for showing up. [T]he teacher just sat there and didn’t teach us.”

155. Undercover investigators from the General Accounting Office found that ITT instructors inflated grades and provided inadequate instruction. One undercover investigator posing as a student received full marks for a paper submission in one class that bore clear indicia that it was prepared for a different class. Full points were given in two cases where students failed to complete the assignment or only completed a fraction of the work.

156. Allowing everyone to pass their classes ensured continued enrollment and eligibility for aid programs, such as federal financial aid, that required students to maintain a minimum grade point average, sometimes expressed as “satisfactory academic progress.”

157. ITT executives boasted about the results of this pass-through policy. In 2015, ITT’s President and COO claimed that ITT’s graduation rates were double the rates of comparable community colleges. Given ITT’s lack of investment or interest in sound educational practices, this boast reflects weakened standards, not elevated results. In 2005, ITT paid \$730,000 to settle a lawsuit alleging that ITT required instructors to inflate student grades in order to expand eligibility for students to receive state grants, “Cal Grants,” which are available only to students who maintain a minimum GPA. ITT acknowledged grade inflation in at least 49 cases in connection with that lawsuit.

158. ITT’s disregard for the actual education of its students inevitably harmed them in the workforce. One student reports being told by ITT

that upon graduation, I would be prepared to enter the workforce. I did get a job as an intern. Within a week of starting, I was let go for my lack of knowledge. I then learned that...I received passing grades for assignments that I should have failed. I graduated with a degree and now realize I didn’t learn anything valuable enough to get a job in my field of study. I was pushed through their system just so they could get paid.

*Id.* Ex. 7 ¶ 39. Another reports:

Once I did find a job in the field, I was subsequently fired as I was not prepared for the job. I left the field and have not returned. There is so much more to this, it would take a book to fill the issues we discovered in this school.

*Id.* Ex. 7 ¶ 44. Another succinctly states, “This behavior diminishes the perceived value of any education received through ITT.” *Id.* Ex. 7 ¶ 95.

### 5. *Misrepresentations and Deception about Certifications*

159. ITT's program offerings touched upon industries and professions that are highly reliant on certification exams as a measure of basic and more advanced qualification or attainment. *See id.* Ex. 5 (students report that misrepresentations about employment certification were made by ITT recruiters in Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin).

160. ITT misled prospective and enrolled students regarding the relevance of certifications to their students' ability to ultimately get jobs, and misrepresented the relationship of their course's content to the material that needed to be mastered in order to pass industry-standard certifications. *See id.* Ex. 5.

161. In some instances, ITT promised students that employer-desired certification exams were included in the cost of the program and would be facilitated by ITT, but did not fulfill that promise. *Id.* Ex. 5 ¶¶ 6, 9, 17, 26, 31, 40, 58, 59, 67, 70, 76, 77, 88, 90, 99, 101, 123, 124, 125, 130, 140, 146, 150, 153, 156, 172, 210, 212, 218, 223. One ITT student was

told I would be certified in Adobe (Photoshop, Illustrator, HTML, Autodesk (3DS Max, Maya, AutoCAD), Gaming Engines for level design, and Microsoft Office—which is a laugh. I was told that I would receive certifications for all of these programs once I complete the class and/or degree and I did not receive certification for any of those program, not even Microsoft Office.

*Id.* Ex. 5 ¶ 90.

162. In some instances, ITT deceived students by stating that the specific program the student was enrolled in, or was considering enrolling in, was an adequate substitute for certifications in the eyes of employers. *Id.* Ex. 5 ¶¶ 8, 11, 16, 20, 38, 41, 46, 53, 72, 84, 111, 122, 126, 164, 169. For example, a student was told that ITT would “provide on-campus certification training” when he told the ITT recruiter that he was “interested in learning about computer networking and being Cisco certified.” The recruiter told him he would “earn some of ITT's best certifications and many employers compare that to being Cisco certified.” *Id.* Ex. 5 ¶ 38.

163. In another example, a student

was told [by ITT] that all I would need was a two-year degree and that would be my magical key to success in the networking field. I asked about professional certifications because the 2-year course didn't include any and was told that certifications weren't necessary if you had a degree. That is a blatant lie. After clawing my way into the field through years of self-study and countless hours of hands-on experience I can say the truth is exactly the opposite. In the computer networking field professional certifications are the key to getting interviews and speak volumes to prospective employers about your skill set and dedication. Degrees are not necessary and experience along with certifications can always be substituted.

*Id.* Ex. 5 ¶ 122.

164. ITT classes did not prepare students to successfully take and pass certification exams. *Id.* Ex. 5 ¶¶ 1, 2, 5, 9, 12, 14, 15, 18, 21, 25, 27, 29, 34, 35, 36, 43, 57, 63, 64, 66, 68, 72, 73, 79, 80, 83, 85, 86, 87, 91, 92, 95, 100, 103, 107, 108, 109, 112, 113, 115, 116, 117, 127, 129, 134, 135, 136, 139, 143, 147, 148, 149, 151, 154, 157, 159, 160, 167, 168, 170, 173, 177, 178, 179, 180, 182, 183, 184, 189, 190, 191, 191, 196, 198, 199, 200, 204, 207, 209, 210, 211, 214, 216, 217, 219, 224.

165. As one student from Louisiana reported, ITT “stated that when I was done with certain classes then I should have no problem passing various certification tests. [M]ost of the labs in all of my classes never worked, so we weren't really prepared for anything.” *Id.* Ex. 5 ¶ 68. Another student recounts that ITT

promised that this Bachelor's program [in Technical Project Management] would allow any of its graduates to go out and obtain [Project Management Professional (“PMP”)] certification. We [were] promised the curriculum would be directly based on the [Project Manager Book of Knowledge (“PMBOK”)]. We had to pay for the PMBOK twice, and we never once opened it in any of our classes. Upon graduation, no one could have gone and passed the PMP exam with what little education we were given.

*Id.* Ex. 5 ¶ 200. Per another student,

Once I graduated, I realized that there was no way I could sit for the exam since we never used or learned directly from the PMBOK, which is basically the Project Management 'bible' that the exam is directly related [to]. [T]o date, I still have not been able to take my PMP certification exam.

*Id.* Ex. 5 ¶ 199.

166. ITT students report lacking the specific employer-desired certifications, and the means and ability to obtain those certifications, including:

- a. CompTIA certification and licensing, including A+, Security +, and Network + certification, *id.* Ex. 5 ¶¶ 1, 6, 9, 25, 33, 44, 46, 57, 64, 74, 77, 83, 88, 95, 97, 117, 123, 126, 129, 134, 136, 137, 144, 147, 152, 158, 160, 168, 170, 171, 179, 183, 185, 189, 195, 202, 204, 208, 212, 214, 216, 220;
- b. Various Cisco certifications, including Cisco Certified Network Administrator, and Cisco Certified Network Professional, *id.* Ex. 5 ¶¶ 3, 6, 9, 20, 21, 33, 38, 44, 46, 62, 79, 83, 87, 95, 99, 101, 104, 107, 108, 112, 125, 127, 137, 143, 147, 148, 154, 159, 168, 170, 174, 181, 185, 190, 201, 202, 207, 209, 210, 215, 219, 223; and
- c. Various Microsoft certifications, including Microsoft Certified Software Engineer certification, *id.* Ex. 5 ¶¶ 9, 22, 28, 51, 54, 83, 89, 90, 99, 104, 108, 112, 117, 118, 127, 143, 146, 147, 151, 165, 170, 171, 181, 189, 202, 211, 223.

167. ITT nursing students were not prepared to pass the required licensing examination, NCLEX. Pass rates were as low as 20% at some locations. In 2015, the best-performing ITT nursing program registered pass rates 15 percentage points below the national average.

168. In fact, many employers did value technical certifications, finding them more meaningful even than an ITT degree. *Id.* Ex. 5 ¶¶ 7, 11, 19, 24, 32, 33, 65, 72, 74, 93, 97, 98, 110, 114, 120, 167, 169, 176, 201, 202, 213, 220, 221. One ITT student “was told repeatedly by prospective employers, while pursuing work in my field, that my degree was worthless, and unless I had certifications, I was not a qualified candidate.” *Id.* Ex. 5 ¶ 7. Another reports:

I have not been able to elevate myself beyond customer support [positions], in order to do so I...will need certifications in a few different areas. The issue that I have is that these certifications can cost \$100 to \$400 and just one of them holds more weight to a potential employer than my degree does[.]

*Id.* Ex. 5 ¶ 24. Yet another student states, “[e]mployers in my field could care less about my degree. All they care about are certifications. People in the IT field look at me like I am a sucker for having gone to ITT Tech.” *Id.* Ex. 5 ¶ 110.

### **C. Deceptive Misrepresentations that ITT Provided Any Return on Investment for Students in the Form of Gainful Employment**

169. Despite the underinvestment in educational services, ITT relentlessly promoted itself to prospective students as a pathway to a career.

170. Corporate headquarters instituted a policy that required all recruiters to recite from memory that “the potential annual return to a 2006 employed graduate over his or her working lifetime from his or her monetary investment in an ITT Tech education is, on average, 25%.” They were also mandated to present students with a chart highlighting a purported “25% annual return on investment.” ITT CEO Kevin Modany designed these materials and the associated sales pitch. After this version of the chart was pulled by headquarters for “compliance reasons,” it was replaced with a handout titled “Value Proposition.” This handout depicted a graph with three lines: a high school graduate, a 2006 Employed Graduate from an ITT Tech Associate Degree or Diploma Program, and a 2006 Employed Graduate from an ITT Tech Bachelor’s Degree Program. The starting point of the graph is the median annual salary for each. The graph then projects salary increases outward over a period of 39 years, suggesting that graduates of ITT bachelor’s programs will eventually earn a median salary of over \$160,000, and graduates of ITT associate programs will eventually earn a median salary of over \$140,000, nearly twice as much as the median salary earned by a high school graduate.

171. Return on investments was a central theme. ITT elaborated on this theme with misrepresentations concerning job placement and expected job outcomes, earnings of ITT graduates and expected salaries, career placement and assistance, and actual outcomes for students. Based on what is known about the actual outcomes for students, including data produced by ITT, the Department of Education, investigations and lawsuits, these representations made by ITT were false.

***1. Misrepresentations about Job Placement Rates and Expected Job Outcomes***

172. In person and in promotional materials, ITT recruiters quoted false and inflated job placement rates to prospective and current students. In reports to shareholders and in other public statements, including on its website, ITT reported a system-wide placement rate of 70%, in positions that required the direct or indirect use of skills taught in its program of study. According to one former Director of Admissions at an ITT campus, ITT headquarters trained recruiters to quote this 70% figure *or higher*.

173. ITT made job placement rates a central part of its pitch to prospective students. A handout given to prospective students, designed by ITT corporate headquarters, stated that 86% of graduates from the Criminal Justice program were employed in their field of study within one year of graduation.

174. ITT recruiters repeated inflated job placement statistics in their sales pitches to prospective students. *See id.* Ex. 2. For example, one student recalls that a recruiter “showed me in detail that they had a record of getting students jobs at 95% of the time, and the 5% were students who turned down jobs.” *Id.* Ex. 2 ¶ 37. Another student recalls that “ITT Tech showed me statistics for job placement when I went in to learn about their school. They gave job placement numbers north of 80%[.]” *Id.* Ex. 2 ¶ 64.

175. A CFPB investigation using mystery shoppers revealed that ITT recruiters all but guaranteed placement in the field. Indeed, ITT had a practice of explicitly guaranteeing that prospective students would receive a job in their field after attending ITT. *See generally id.* Ex. 4 (explicit job guarantees made by recruiters in Alabama, Arkansas, California, Colorado, Florida, Illinois, Indiana, Kentucky, Michigan, Minnesota, Missouri, Nevada, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, and Wisconsin).

176. A student reports, “I was promised a guaranteed job placement in my area of study. They told me that all of their students end their degree with jobs they had in line for them.” *Id.* Ex. 4 ¶ 61.

177. One parent who borrowed money for her son to attend ITT recounts, “I signed a loan form for my son because the enrollment counselor told me after my son graduated he 100% guaranteed my son would be making so much money as a Crime Scene Investigator that he would pay [the loans] off one year after college. Obviously he lied, he also lied about ITT Tech having 100% placement success with 6 figure income. It was all deceptive and fraud.” *Id.* Ex. 4 ¶ 88.

178. One student recalls that during enrollment, an ITT Tech recruiter “show[ed] me a chart with how much the ITT students made in my line of study compared to other colleges. Which was significantly higher and this was due to their hands-on approach from beginning to end.” *Id.* Ex. 4 ¶ 61.

179. Another student reports:

When I enrolled to ITT Tech, [t]he counselor said that this school was the best and it was accredited that they will help me with my job search...everything seemed right...and not to worry because they guarantee a job placement with a high salary... [W]hen I was close to graduating the same counselor let me know that she was quitting because they made her lie to future students and...she



couldn't take it anymore and that's why she was quitting. I felt devastated because she lied to me too[.]

*Id.* Ex. 4 ¶ 11.

180. In the words of another,

[ITT] promised me during my first meeting with them that they could guarantee I would get a job paying 50K to start by obtaining one of their prestigious degrees. I was just 20 years old with a small child and desperate to be able to make a better living for me and my family. I trusted them to follow through on their word. I quickly learned that their degrees are not highly thought of. ITT did not attempt to help me find the job I was promised. [ ] Over the years I have tried to find a job in my field but no luck. The education I received was poor and they seemed to just want to pass everyone regard[less] of the skills or knowledge learned. I honestly feel like I learned nothing. [ ] 13 years later I am still at the same job I was at when I started ITT Tech.

*Id.* Ex. 4 ¶ 18.

181. If ITT recruiters did not make an explicit “guarantee” of job placement, they quoted improbably high job placement rates that were functionally equivalent to a guarantee. Recruiters told students that “100%” of ITT graduates were placed in the field, *id.* Ex. 2 ¶¶ 18, 42, 87, 95, 135, 185, 191, 213, 273, 296, 308, or that “nearly all” or “basically 100%” of students got jobs in the field, *id.* Ex. 2 ¶¶ 209, 246, 275, 288, 346, 362. Other students were quoted a specific job placement rate between 90% and 99%. *Id.* Ex. 2 ¶¶ 10, 12, 14, 20, 21, 26, 30, 32, 40, 46, 58, 61, 62, 68, 81, 96, 97, 98, 99, 102, 104, 113, 117, 119, 120, 121, 122, 123, 126, 127, 128, 129, 130, 136, 138, 141, 144, 146, 147, 148, 149, 150, 152, 153, 159, 165, 167, 170, 172, 173, 175, 181, 186, 190, 193, 194, 196, 197, 203, 204, 207, 214, 218, 220, 222, 227, 232, 238, 239, 240, 243, 244, 245, 247, 251, 255, 256, 258, 261, 262, 263, 274, 277, 278, 280, 281, 282, 283, 289, 291, 292, 297, 300, 309, 314, 315, 317, 318, 322, 323, 327, 328, 329, 330, 335, 336, 338, 340, 341, 343, 345, 347, 348, 350, 351, 352, 354, 360.

182. ITT told still other students that its job placement rate was between 80% and 89%. *Id.* Ex. 2 ¶¶ 6, 16, 19, 23, 24, 25, 31, 38, 47, 63, 64, 67, 73, 78, 80, 82, 85, 90, 91, 106, 111, 112, 116, 125, 142, 145, 175, 179, 183, 184, 187, 188, 189, 202, 226, 231, 233, 241, 257, 264, 269, 265, 260, 285, 298, 310, 331, 353, 362.

183. After a student was enrolled, ITT continued to use inflated job placement statistics in propaganda materials designed to reassure already-enrolled students that they had made a good decision by signing up for ITT. One student recalls, “they [had] posters all around

the school saying ‘You can make this much doing this’ or tell[ing] me I could build weapons at Raytheon. [The posters] said my field of study had a 90% or more hiring rate[.]” *Id.* Ex. 2 ¶ 123; *see also id.* Ex. 2 ¶¶ 120, 123, 166, 254, 311, 325.

184. A student recalls:

[A]s someone working in retail, I was greatly interested in getting into the IT field. At that time, Spokane’s market was either, go to a 4 year [college], go to a community college, or go to ITT. ITT provided after-hours classes. [ ] During my tenure there, I was constantly informed of success rates of students who graduated with an AAS in the software/design side [and] the networking side of the school. I was told I would be ‘guaranteed’ a position, if I went down this path. [ ] They handed out salary reports at the end of every term, which felt almost like a reason to continue, outside the glaring issues.

*Id.* Ex. 2 ¶ 317.

## **2. Misrepresentations about Earnings of ITT Graduates and Expected Salaries**

185. In person and in promotional materials, ITT cited grossly inflated expected salaries to prospective students. This practice was reported by students in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin. *See generally id.* Ex. 2.

186. One recruiter told a mystery shopper that graduates “usually make six figures,” whereas another said that “IT Security Graduates are earning six figures after one year of work.” In Massachusetts, ITT’s sales pitch between 2010 and at least 2013 included a large graph indicating that the mean annual income of someone with an associate degree was over \$48,000.

187. One student recalls the sales pitch of a recruiter at an ITT location in Illinois:

When I first met with the recruiter from ITT he presented me with charts with pay scales of what was stated as starting salaries of entry level construction managers starting at \$80,000 a year. These charts also stated that at the time I enrolled that the ‘market’ was in great demand and that positions could not be filled fast enough to meet demand. He prided the school on job placement assistance. Stating that roughly 80% of graduates were placed into a position within their major 30-60 days after graduating. The recruiter made it sound like a sure thing and had convinced me that enrolling there was a great investment in my future.

*Id.* Ex. 2 ¶ 73.

188. Another student who enrolled in Minnesota “was told to expect jobs in the \$100,000 or higher range, used it to justify taking on \$80,000 in loans. Found out later that companies in my area had policies not to hire ITT Tech graduates.” *Id.* Ex. 2 ¶ 154; *see also id.* Ex. 2 ¶¶ 3, 15, 21, 26, 33, 37, 55, 71, 78, 90, 113, 114, 121, 130, 132, 154, 157, 165, 204, 211, 279, 289, 290, 293, 324, 337, 350, 356.

189. Other students report that ITT representatives promised that they would land jobs paying a specific salary between \$70,000 and \$90,000. *Id.* Ex. 2 ¶¶ 11, 22, 27, 43, 46, 50, 67, 73, 106, 120, 134, 135, 139, 142, 155, 182, 189, 191, 200, 210, 214, 231, 234, 250, 256, 257, 268, 273, 276, 295, 322, 325, 333.

### **3. Misrepresentations About Career Placement Assistance**

190. ITT did not provide effective or meaningful job placement assistance to its students, further disadvantaging them in the job market. *See generally id.* Ex. 3.

191. Although ITT claimed to students at the outset that it had relationships with desirable employers, students found that ITT career placement staff referred them to publicly available listings on sites like Craigslist and Monster.com. *Id.* Ex. 3 ¶¶ 1, 2, 4, 9, 15, 17, 18, 21, 22, 23, 25, 28, 30, 44, 46, 48, 51, 52, 53, 54, 57, 68, 69, 73, 74, 75, 84, 85, 86, 88, 95, 98, 110, 113, 116, 118, 119, 129, 140, 149, 153, 155, 157.

192. In the words of one student:

Prior to enrolling, the ITT recruiters promised me the world. They told me employers will be forming lines to hire you and that the only issue you will have is having to decline so many wonderful offers. They made false promises such as upon graduation, at the minimum, landing a fortune 500 company job is a guarantee. They told me that [they] have placed students with some of the most prominent companies in the world making above 6 figures easily. This was all fabrication and deception as none of [it] turned out to be true. Even after graduation, they stopped contacting me, delaying meeting up with me for job placement, and pretty much left me hanging high and dry. It’s odd since communication between ITT and myself prior to enrolling and during the figuring out tuition part was constant, but after graduation it was as if they did not give a darn anymore.

*Id.* Ex. 4 ¶ 66.

193. As another student states,

when I graduated with honors from their degree program for Digital Entertainment and Game Design, I went to their job placement department to help me find a job in the industry. Their department had zero contacts in the

Entertainment or Game Design industries and had zero contacts in digital media. I spoke with them for several months trying to find a job in my industry and was given zero job prospects. The best they ever did was point me to a career fair that was going on down the street. There were a total of 15 companies that showed up to that career fair. None of them were in my career path.

*Id.* Ex. 2 ¶ 64.

194. Another student reports:

ITT Tech representatives stressed that they had a 95% placement after completing the computer networking course. After completing I spent the next year scouring high and low looking for a job. School officials tasked with placement were absolutely no help. Between not responding to emails and forwarding jobs that they had also sent to hundreds of other displaced students left finding a job nearly impossible. They had none of the connections to local businesses they claimed they had, and the job fair they held at the school was a joke with only 3 employers showing up[.]

*Id.* Ex. 2 ¶ 240.

195. In the words of another student

Post-Graduate Support was especially horrible; I followed up on every lead the school sent me looking for work in Graphic Design, Information Technology, and Game Design, in accordance with my fields, while also looking on my own. Half the time, I was being referred to ‘a company with an opening’ only to find out that they were a hiring agency. [ ] The worst was when [an ITT rep] referred myself and several DEGD students to ‘Game Central,’” a scam operating out of Tennessee. The scam required payments to test on a poorly made website, and then required even more to send in your results, at which point they were silent. [The company] had several negative reviews with the BBB regarding being a scam.

*Id.* Ex. 2 ¶ 2.

196. Another student states that,

[f]or the majority of the time at [ITT], we had a Career Services operated by one individual. This man admitted to lying about job leads and sending our resumes out to made-up job openings. The individual was fired after a very long time...only to be replaced with individuals that only brought us candidates job leads they had found on Craigslist and nothing more.

*Id.* Ex. 8 ¶ 63.

197. Other students were referred to jobs outside of their field that did not require the use of any of the knowledge purportedly gained during their ITT program. *Id.* Ex. 3 ¶¶ 3, 6, 8,

10, 11, 12, 16, 21, 25, 26, 29, 30, 32, 41, 53, 54, 57, 58, 60, 61, 65, 75, 77, 78, 80, 81, 82, 83, 85, 91, 92, 97, 101, 104, 108, 109, 112, 113, 120, 129, 135, 136, 142, 144, 150, 156, 160.

198. Another student recalls:

I received emails from Career Services for job offers. These job offers were copied and pasted from Indeed.com. Most of these ‘jobs’ were for McDonalds part-time or working in a Call Center for under \$10/hour. Absolutely nothing related to my degree. One particular email I received from the department was a scam, phony company trying to offer \$20+/hour to work from home when it was actually the company trying to sell materials.

*Id.* Ex. 3 ¶ 85.

199. In the words of another student:

I tried for months working with job services to set up an interview after I graduated. I had several interviews from jobs I applied to on my own with no luck. The help I finally got from ITT Tech was them calling me telling me to hurry up, throw on some nice interview clothes and be there in thirty minutes. I got there and it was a guy interviewing me for a job as a clothes store manager. My degree was in Computer Networking. That was the only job interview that ITT Tech had helped me with.

*Id.* Ex. 3 ¶ 109.

200. ITT referred students to jobs that did not require any postsecondary education at all. *Id.* Ex. 3 ¶¶ 5, 7, 10, 12, 13, 14, 15, 22, 29, 32, 34, 35, 38, 49, 56, 58, 60, 68, 72, 82, 85, 91, 92, 98, 110, 112, 116, 118, 122, 123, 124, 129, 135, 136, 139, 142, 143, 144, 145, 148, 160, 162. One student reports that, “ITT never helped me land a job, they even tried to pass McDonalds as ‘gainful employment,’ if I wanted to flip burgers I could have done that before going to ITT.” *Id.* Ex. 3 ¶ 7. Another student states that ITT

made it seem like they would help me find a decent job. When in fact all they would help me get was jobs through a temp agency. When I started work I worked next to a kid who didn’t even have a high school diploma. Made it seem like I wasted my time going to school I could have got the job with out them.

*Id.* Ex. 3 ¶ 5.

201. ITT would also refer students to jobs with compensation well below what students had been promised and well below what would allow them to make payments on their student loans, even to minimum-wage jobs. One student recounts being referred to only one position, at Best Buy. “Keep in mind I was a valedictorian and \$80K in debt. Best Buy wasn’t a great use of my degree nor would it help me pay back that massive debt.” *Id.* Ex. 3 ¶ 56.

#### 4. Actual Outcomes for ITT Students

202. ITT's sales pitch—promising job placement using inflated statistics, quoting expected salaries of ITT graduates with no basis in reality, and promising effective career placement services—cannot be squared with the actual outcomes of ITT students. *See also* infra Section III (C).

203. Contrary to the entire thrust of ITT's sales pitch and marketing, ITT students had terrible outcomes and experienced negative "return on investment." As early as 2009, ITT's Board of Directors reviewed a presentation showing that the "overwhelming majority" of ITT's programs would not pass the Department of Education's 2009 proposed gainful employment regulations. The "overwhelming majority" of students who attended ITT did not earn enough income to justify the amount of student debt they incurred from attending ITT.

204. According to statistics released by the Department of Education in 2016, the weighted median of earnings across 2014 ITT graduates was \$28,217.70. The annualized median earnings for 2014 graduates of Computer Systems Networking and Telecommunication, ITT's largest associate program, was \$31,525. By contrast, the Bureau of Labor Statistics reported that the 2014 median earnings for a worker with a high school diploma but no college credits was \$34,736. In other words, students in ITT's largest program earned less than workers who never attended college.

205. According to these same data, eleven ITT programs reported median student earnings that were lower than the median earnings of workers with no high school diploma. Twenty-three programs reported median student earnings that were lower than a worker with a high school diploma but no college credits. Together, these programs accounted 25,182 verified students or over 80% of ITT's enrollment.

206. At least one state attorney general has determined that ITT's job placement rates were false. In Massachusetts, from 2010 through at least May 2013, ITT provided prospective students with disclosures showing that anywhere from 80% up to 100% of graduates of the Computer Network Systems program were employed in jobs that required the direct or indirect use of skills taught in the program, within 9 months of graduation. ITT claimed that it had placed 100% of the 43 students who graduated in 2009 from the Norwood, Massachusetts Computer Network Systems program were employed in jobs that required the direct or indirect use of skills taught in the program, within nine months of graduation. ITT claimed that it had placed 100% of



the 43 students who graduated in 2009 from the Norwood, Massachusetts, Computer Network Systems program. For the Wilmington, Massachusetts, campus, ITT claimed to have placed 82% of its 2009 Computer Networking Systems graduates. In fact, according to the Massachusetts Attorney General, less than half of graduates obtained employment, which does not even account for the fact that less than half of students who enrolled in the program graduated.

207. Yet ITT used deceptive recruiting tactics to deceive students about the terrible reality of student outcomes, until it was too late. As a former ITT student states,

The main reason I went to ITT was because of the statistics I was told. I was told the job placement rate was in the 90% range. I remember specifically telling my family and friends that was the reason I was going to choose this school. As I approached the end of my associates degree I called an ad agency to set up a time to meet with an industry professional. (ITT had nothing to do with me doing this, I was trying to be proactive.) He told me straight out, I would never make it with my portfolio, which was my ITT work, that got me A's in classes. And I was one of the [more talented] students in the class. I was quickly discouraged. But I went on to my Bachelors because I truly wanted to work on video games and do 3d work. That is where I was told I would be making \$50,000-\$75,000 on average with an ITT Tech degree. Already being enrolled, I quickly found out my best luck for a job with my degree would be a game tester. You only need a high school diploma for that and you would be lucky to make \$30,000 a year. So I went on my own and got myself my own job as an equipment manager and a photography studio and moved on from there. I started at \$25,000. While having an \$80,000 bachelor's degree.

*Id.* Ex. 2 ¶ 323.

**D. Deception and Misrepresentation that ITT Credentials Were Respected by Employers and that ITT Graduates Were in Demand.**

208. In addition to the false claims about job placement rates, ITT misrepresented to prospective and enrolled students that ITT had a strong reputation amongst employers, and that ITT graduates were in high demand.

209. ITT had advertisements on television with testimonials from companies that stated a preference for hiring ITT graduates.

210. ITT misled prospective students by suggesting that certain employers were specifically interested in hiring, and did hire, ITT graduates. For example, one prospective student at an ITT California location was told that Boeing regularly recruited from ITT. This was false. In fact, “Boeing stop[ped] tuition reimbursement to employees who attended ITT Tech and you weren’t even considered for a job with ITT Tech on a resume.” *Id.* at Ex. 1 ¶ 436. Another

student was promised the ITT “had people placed in jobs at Sony, Square Enix, Ubisoft, Microsoft, EA, Nintendo of America, etc,” but upon graduation, the same student reports that ITT “tried to pass McDonalds as ‘gainful employment.’” *Id.* Ex. 3 ¶ 7. In fact, Sony and Microsoft advised one student that “it would have been better to leave ITT Technical Institute off my resume because when they see it they automatically throw it out.” *Id.* Ex. 1 ¶ 25.

211. In fact, ITT has a horrible reputation amongst employers, largely because employers came to recognize ITT’s severe underinvestment in education, grade inflation, and enrollment of unqualified students. The bottom line is that students left ITT without learning the necessary skills and technology to obtain or fulfill the requirements of entry-level jobs in their field. *See id.* Ex. 6 ¶¶ 7, 14, 23, 24, 28, 29, 33, 36, 37, 38, 39, 41, 44, 47, 58, 64, 74, 78, 80, 83, 87, 92, 95, 102, 107, 114, 116, 124, 127, 130, 131, 133, 135, 138, 143, 147, 148, 156, 162, 163, 170, 181, 184, 185, 191, 194, 197, 200, 201, 204, 210, 211, 215, 217, 220, 221, 226, 229, 235, 246, 247, 248, 250, 252, 254, 257, 263, 266, 267, 271, 273, 276, 277, 278, 284, 285, 286, 288, 290, 297, 308, 310, 314, 323. And employers recognized this.

212. Students who attended ITT in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and online all report that employers viewed ITT tech unfavorably and questioned their qualifications as graduates of ITT. *See id.* Ex. 1. As one student explains,

No one ever mentioned that there was any trouble with ITT anywhere. I was told it was an amazing school and that everyone who went there and applied himself would easily walk into a job in the field. We’d be getting snatched up by employees, recruiters for companies were constantly calling, people like us were just what they were relooking for to fill lifelong careers. Lies. Instead, I can’t even get a callback or an interview half the time because I’m an ITT Tech alumni. No one will even give me a chance to show what I can do, which isn’t a terrible lot because it turns out I wasn’t very well trained in much of anything, though I graduated with honors.

*Id.* Ex. 1 ¶ 12.

213. A graduate of the Information Systems Security program states,

I worked full-time retail the entire time I was in school, and my resume was rejected hundreds of times by every IT company I tried. I eventually was able to speak with some HR folks I befriended who informed me that ITT-Tech CVs go directly to the trash, and that I should have just taken a couple of community college courses and passed some certification tests. I abandoned hopes of ever working in IT, and work in sales to this day, making far less than my peers who went to real colleges.

*Id.* Ex. 1 ¶ 57.

214. Reports one student, “My education is not taken seriously with ITT on my resume.” *Id.* Ex. 1 ¶ 51. Another, “No one will hire an ITT grad around here.” *Id.* Ex. 1 ¶ 164. Yet another states, “The ITT Tech name is worse than not having any schooling,” because it leads employers to question the student’s judgment. *Id.* Ex. 1 ¶ 181. Says another, “I’ve come to find that a degree from ITT Technical Institute means just about as much to [employers and hiring managers] as Monopoly money does to the U.S. Federal Reserve. I don’t even put it on my resume anymore.” *Id.* Ex. 1 ¶ 311. Similarly, another student found that “ITT on my resume has not helped my job search. And I was the valedictorian! It took going back to my local community college for the program to get interviews and job offers.” *Id.* Ex. 1 ¶ 387. Another student states, “[ITT] told us a degree from them was completely valid and actually preferred among business[es] hiring as it would show we had hands on knowledge. Now I have a degree I can’t even put on a resume and over \$100k in debt to be in a position I would be in without ITT Tech[.]”

215. Based on their experience trying to get jobs in their field of study, students have concluded that, amongst employers, ITT is “laughable” and “a laughing stock.” *Id.* Ex. 1 ¶¶ 66, 149, 208, 318, 325, 344, 481. Others specifically describe their high-priced degree as a “joke.” *Id.* Ex. 1 ¶¶ 10, 41, 42, 48, 62, 78, 85, 112, 130, 168, 203, 210, 218, 223, 230, 261, 265, 283, 336, 343, 344, 357, 367, 378, 382, 412, 445, 517.

216. Indeed, students report the common experience of being laughed at for having gone to ITT by prospective employers during interviews. *Id.* Ex. 1 ¶¶ 13, 17, 38, 39, 60, 61, 69, 77, 120, 125, 127, 130, 187, 198, 218, 220, 227, 229, 242, 243, 251, 252, 262, 263, 266, 307, 319, 323, 335, 354, 357, 378, 396, 410, 442, 448, 460, 468, 490, 494. One student reports being “laughed at” during job interviews with Raytheon, Lockheed Martin, Tek Systems, Robert Half Technologies, and IGT Gaming. *Id.* Ex. 1 ¶ 61.

217. Other potential employers advise applicants from ITT that they would have better results removing the credential from their résumé entirely. *Id.* Ex. 1 ¶¶ 7, 13, 58, 61, 69, 84, 97, 98, 109, 114, 144, 146, 200, 230, 239, 244, 252, 271, 288, 314, 389, 393, 404, 442, 448, 501, 516.

218. Some students report that they have taken this advice, and have soon gotten jobs, whereas they were unsuccessful with ITT listed on their résumé. *Id.* Ex. 1 ¶¶ 83, 107, 228, 278, 292, 297, 303, 315, 331, 362, 370, 385, 388, 391, 396, 399, 408, 409, 410, 417, 427, 429, 447, 453, 470, 479. One student reports that “a technical recruiter finally told me that any resume or job application with ITT-Tech, University of Phoenix, or DeVry on it gets discarded immediately, before any other filtering is done.” *Id.* Ex. 1 ¶ 57. Another student “had to take ITT tech off of my resume because every employer interview would bring up how the school is not accredited.” *Id.* Ex. 1 ¶ 43. Yet another student attests that:

Potential employer’s won’t even look at my resume if I have ITT Tech on it. . . . I feel like a complete fool for having that dirty mark on my resume and I even omit it from my resume now so that people won’t throw it directly into the trash. Pretending like I have no college degree is much better than having an ITT Tech degree. . . . The job I currently have, I left ITT Tech off of my resume because of negative responses in the past. I was able to prove to my employer that I had the necessary skills to get the job, even though I had no degree listed on my resume.

*Id.* Ex. 1 ¶ 85

219. Specific potential employers have or had a policy against hiring graduates of ITT, including U.S. Government entities such as the FBI and Homeland Security. *Id.* Ex. 1 ¶¶ 18, 80, 518. ITT graduates have found similar policies at state and local government entities such as the Florida Highway Patrol, Boise Police Department, Portland Police Department and Highway Control, and Tennessee Bureau of Investigation. *Id.* Ex. 1 ¶¶ 84, 116, 331, 495. One student reports, “I was told by the Florida Highway Patrol recruiter that if I wanted to have a chance at applying with them that he recommended me to remove [ITT] from my resume.” *Id.* Ex. 1 ¶ 84.

220. The same is true of private sector employees. One student reports, “There are companies in my area that have actually modified their hiring practices so that ITT Tech education actually disqualifies you for employment,” including the Idaho Power Company. *Id.* Ex. 1 ¶ 116. Another states, “One of my teachers at ITT Tech asked us to submit resumes to a position at GM [General Motors] because he knew the hiring manager, the next week he came

back to us and said that [the] hiring manager doesn't hire people from ITT Tech." *Id.* Ex. 1 ¶ 211. In one student's experience,

Major employers outright refuse to hire students from ITT Technical Institute. One specific example is DTE Energy, one of the largest employers in South East Michigan. I was told by a DTE executive that the hiring managers do not hire from ITT Technical Institute because of their illegal practices and sub-par education.

*Id.* Ex. 1 ¶ 202.

221. Deaconess Hospital in Indiana will not hire registered nurses from ITT unless they have a year of experience, a requirement only imposed on ITT grads. *Id.* Ex. 1 ¶ 161. In another example, a student reports, "Boeing stop[ped] tuition reimbursement to employees who attended ITT Tech and you weren't even considered for a job with ITT Tech on a resume." *Id.* at Ex. 1 ¶ 436.

222. Game design students report being turned away strictly based on their ITT credential by lead employers in the field such as Sony, Nintendo, Ubisoft, and Microsoft Xbox. *Id.* Ex. 1 ¶¶ 25, 26.

223. Computer networking and IT students have the same experience, being turned away by lead employers in the field, including Cisco and VMware, strictly based on the source of their credential. *Id.* Ex. 1 ¶¶ 95, 304.

224. Even when an ITT grad is able to land a job in his or her field, the negative view of the ITT credential can be harmful. For example, as one student reports, after the Electronics Engineering Technology program, he eventually got a job through a connection at Northrop Grumman. However, the company would not promote him to an engineer position, and told him he would have to redo his education in order to advance. *Id.* Ex. 1 ¶ 71.

225. As the student explains,

I have had multiple interviews where I have been overlooked by providing ITT Tech as the school I have obtained my education [from] as it seems many employers are aware of the lack of strong fundamental Education that ITT provides its students. I was able to obtain [a job] with ITT Tech on my resume due to the fact the man hiring was a former graduate himself[.] I have since then left that job as [my education from ITT] was not acceptable in gaining higher employment within the company...and I would have to start my education process over from the beginning to become an actual Engineer. [ ] If I had known what I now know, I would have never wasted my opportunity for Federal loans at this school. I have had interviewers that questioned the quality of Education

provided by ITT Tech and have been overlooked due to the illegal practices that are coming to public attention. I am no longer willing to state that I have obtained an Associates Degree from ITT Tech and now have to rely on work experience alone to gain further employment which puts me at a severe disadvantage to those who have paid much less in terms of student debt.

*Id.* Ex. 1 ¶ 71.

226. Another student who reports being limited in his career mobility because of the source of his education states,

I have been trying to move up in my company for years and find positions in other companies that pay more. I have had zero success finding something more in line with what I studied at ITT. That degree is not enough to get me a job doing what they claim. [ ] Five years later, despite good work reviews, I am in the same position that I was in and have been denied several opportunities for advancement. I was told basically that I can't move forward with my company without going back to school or taking a call desk job for a couple of years, which I could have gotten without a degree. I am in an IT company, but I am doing none of the things that I trained for aside form racking and cabling servers, and I am making less money than I was before I went to ITT.

*Id.* Ex. 1 ¶ 469.

### **E. ITT's Abusive, Unfair and Deceptive Financial Aid Practices**

227. ITT's systematic misrepresentations continued from recruitment into the financial aid process. Financial aid representatives worked in tandem with recruitment, deploying deceptive and abusive techniques to convince students to enroll. At the direction of ITT corporate headquarters, financial aid offices and representatives systematically deceived ITT students about the total cost of attending ITT, the difference between grants and loans, the difference between federal and private students loans, the eventual debt burden that students would carry, and—in many cases—the fact that they were even borrowing loans at all.

#### ***1. Quotas, Incentives, and Sales Quotas on Financial Aid Representatives***

228. Like recruitment employees, financial aid employees were evaluated on a point system, and were awarded points for their ability to “close” students at in-person meetings, and the number of already-enrolled students that they were able to “repackage” for ongoing financial aid.

229. Financial aid employees were intermingled with the recruitment process, often working in tandem with recruiters to get students enrolled. Financial aid representatives were



trained on the same techniques as recruitment staff, including being taught to find a student’s “pain” and “dig in.” Financial aid representatives also attended weekly “show” meetings with recruiters and managers, at which enrollment and financial aid targets were discussed.

230. At the same time, ITT instructed its financial aid staff to gain students’ trust and appear to work in their interest, by making things “simple” and figuring out clever ways for the students to finance their education without paying out of pocket.

231. ITT compensated financial aid workers according to a “point” or incentive system, just as it did with recruiters. The points were based on how many students had completed financial aid packages, and the amount of accounts receivable owed to the campus. Financial aid staff were compensated based in part on how many students they were able to sign up into preferred private loans, essentially a commission-based compensation system. Representatives who did not reach a mandatory number of loans per week were terminated.

## ***2. Abusive and Deceptive Financial Aid Practices***

232. ITT designed financial aid protocols and trainings for financial aid representatives that ensured that students were ushered through the process quickly and with minimal opportunity to ask questions or reconsider. *See id.* Ex. 18 (ITT students from Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin reporting financial aid pressure tactics).

233. One former Director of Finance stated that ITT’s policy was that students should sign all forms within one hour of first meeting with a financial aid representative.

234. ITT discouraged students from asking questions about financial aid.

235. One mystery shopper sent by the CFPB reported that an ITT financial aid representative told her that she “would get more free money that I don’t have to pay back if I let them take care of my paperwork.”

236. A student recalls being presented with a “mountain of paperwork” from ITT. The financial aid advisor:

always made you feel like you were holding up a line and hurry up hurry up get through this web form and that web form, sign sign sign. [ ] And no one really

had time to explain anything to you. All they kept telling me was that it'd be fine, I'd make a ton of money when I got out of school and started my career.

*Id.* Ex. 18 ¶ 7.

237. Until at least September 2012, ITT had a policy that financial aid counselors could not give students or prospective students paper copies of loan papers. Instead, ITT required students to read and e-sign documents only after looking at them on the counselor's computer screen.

238. Another student recalls,

The entire enrollment process was very confusing to begin with; they assured me that 'I would [not] have to worry about nothing and everything would be taken care of for me.' [F]rom there on it was all about signing a lot of papers without reading them. When I asked if I could take a copy to evaluate them they told me that there was not enough time and that all I had to do was sign the papers.

*Id.* Ex. 12 ¶ 29.

239. For another, ITT

insisted that I had to sign the loan papers immediately. I told them I needed some time to think about it. They said if I didn't sign today, my son couldn't start till next semester and the prices could change and I might not qualify for the loans. I told them I would never be able to pay the loan and she assured me that there were programs that would help me until he graduated and then he would have such a good job he could pay it for me. I really felt I had no choice but to sign the loan agreement.

*Id.* Ex. 18 ¶ 124.

240. ITT instituted system-wide "repackaging tactics" that directed financial aid representatives to email students, call them at home, find them on campus, pull them from class, bar them from class, and withhold course materials until a student completed financial aid paperwork. These tactics were described by a former Vice President of Finance as "leverage." Students received "URGENT" notice slips from the financial aid department, stating that if the student did not visit immediately, she or he would be barred from further classes.

241. Pulling students out of class increased the pressure on them to sign whatever loan paperwork they were presented. As one student reports,

Usually to sign up for more loans they'd pull me out of class, and we'd go into a small room. There they'd set out a folder with a bunch of paperwork and tell me to sign it or I can't go back to class. IT was always a very high pressure situation.

Questions would be easily dismissed or they'd change the topic and never actually answer my questions. [ ]While signing documents they were usually in a folder with little post-it notes telling me where to sign, they would rush me through the entire thing never really giving me a chance to read through it or even understand what I was signing.

*Id.* Ex. 18 ¶ 35.

242. In the experience of another student with financial aid “repacks,”

The school would never tell me the exact purpose of these repacks and they never made sense to me, they would call me into the office with a stack of paperwork to sign and when I would ask what it means the lady would tell me she was only asked to tell me to sign them and would never give me an explanation. They would do this right at the point in the program where I had invested substantial amounts of time but if I dropped out [I] would not receive my degree. The ‘repacks’ made the price of what we owed almost double for what we signed on for.

*Id.* Ex. 18 ¶ 12.

243. Yet another student reports,

In my next to last semester I was summoned from my class and told that I ha[d] exhausted my financial aid and that I would have to use private loans to complete my program. I was told that I had to do the private loans or that I would not be allowed to go back to class more pressure to just sign. I was reminded that if you miss 2 classes they will drop you again no time to question the need for the private loans just the rush to sign on the line.

*Id.* Ex. 18 ¶ 43.

244. For another student,

When it was time for us to sign for our loans, they made everyone line up in the hallway on the day that they were due, and rush us through the process. If we asked to look at something, they always made sure to discourage us because there were people waiting behind us and if it wasn't finished today, we would be making other students miss the deadline. I was told to sign here, and here, and here, and then pushed out of the office. There was at least one time I was pulled from class and told that if I didn't apply for another loan that I would have to pull out of at least 2 of my classes for the semester. We had all been told by our dean that if we missed a class there was a huge chance that it wouldn't be offered again for at least 2 years, so of course I signed it, but I never knew what or how much they were for, because they always acted like it had to be done in 5 minutes.

*Id.* Ex. 18 ¶ 107.

245. Yet another student recounts,

They would pull me from class and threaten to not let me go back in then send me to see [a financial aid representative] and she would have paperwork already completed. She would rush me through it every time because she wanted to get me back to class. I never got the chance to read it or bring it home for my family to review with me. It always had to be done right then right now because otherwise I wouldn't be allowed to return to class. She would 'explain' things to me as fast as she could talk shuffling papers from folder to folder.

*Id.* Ex. 18 ¶ 122.

### **3. Obfuscating and Misstating Total Cost of ITT**

246. As a result of ITT's deliberate obfuscation of the actual cost of obtaining a degree from ITT during the recruitment process, prospective students expected to learn this information during their meetings with financial aid representatives.

247. However, ITT trained those workers to obfuscate the actual cost as well. Students in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, and West Virginia all experienced ITT financial aid representatives misleading them about the total cost of the program. *See id.* Ex. 11.

248. ITT financial aid representatives gave students vague answers about cost, or refused to directly answer questions about total cost. *See id.* Ex. 11 ¶¶ 3, 4, 9, 22, 40, 41, 42, 46, 67, 68, 74, 75, 84, 100, 115, 125, 138, 152, 178, 195, 210, 211, 224, 233, 251, 274, 282.

249. One student reports, "Anytime you ask a recruiter or finance advisor at ITT what the total cost of any program is they never have an actual answer. They simply switch topics to something else." *Id.* Ex. 11 ¶ 100.

250. According to one former Director of Finance, ITT directed financial aid representatives to avoid showing students the expected charges over the entire program, instead "break[ing] it up into bite-size pieces," only showing the cost per nine months, or quoting the cost in terms of credit hours rather than total cost. *See also id.* Ex. 11 ¶¶ 29, 107, 133, 149, 158, 167, 189, 241, 272, 273, 276.

251. One student states, "My ITT recruiter never mentioned the total cost of the degree programs. He told me that a financial advisor would sit down with me and explain everything

once [I] enrolled. The financial advisors would never explain anything regarding actual costs, it was always estimated costs per semester.” *Id.* Ex. 11 ¶ 107.

252. When ITT did provide estimates of total cost, students found that these costs were wildly understated. One student reports that

throughout the time during recruitment and through my coursework at ITT, told repeatedly that the cost for IT-MM and DEGD graduates was roughly around \$20,000 for each degree. When I graduated in 2010, I had a total of close to \$80,000 in student loans, almost double that amount.

*Id.* Ex. 11 ¶ 4. Another student was told that his associate degree program would cost \$23,000, but he graduated with almost \$44,000 in debt. *Id.* Ex. 11 ¶ 140.

253. ITT also trained financial aid representatives to describe cost to students in conjunction with their eligibility for loans and grants, making it seem like relatively small unmet balances were the only cost that a student really had to worry about. *Id.* Ex. 11 ¶¶ 8, 11, 14, 18, 68, 103, 113, 165, 201, 231, 251, 257, 306.

254. As one student stated,

It wasn't until I graduated that I found out that all the loans were tak[en] mostly as parent plus loans under my father's name, which they would take me out of class and make me sign his name with my own hands and assured me that it was 'just to meet a small gap for the finance of the quarter,' this 'small gap' ended up being over 56% of the total loan being under my father's name[.]

*Id.* Ex. 12 ¶ 29.

255. Many students were misled about the scholarships that ITT promised, in relation to the total cost to the student of attending ITT. *Id.* Ex. 11 ¶¶ 11, 20, 24, 29, 68, 92, 96, 100, 108, 113, 119, 124, 135, 156, 163, 164, 187, 198, 201, 214, 219, 227, 251, 254, 255, 291, 300, 304.

256. One student was told that he was receiving a \$5,000 “Opportunity Scholarship” one semester. Later, ITT told him that they were able to get “more federal loans to cover most of the cost, and you'll still get \$1700 in scholarship.” The student asked, “How is that a good thing?” *Id.* Ex. 11 ¶ 100.

257. In another student's experience,

When I asked about cost during the enrollment program they informed me that the total cost of the two year program would be \$23,000. They said that \$9000 of this sum would be covered by Pell grants and that all my loans would be through the Department of Education. At the end of our conversation they had me believing that I would walk out of school with less than \$14,000 in student loan debt that I

would be able to quickly pay off. By the time I graduated 2 years after starting the program they had put me \$31,000 in debt to student loans. My loans were spread between 6 different lenders with interest rates anywhere from 3-11%. When I asked why the cost of my education was \$17,000 more than anticipated they informed me that I did not receive a scholarship that is promised to all fulltime students that would effectively pay for 1/3 of all my classes. They quote overall cost in admissions based on that scholarship. When I asked why I didn't qualify they told me that its because a few semesters I didn't qualify as a fulltime student because I was only taking two classes those semesters and you needed to be a fulltime student throughout the entire program. I found this really strange because the only reason I took two classes those few semesters is because they were not offering the classes that I needed because there wasn't enough students to fill the room. I wasn't even allowed to take the class at another campus.

*Id.* Ex. 11 ¶ 201.

**4. *Obfuscating the Difference Between Grants, Federal Student Loans, and Private Student Loans***

258. ITT obfuscated the difference between grants, federal student loans, and private student loans. *See id.* Ex. 13 (reports from students who attended ITT in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin).

259. ITT often did not explain or highlight the difference between grants and loans. *Id.* Ex. 13 ¶¶ 3, 9, 16, 32, 44, 45, 48, 52, 53, 64, 76, 80, 81, 85, 95, 100, 101, 102, 120, 121, 126, 133, 154, 175, 182, 198, 220, 232, 236, 258, 277, 300, 304, 313, 321, 346, 347, 398, 411, 419, 422, 427, 473.

260. Many students report believing that all or part of their education was going to be covered by grants, when none of it was. *Id.* Ex. 13 ¶¶ 74, 81, 85, 90, 96, 99, 118, 127, 166, 215, 223, 236, 237, 238, 243, 259, 275, 325, 326, 333,336,354,365,368,373,379,393, 399, 417, 418, 426, 431, 445, 463, 465, 472, 494, 496, 498.

261. One former Director of Finance reports that representatives were trained to make loans sound like a favor to students, that they should present loans as something great that ITT was arranging for them in order to reduce their immediate, out-of-pocket expenses. They were trained to make it seem like loans and grants were not actual costs for the student.



262. This behavior was echoed by many students. As one student reports, They lied and said “you qualify for a loan” based on your situation. No costs for you, think about it as free money! This wasn’t the case, they granted me loans they knew I had no means of paying without explaining it. They said these are just formalities, sign here, and here, and here. [ ] They refused to let me read the documents before signing , again claiming things like this is the boring stuff, or this is just formalities.

*Id.* Ex. 13 ¶ 438.

263. One student was told, “I qualify for grants which I didn’t have to pay. I just found out those grants turn out to be private loans which I am in default on today.” *Id.* Ex. 13 ¶ 80.

264. Another states, “I was told that half of the payment was going to come from a government grant and that it was all approved. However, after graduating I found out that the whole payment came from a loan I’d have to pay back fully.” *Id.* Ex. 13 ¶ 81.

265. Many students report not realizing that they even had borrowed any loans until after they graduated from ITT. *Id.* Ex. 13 ¶¶ 13, 15, 36, 69, 81, 94, 98, 115, 118, 124, 127, 131, 135, 137, 149, 161, 205, 210, 224, 243, 251, 260, 265, 291, 304, 306, 312, 299, 323, 393, 400, 452, 457, 471, 477, 480, 484, 488, 494, 498.

266. One student reports that ITT, never once explained my loans to me. My advisor that I spoke to on the phone all the time did not tell me anything about how loans would be paid back. I was told I wouldn’t have to pay anything back because it was all government grants not loans. I didn’t know I was \$43,000 in debt until I graduated and the loan people started contacting me about my loans.

*Id.* Ex. 13 ¶ 118.

267. Other students believed that they only had federal student loans, when in fact they also had private loans. *Id.* Ex. 13 ¶¶ 22, 33, 44, 94, 204, 249, 256, 273, 275, 288, 294, 296, 298, 299, 317, 330, 332, 370, 376, 386, 420, 423, 425, 431, 434, 440, 443, 453, 459, 461. As one student reports,

I was told that all my loans were the same and that they were all government loans. I did not find out I had private loans until after I had graduated and defaulted on them. The cost was much higher th[a]n I was told and the interest rate was much higher than I was told. When I brought this to their attention they stated that there was nothing that they could do about it and that it was the cost of education.

*Id.* Ex. 13 ¶ 15.

268. When ITT did disclose that students would need private loans in order to cover their education, ITT blurred the lines between private and federal student loans, making it seem as though both had the same terms. *Id.* Ex. 13 ¶¶ 1, 4, 5, 9, 12, 14, 17, 19, 21, 23, 24, 25, 27, 28, 29, 33, 38, 39, 42, 45, 49, 50, 51, 54, 55, 56, 58, 64, 65, 66, 69, 70, 73, 75, 77, 78, 79, 82, 83, 84, 86, 88, 91, 95, 100, 103, 104, 105, 107, 109, 110, 114, 124, 126, 130, 134, 136, 139, 148, 154, 155, 156, 171, 180, 187, 202, 211, 252, 256, 276, 289, 290, 292, 297, 309, 311, 312, 313, 314, 315, 318, 339, 341, 349, 356, 367, 360, 372, 383, 391, 394, 396, 398, 409, 412, 427, 436, 448, 450, 460, 462, 466, 469, 475, 476, 480, 482, 484, 485, 488, 489, 499.

269. One student states,

They also treated federal and private loans as if they were essentially the same thing and there was no difference. . . . They made it sound like grants and loans were the same thing and that there were no differences between federal loans and private loans other than who was handling the loan.

*Id.* Ex. 13 ¶ 1.

270. ITT did not provide any opportunity to compare different loan providers, instead steering students into specific loans as if there was no choice. *Id.* Ex. 13 ¶¶ 2, 5, 20, 24, 28, 59, 157, 190, 231, 233, 245, 247, 274, 276, 278, 290, 305, 335, 336, 360, 367, 427, 453, 467, 473, 502, 506, 507. One student states, “I was also never given an option in lenders. I was assigned Sallie Mae without mention of any other companies. I was told Sallie Mae WAS the Dept of Ed’s loan provider.” *Id.* Ex. 13 ¶ 24.

271. In one student’s experience,

During no time was I made aware that I had other options[.] On one occasion what I thought was a Federal student loan was in fact a private student loan. That loan came with a 10% interest rate that was non-negotiable if I wanted to continue my program. When I mentioned that the rates seemed inappropriate I was told my other option was to come up with the \$6000 for the next semester’s tuition or risk not finishing the program.

*Id.* Ex. 13 ¶ 274.

272. Another student reports,

The loan system always seemed a bit off to me, but having just graduated from high school and having no knowledge of how things should work, I took them at their word. [ ] They never properly explained how the interest would compound, nor did they give me any options when it came to my loans, only ‘here’s your loan, sign on the line, please.’ [ ] They never once explained the difference

between federal and private loans, nor gave me the option of federal over private; they forced both on me stating they were the best loans possible.

*Id.* Ex. 13 ¶ 336.

273. ITT did not clearly disclose the interest rates and terms associated with private loans. *Id.* Ex. 13 ¶¶ 58, 87, 107, 114, 116, 152, 166, 171, 199, 207, 215, 216, 242, 249, 250, 251, 254, 257, 259, 260, 263, 270, 271, 272, 273, 274, 279, 281, 284, 288, 291, 295, 304, 305, 306, 307, 311, 314, 315, 316, 317, 320, 321, 323, 326, 330, 331, 335, 336, 337, 338, 339, 340, 343, 346, 349, 350, 354, 355, 359, 363, 364, 367, 371, 377, 378, 380, 381, 382, 387, 388, 390, 397, 402, 403, 406, 407, 412, 415, 420, 421, 426, 429, 430, 432, 435, 438, 441, 442, 449, 452, 456, 459, 473, 478, 479, 485, 488, 490, 491, 492, 493, 498. One student states:

I was told that all my loans were the same and that they were all government loans. I did not find out I had private loans until after I had graduated and defaulted on them. The cost was much higher then I was told and the interest rate was much higher then I was told. When I brought this to their attention they stated that there was nothing that they could do about it and that it was the cost of education.

*Id.* Ex. 13 ¶ 15.

**5. *Misleading Students About the Nature of Their Future Loan Burdens and Obligations***

274. ITT trained its financial aid representatives to overcome any objections that students might raise about the amount of debt they were incurring by downplaying, minimizing, and misrepresenting students' future loan obligations. *See id.* Ex. 15 (students exposed to debt minimization practice in Alabama, Arizona, Arkansas, California, Colorado, Florida, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, and Wisconsin).

275. A former Dean of Academic Affairs reports that ITT trained financial aid representatives to downplay the burden of student loans whenever a student expressed hesitancy about the cost, saying things such as "nobody pays back the loans anyway."

276. ITT told other students that, regardless of the amount of loans that they were borrowing, they would only have to pay, at most, \$50 per month once they graduated. *Id.* Ex. 15 ¶¶ 17, 30, 31, 51, 52, 53, 66, 93, 100, 123, 124, 135, 140.

277. As one student reports, “When I started I was told that my payments would be \$50 a month for my private and federal loans. My private loans were closer to \$500 and my federal \$200 a month.” *Id.* Ex. 15 ¶ 1.

278. In the experience of another student, ITT gave me false information about repayment terms. Myself and many others were told by financial aid that our payments would be \$50 a month. It wasn’t until my grace period was over and talks with my loan providers began, that I was told that each loan would cost \$50 and that my payment would be \$350 a month.

*Id.* Ex. 15 ¶ 53.

279. Another student was told that all my loans would be combined to be under one low payment a month that I could afford. When I received my first loan repayment letter they wanted \$1400 a month for Federal Loans. A few weeks later I got a letter in the mail for my private loans wanting \$800 a month. I could not afford to make these payments because I was barely making ends meet with the \$8.50 an hour job that I found[.]

*Id.* Ex. 15 ¶ 9.

280. Yet another student reports, “ITT Tech told me I would pay \$50 per month on a \$40,000 loan. I ended up paying \$600 a month on a \$52,000 loan.” *Id.* Ex. 15 ¶ 113.

281. ITT financial aid representatives also reassured students that they would be making so much money that they could easily afford their loan payments.

282. For example, as one student recounts, “I was assured that my loan payments wouldn’t be a problem because I’d be making big bucks. He made it sound like cake[.]” *Id.* Ex. 15 ¶ 5.

283. Another student states that ITT would not tell him the “total cost of my degree,” only “that I would have no problem on paying off my debt, for the fact that I would be making over \$100,000 a year and would have no trouble at finding a job, at which, I am not even using neither of my degrees and am working at a job making \$12.00 an hour.” *Id.* Ex. 15 ¶ 50.

#### **6. Deception Regarding “Temporary Credits”**

284. ITT systematically misled students about the nature of their remaining balances—which students frequently had because available loans and grants could not fully cover the high cost of ITT. *See id.* Ex. 12 (reports from students who attended ITT in Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Louisiana, Maryland, Massachusetts, Michigan,

Minnesota, Missouri, Nevada, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, and Wisconsin regarding Temporary Credit).

285. These balances were known as “Temporary Credit,” and ITT misled students about their obligation to eventually pay it. ITT trained financial aid representatives to present the Temporary Credit as grant-based aid that would be “free” to the student, so that they would not have to “go out of pocket.” One Director of Finance at an ITT campus directed her staff to use the word “funding” to describe the Temporary Credit, suggesting that it was actually a loan from ITT. A mystery shopper reported that financial aid staff assured her that any costs above those covered by financial aid would be covered by a Temporary Credit and she would not have to pay anything out of pocket. Another mystery shopper reported that ITT staff told her that any costs beyond those covered by grants and federal loans would be “picked up” by ITT.

286. Unlike other types of loans listed on the cost summary sheets that ITT financial aid representatives handed out to students, the Temporary Credit was not described as a loan on this summary. Nor were there any disclosures about the terms of these loans provided to students.

287. ITT told students that the Temporary Credit was a grant, and would not have to be repaid. *Id.* Ex. 12 ¶¶ 4, 9, 23. As one student recounts, “My financial aid officer had opened up a ‘temporary credit’ account and said that ITT would loan me the extra money to cover the tuition gap, but don’t worry. You will not have to pay this back if you graduate from the program. It would just be wiped under the rug.” *Id.* Ex. 12 ¶ 9.

288. Although ITT represented to students that the Temporary Credit carried no repayment obligations, in reality it was a high interest loan on which payments were deferred for a period of time, until the entire loan balance was due, usually while the student was in school or just before they graduated. ITT then demanded full payment, offering as an alternative a private loan instrument with even worse terms. Many students with Temporary Credit ended up with repackaged private loans through the ITT-operated Student CU Connect CUSO, LLC (“CUSO”) or PEAKS program. These loans came with a 10% origination fee and interest rates up to 16%.

289. One student recounts the bait-and-switch around Temporary Credit, ITT Tech offered temporary credit to cover the difference between the amounts offered by federal loans and the cost of the program. No terms were provided on the repayment of the temporary credit and it was implied it would be rolled over. This temporary credit was eventually pushed into the PEAKS program which

were high interest rate private educational loans. During the course of study, refunds of federal student loan amounts were ‘returned’ by the school, implying all the money was not used and I was unknowingly and unwillingly forced to use PEAKs private loans to pay for part of my study. The temporary credit very quickly became ‘not temporary’ and payment through those loans was required to continue my study.

*Id.* Ex. 12 ¶ 14.

290. In one student’s experience,

During the middle of my time enrolled, I was told that I did not qualify for loans that quarter and was forced to pay out of my own pocket for those classes. A short time later I was approached with a new loan that was financed through ITT, called a PEAKS loan. This loan was marketed like a federal loan with low interest rates, back through the school [so] that I could continue to receive the additional funding that the government would not be able to assist with. These loans were given to me for the remainder of my enrollment in the program. I was also forced to take these loans as part of a package that I was awarded with ITT scholarship discount. [ ] I am still paying on these loans with an interest rate of 14.75 percent, not at the 6.8 percent that was told to me. If I had not taken out these loans, I would have been forced to drop out of the program, as I could not afford the tuition prices that needed to be paid per quarter.

*Id.* Ex. 12 ¶ 11.

291. As one student explains,

I don’t think [ITT] ever told me exactly what they were doing [with Temporary Credit] and all of a sudden I was asked to sign paperwork for a PEAKS Loan. I didn’t know I needed a PEAKS Loan and had never heard of them. They told me if I didn’t sign all the hard work that I had already done would be lost because I would not be able to attend the school anymore and my credits wouldn’t transfer. This was when I had already finished half of my program. So, obviously I signed it and continued. I had worked hard and wanted [the] reward of a degree and that high salary they kept talking about.

*Id.* Ex. 17 ¶ 18.

292. Another student recounts that ITT “digitally signed all of the documents for me and didn’t tell me they were going to open a bank account with my information to qualify for a loan in the middle of nowhere.” *Id.* Ex. 8 ¶ 60.

293. A number of students report that ITT confronted them with unpaid costs and balances just prior to graduation, when they had no choice but to accept whatever terms ITT was proposing, or not graduate. *Id.* Ex. 17. For example, one student reports that her “graduating



class [was] all blindsided a few days before graduation” with “some random loan to ITT Tech.” She “paid it off quickly in fears that they would continue to screw me if I didn’t.” *Id.* Ex. 17 ¶ 16.

294. Another student was told she “had to sign some paper work right before graduation. I was told that if I did not, I would not get the Presidential Scholarship applied to my tuition. I don’t know what the paper work was, but it made my temp credit bill go from 2000 to 12,000 dollars.” *Id.* Ex. 17 ¶ 22.

295. Many of these last-minute exchanges concerned Temporary Credit and resulted in PEAKS loans.

296. As one student recalls,

A couple semesters before graduation they started pulling us out of class, usually during a test or exam and told us that we could not return to class or graduate until we signed this paper. I was not told what the paper was that we signed. Just that we had to sign it. I was more concerned with going back to class and finishing my test. Little did I know I was signing papers to give them permission to take out high interest private loans.

*Id.* Ex. 17 ¶ 37.

297. ITT headquarters drove financial aid departments to convert Temporary Credits to private loans. A 2010 email sent by a Director of Finance reports that the District Manager needed updated information about PEAKS loan conversion for a conference call. He further explained the impetus for the urgency:

As a company we have hundreds of millions of dollars available to our students via PEAKS funding, and we have used very little of it to date. This is a problem in the eyes of HQ. As I’ve mentioned previously, we have historically waited until a repack to roll balances into private loans, but HQ wants TC off our books now, so we cannot wait until September and future repacks to address our TC balances. We’ve got to develop a timeline for bringing your students back into FA quickly to convert their TC into private loans.

298. The Director of Finance followed up to restate the imperative, telling financial aid workers to review a spreadsheet of “Active Students with Credit Balance” in order “to catch standing balances before the June repack.” Further, “Next week we *must* resume our 1-in-1 student A/R review meetings. A/R has become a major focus of HQ[.] Most of our students’ TC balances should be moved to ELFCU or PEAKS, provided they qualify.”

299. The Finance Director provided direction to financial aid employees about how to sell the PEAKS loans to students. The nature of the pitch includes tacit acknowledgment of the bait-and-switch between Temporary Credit and PEAKS, and suggests that PEAKS loans are mandatory:

The primary advantages of PEAKS to your students include a new source for private lending—which is scarce in this economy, and funding that qualifies for the six-month grace period that is associated with all education loans. Yes it will have interest based upon the students’ credit, but students must apply and accept the loan regardless, unless they are denied outright. The Temporary Credit is/was only a temporary solution, and that has always been the underlying premise.

300. Many students did not know that they even had PEAKS loans or other private loans until collection companies contacted them. *Id.* Ex. 12 ¶¶ 2, 5, 6, 8, 18, 22, 23, 24, 50, 51, 63, 71, 73, 80.

301. One student reports, “The only financial aid that I applied for was the FAFSA. [ITT] forged my signature on private loans that I’m just learning about with Peaks Private loans. I never received any documentation about the loans that was taken out, nor [was] anything explained to me about the loans.” *Id.* Ex. 12 ¶ 18.

302. Another student states, “I have a student loan in collections that I never signed for from a company called ‘Student CU Connect.’ [ ] This is a loan that came from ITT Tech that I had no knowledge of.” *Id.* Ex. 12 ¶ 43.

303. The CFPB has sued ITT regarding the Temporary Credit program and related high-interest private loans.

304. The reality was that ITT directed nearly every aspect of both the CUSO loan program and the PEAKS loan program.

305. The trustee in this bankruptcy case, in issuing Rule 2004 Requests to the Rochdale Group and Student CU Connect CUSO, LLC, recognized that evidence gathered by the SEC and the CFPB indicated that CUSO was an alter ego of ITT.

306. CUSO loans were only available to ITT students.

307. The CFPB found that CUSO was the:

brainchild of ITT, or its paid consultants, and that ITT was actively involved in the creation and support of the [CUSO loan program] by developing under writing criteria, providing a credit facility, and paying the credit union membership fees in the lead credit union on behalf of the students who took out [CUSO] loans.

308. The CFPB found that “ITT was also actively involved in the servicing and collection activities of [CUSO].

309. The CFPB also found that “ITT provided a stop-loss guarantee to the program participants: if defaults exceeded 35%, ITT would make the credit unions whole for any further defaults.”

310. According to the CFPB, “ITT developed the PEAKS lending criteria, introduced students to the program, and served as the sole intermediary between students and the originating bank. ITT was also actively involved in the servicing and collection activities of PEAKS.”

311. PEAKS loans were “exclusively available to ITT students and were disbursed directly to ITT; proceeds were required to be used only to pay ITT and could not be used by students for any other purposes.”

312. The SEC found that ITT’s underwriting standards [for PEAKS and CUSO loans] were extremely lenient. In addition, ITT was able to override the standards if ITT had previously extended temporary credit to the borrower.”

313. One email sent in April 2010 by a Director of Finance reveals that ITT headquarters had some role in determining whether a student qualified for a PEAKS loan. According to the Director of Finance, for a campus’s 94 applicants, 53 had been approved and 41 denied. Reasons for loans not being approved include incomplete borrower or school information (13), application on hold (12), or rejected by lender (16): “Of the 16 loans rejected by the lender, 4 students were rejected with acceptable credit and 12 students were rejected due to having bad credit. We cannot move forward on these particular loans unless HQ notifies us otherwise.”

***7. Signing Financial Aid Papers Including Loan Documents Without the Knowledge or Permission of the Student***

314. ITT financial aid representatives would sign papers including loan documents without the knowledge or permission of the student.

315. One former financial aid employee described a culture at ITT where financial aid representatives were encouraged to electronically sign documents without a student’s knowledge or permission. Financial aid representatives retained the PIN number that each student had for federal financial aid forms, and could easily log on without the student’s knowledge. The attitude was that the unauthorized use of electronic signatures was not forgery, because it was an electronic, and not a real, signature.

316. As part of an investigation by the CFPB into ITT's financial aid practices, a mystery shopper asked to see what was on a computer screen and found that her e-signature had been used on multiple forms without the shopper's knowledge. The ITT financial aid representative said she was only "trying to help." The pages that were e-signed without the student's informed consent included the high school/GED certification, transcript authorization, school catalog handbook, graduation information agreement, and more.

317. A student worker states, "I saw countless illegal activities, including financial aid doctoring, federal tax documents with fake signatures and dates before an audit and review from corporate." *Id.* Ex. 8 ¶ 48.

318. Indeed, students in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Mexico, Ohio, South Carolina, Tennessee, Texas, and Virginia all report that ITT signed loan paperwork without their permission. *See id.* Ex. 19.

319. In one incident, a student reports,

They prepared all documentation then would call me in to sign documents but failed to go over forms or explain to me what I was signing. At one point I informed them a documentation they had signed with my name was not my signature and when I questioned them about it they said I needed to leave the office.

*Id.* Ex. 19 ¶ 10.

320. As another student reports, "I strongly believe [ITT] signed paperwork without my permission. I've asked for some of my master promissory notes and they aren't even in my handwriting." *Id.* Ex. 19 ¶ 17.

321. Yet another reports,

I did not know the difference between a federal and private loan until I started getting calls for payment. [The ITT financial aid representative] kept my 'PIN' for the student loan signatures on-file somewhere and did all of this on his own. He even signed a loan for me with 'PEAKS Loan Servicing' without my knowledge.

*Id.* Ex. 19 ¶ 59.

322. One student's father was asked to cosign private loans: "ITT signed loan paperwork for him after he asked many questions about the paperwork. They emailed him the signed copy when he hadn't even sent his signed copy to them." *Id.* Ex. 19 ¶ 20.

323. ITT viewed exigency as an excuse for forgery. As one student reports,

The financial aid coordinator did sign loan paperwork without my permission a couple of semesters. It was stated there were a few areas that needed to be corrected. I guess, in their opinion, I was taking too long to correct them, [so] they took it upon themselves to make the corrections. After the corrections were done[,] I was notified.

*Id.* Ex. 19 ¶ 23. In another student’s experience, “[o]ne financial aid officer had suggested that I sign loan paperwork on behalf of my mother. His reasoning for this was so we could speed up the paperwork process.” *Id.* Ex. 19 ¶ 12.

### **8. Deception Regarding Financial Aid Programs for Servicemembers**

324. ITT also misled veterans, who were specifically targeted for recruitment by ITT, throughout the financial aid process. *See id.* Ex. 20. Veterans were pressured to complete FAFSA forms—unnecessary forms for veterans, who could use GI Bill benefits to finance education—and promised that the applications would be used only to seek additional grant money and not to borrow any loans. In reality, ITT signed veterans up for federal and private loans without their knowledge, even when they qualified for GI Bill benefits that should have covered the full cost of educational services. For example, ITT told one combat veteran that “the military was going to pay for everything” and that “he would never see a bill.” Yet the veteran ended up with private and federal student loans anyway, without his knowledge. A veteran who attended ITT in Pennsylvania reports:

They never told me that my GI bill with yellow ribbon program was going to be exhausted when I signed up for the Bachelor program along with all of the grants I qualified for. Towards the end of my program about 9 months out I found out. Now I have no way of continuing my education. [ ] I am currently having to pay \$240 monthly due to this which has given me a hardship since I have 4 children[.] I am a disabled Veteran and I have loans totaling \$20,262.94 and as much as I have paid over the past it has not went down.

*Id.* Ex. 20 ¶ 29. Another veteran reports that, “[w]hen I applied to ITT Technical Institute, they assured me that my post 9/11 GI BILL benefits would cover all of my expenses at ITT Technical Institute for 3 years. However, how am I left with \$56k + in student loan debt?” *Id.* Ex. 20 ¶ 19.

325. This practice grew more pronounced as ITT’s cash flow problems worsened. ITT was able to immediately draw down federal and private student loans, whereas GI Bill benefits were distributed by the Veterans Authority on a slower basis, often during the middle of the semester. Veterans were asked to apply for student loans as a stop-gap measure to ease ITT’s

liquidity problems. *Id.* Ex. 20 ¶¶ 5, 11, 33. ITT promised that it would immediately pay off the loan once the GI Bill money came in. But that never happened, and the veterans were left owing student loans for money that ITT was paid twice—once by the Department of Education through student loans, and again by the VA through GI Bill benefits.

326. ITT also kept grant money that was earmarked to be distributed to veterans to assist them with living expenses while the veterans were enrolled as a full-time students. *Id.* Ex. 20 ¶¶ 5, 11. For example, one veteran reports that ITT “never gave me my money for my grants, they lied and distributed elsewhere without my consent.” *Id.* Ex. 20 ¶ 5.

327. In many cases, ITT used all of a veteran’s GI Bill benefits and then forced the veteran to take out additional student loans in order to continue with classes. *Id.* Ex. 20 ¶¶ 4, 7, 8, 9, 14, 15, 17, 19, 20, 24, 29, 34, 35, 36, 39, 42, 43, 45. For example, one veteran states:

I was under the impression that my Montgomery GI Bill would be sufficient enough to pay for my bachelors degree. It is enough in the majority of cases to supplement 4 years of schooling. [ITT] also participated in the Yellow Ribbon program, allowing for an even higher maximum amount . . . [but] I was left out to dry after 3 years in, they had used all of my funds well before I even got near graduating, and at this point, I either had to leave and hope to find a place that would accept these credits, or shell out for the remainder of my education, which was elongated for no apparent reason except to draw even more time and payments.

*Id.* Ex. 20 ¶ 18.

328. Veterans who wanted to continue their education at other colleges found that they were unable to do so because ITT exhausted their education benefits. *Id.* Ex. 20 ¶¶ 10, 17, 29, 35.

### **9. Other Deceptive Financial Aid Practices**

329. Many students report that ITT spread their loans out into a very high number of small loans. *See generally id.* Ex. 14 (students from Alabama, Arkansas, Arizona, California, Florida, Illinois, Kentucky, Massachusetts, Michigan, Missouri, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia and Wisconsin reporting practice).

330. One student reports,

At the end I had roughly 16 different loans that I eventually had to consolidate which hurt my credit score. The school never informed me of the different types of loans they were signing me up for[.] There was no explanation of how much of the total loan disbursements would be federal, subsidized, unsubsidized, or private for that matter. I was simply just told to consolidate the loans in the end into a very low monthly payment.



*Id.* Ex. 14 ¶ 10.

331. ITT gave another student

an insane amount of loans, some of which are UNDER \$100. I was never given a breakdown of the individual loans, just shown a sum total and made to believe that I was getting a single loan per quarter. This turned out to be somewhere in the neighborhood of 50 loans. Once I graduated and realized what they'd done I contacted them and [was] told that this is standard practice and subsequent contact was never returned. I [had] no idea how long I was taking loans out for and for what interest rate, I was only ever shown the lowest rates.

*Id.* Ex. 14 ¶ 16.

332. ITT told another student

that it would be one loan and that I would be covered by aid, first it went from I needed to pay ITT \$75.33 monthly then I was told federal Pell, then I was told that it would [be] one payment, today when I look at [my] credit report it shows up as...26 different loans all for ITT which has put me in a bind[.]

*Id.* Ex. 14 ¶ 21.

333. ITT also converted student grants, third-party scholarships, and other forms of financial aid, falsely told students that their money had been returned to the government or lender, and otherwise misappropriated student funds. *See generally id.* Ex. 16.

334. One student reports, “When a Pell Grant was received, [ITT] didn’t disburse whatever money was left over, like most colleges do. They held on to that money and told students that they ‘sent it back.’” *Id.* Ex. 16 ¶ 2. Another states she “was sent information from the government about refunds I should receive but never received.” *Id.* Ex. 16 ¶ 23. Yet another student reports:

Every once in a while I would receive a notification of disbursement to ITT Technical Institute mailed to my home address, but these disbursements would be more than my estimated costs for the semester and I would not receive the difference in a refund check to me as I did when I attended [another school].

*Id.* Ex. 16 ¶ 21.

335. Another student reports that he “commuted to the campus yet my grant and private loans went to ‘Room and Board.’” *Id.* Ex. 16 ¶ 27.

336. As reported by one student, “I had a job that reimbursed me for my tuition as I passed my classes. I brought ITT Tech almost \$18k in checks...yet NONE of those monies seem to be applied to the student loans, so where di[d] that almost \$18k go??” *Id.* Ex. 16 ¶ 33.

### III. ITT'S CONCEALMENT OF ITS ILLEGAL PRACTICES

337. ITT's ability to remain in operation despite providing terrible outcomes for its students depended on its ability to conceal these outcomes and its deceptive practices from students, the public, and regulators.

338. ITT actively concealed its precarious financial position to students, up until the day that it filed for bankruptcy.

339. ITT brushed off student concerns about the multiple lawsuits and investigations facing it in order to protect its enrollment. *See, e.g., id.* Ex. 8 ¶¶ 2, 3, 5, 9, 18, 19, 29, 31, 47, 55. As one student reports, "ITT would just blow off the legal problems they were facing. The[y] downplayed the fact that employers were not all that excited about seeing ITT on a resume. They said that the students and employers did not know what was going on with the school. They also said everything would be fine and there was nothing to worry about." *Id.* Ex. 8 ¶ 47.

340. ITT systematically silenced critics and concealed its fraud.

#### A. Silencing Whistleblowers and Student Complaints

341. ITT aggressively silenced critics, including disgruntled employees and students.

342. ITT invested significant resources in policing its reputation. For example, ITT's Director of Corporate Communications oversaw "reputation development initiatives" ("RDIs") that were implemented across all ITT campuses. ITT HQ trained campus directors and employees on a centralized RDI submission process and reviewed each campus's RDIs to ensure a uniform approach to protecting the corporation's reputation. RDIs were centrally managed by the same office that oversaw the resolution of student complaints against ITT.

343. ITT retaliated against employees who voiced concerns about ITT's practices.

344. One former campus director received threatening phone calls from ITT's legal counsel after he emailed ITT CEO Kevin Modany and other members of ITT's top management with concerns that management was requiring recruitment and financial aid representative to tell students information that was not accurate. This employee, who had theretofore been regarded as a top performer, was rebuked by ITT's legal counsel, threatened with termination, and directed to "stay with the scripts."

345. ITT made a gesture towards a "reporting up" process, in that it maintained a hotline for employees to call in order to report fraud to central headquarters. But in reality, this hotline functioned to silence and retaliate against employees who were critical of ITT's practices.

One former Director of Finance observed that a recruiter at her campus, in Utah, called the hotline to report wrongful behavior by a long-term veterans recruiter. The reporting employee was fired within weeks, and the veterans recruiter was retained.

346. ITT imposed binding, secret arbitration as a condition of enrollment on all of its students, as a mechanism for silencing students. The terms of the arbitration agreement are severe: students must bring any claim within two years; they may not seek incidental, consequential, or punitive damages; the agreement allows ITT to recover attorney's fees from the student if the student brings an unsuccessful claim. The same agreement imposes secrecy by declaring "[a]ll aspects of the arbitration proceeding, and any ruling, decision or award by the arbitrator...strictly confidential." It also gives ITT the right to go to court "to prevent any actual or threatened breach" of confidentiality. The arbitration agreement also precludes class action procedures, and ITT successfully defeated consumer class actions by compelling them to arbitration on an individual basis.

347. ITT pressured and threatened students who voiced complaints about any of ITT's deceptive and unacceptable practices with expulsion and/or discipline. *Id.* Ex. 8 ¶¶ 12, 51, 52, 53.

348. Student complaints to corporate headquarters were routed back through District Managers, who quelled the complaints.

349. As one student recounts, "We took a class near the end of our Associate's program. When we were able to sign up for our Bachelor's program, we were forced to take the same class again (and have the same book, twice!). When we complained about this and tried to fight this with corporate, the district manager had a meeting with three of us. We were basically told that we can keep our mouth shut and continue on (and graduate) or he could expel us from the college, with all of our debt." *Id.* Ex. 9 ¶ 26.

350. Another student reports, "My class had some issues with ITT executive strong arming us about issues we ha[d] with instructors. We did not receive quality instructors, and were also forced to take the same class multiple times over. When we sent a letter to the ITT home office we received a reprimand from the dean of the Nashville campus. She told us that we had two choices, either withdrawal from our studies or shut up and finish. She also advised us that if [we] contacted the corporate office again or if she heard anymore about the lack of

instructors or taking the same classes over and over then she would personally see to it that we were expelled from ITT.” *Id.* Ex. 8 ¶ 52.

351. ITT also instructed students not to share information or complaints about ITT with anyone outside the school. *Id.* Ex. 8 ¶¶ 21, 25, 29, 33, 51, 52.

352. In one example, a student was repeatedly referred to a scam job listing by ITT career services. According to this student:

I brought this up to [ITT] trying to get more information but they would never return my emails or calls. I finally asked my supervisor for the company I was currently interning with and she was furious about the fact that our own school’s department would send out emails like that. She went up to the school and demanded them to fix this. Instead of them admitting their mistake, they call me and tell me I am unprofessional and why I...asked someone outside of ITT questions about their emails they send.

*Id.* Ex. 3 ¶ 85.

353. ITT also pressured students to provide testimonials. As one student reports:

They attempted to coerce me to provide a favorable review of their institution on forms they provided. This testimony would have helped them obtain continued accreditation. Of course, I refused to do such a thing. At one point after repeated calls and my declining, one representative actually implied I was contractually obligated to give a favorable review. I responded she should show me where this is captured on any contract I signed. I think at that point, she hung up.

*Id.* Ex. 8 ¶ 21.

354. Veterans were manipulated into providing positive reports about their experiences with ITT to the U.S. Veteran’s Administration. ITT promised a group of veterans that in exchange for these positive reports, ITT would open up a new program that was of interest to veterans. After veterans submitted their reports, ITT cancelled the program at the last minute, with no prior notice to the veterans who had already enrolled under false pretenses.

355. Another student reports that ITT “[u]sed me as a success story without asking me.” This was after the student had filed a grievance with the BBB, to which ITT had responded with “legal looking letters and emails,” and ultimately “[l]ied and said my grievance was settled satisfactorily to BBB and in their office.” *Id.* Ex. 8 ¶ 69.

356. ITT also pressured students to fill out surveys that were treated as mandatory, in circumstances under which students felt pressured to give favorable responses. One student reports that ITT “had us conduct surveys and would later ask us why we responded negatively to

the ‘confidential’ survey.” *Id.* Ex. 8 ¶ 70. Another student reports “taking a survey towards the end of my schooling regarding the education. [ ] The questions were skewed in such a way that you would have to answer with [at least] 50% satisfaction[.]” *Id.* Ex. 8 ¶ 66. Another student states that at the end of every course, students were made to fill out course surveys “to help [ITT] improve the services provided to the student body,” yet ITT also threatened that “if we didn’t complete them then we would obtain a failing grade” for the course. *Id.* Ex. 8 ¶ 62.

357. ITT actively concealed its precarious financial position to students, up until the day that it filed for bankruptcy.

358. The true extent and nature of ITT’s fraudulent practices has only emerged since ITT has declared bankruptcy and can no longer effectively silence whistleblowers.

**B. Concealment of Actual Student Outcomes from the Department of Education**

359. ITT devoted significant resources to manipulating regulatory requirements in order to hide the terrible outcomes its students experienced and avoid the consequences that ITT would have experienced had these outcomes come to light.

360. In order to avoid the consequences of the high rate of default of its students, ITT devised a plan to consolidate its institutions into two OPEID numbers (the unique numbers used by the Department of Education to track federal financial aid). Cohort default rates are calculated by OPEID number. In 2010, the Department of Education changed the way it calculated cohort default rates, by tracking defaults over a three-year period rather than a two-year period. Prior to 2010, ITT operated schools under 30 OPEID numbers. Many of its institutions were at risk of violating the Department’s three-year cohort default rate of 30%, meaning that more than 30% of students from those locations defaulted within three years of their loans going into repayment. The company-wide average 3-year cohort default rate was 28.5%. By consolidating into just two OPEID numbers, ITT was able to achieve compliance, and continue operating all of its branch locations, even though many of its locations would otherwise have failed the metric.

361. ITT also invested heavily in default management tactics that obfuscated students’ overwhelming inability to carry the burden of their federal student loan debt. ITT paid a subsidiary of Sallie Mae, General Revenue Corporation, \$50 each time it was able to place a student in forbearance or deferment, a tactic that prevented default during the measuring period

but did not help the student and in fact allowed the student's debt to grow bigger due to compounding interest.

362. ITT was close to violating the 90/10 rule, and in response ITT stepped up its recruitment of military veterans. Its revenues from military and Department of Defense programs effectively tripled in a three year period, growing from 5% in 2009 to 16% of revenue in 2012.

363. In addition to targeting military veterans for enrollment, ITT avoided violation of the 90/10 rule via the PEAKS program. By converting student Temporary Credit balances to private loans, ITT reduced its 90/10 exposure, enhanced its cash flow, and lowered its bad-debt expense.

364. ITT devised multiple schemes to attain compliance with the gainful employment rule. ITT's programs were at risk for not passing the debt-to-income ratio and repayment rate that are the benchmarks of this rule. Rather than lowering student debt by dramatically cutting program cost, or increasing graduate earnings by investing more in education and career services, or applying more selective admissions criteria, ITT manipulated the debt load of its students.

365. First, ITT decreased the number of credit hours required for an associate degree, and increased the number of credit hours assigned to each course from 4 to 4.5. This resulted in a slight reduction in overall program cost and debt load, as students were able to access more Pell grants based on the increased credit load for each quarter.

366. Second ITT introduced a scholarship program, the Opportunity Scholarship, that allowed it to finely tune the debt load of students who would ultimately end up being factored into the gainful employment metrics. ITT promoted this scholarship to all students, but it was only available to students who persisted after their first year. It was also applied only after the student exhausted other sources of external grants and scholarships, resulting in students getting much less scholarship funding than students were led to expect. ITT introduced another scholarship program, the Presidential Scholarship, to manipulate its gainful employment metrics. This scholarship applied retroactively each quarter, ensuring that ITT only reduced the cost for students that would graduate, while continuing to charge the maximum amount for students who dropped out.



### **C. Concealment of Actual Student Outcomes from Accreditors and Licensing Boards**

367. ITT systematically manipulated the job placement rates it reported to its accreditor, ACICS, in order to meet the minimum benchmarks set by that agency.

368. Specifically, ITT manipulated its job placement rates by counting as “placed in the field” students whose jobs in no way related to their studies.

369. ACICS’s accreditation standards required that graduates be counted as “placed” only if a “predominant component” of the job required the use of skills learned in the student’s program. In a 2016 letter to ITT CEO Kevin Modany, ACICS noted that ITT had violated this accreditation standard by having an internal policy that “consider[ed] a graduate placed with 20-49% of time spent on the job using the skills taught” in the graduate’s program.

370. This practice was longstanding and company-wide, at the direction of headquarters. An internal ITT procedures manual from 2010 instructed employees to use a misleadingly broad definition of “in field” placements.

371. For example, ITT’s internal manual instructed career services employees to designate retail positions at Blockbuster, GameStop, and other big box stores as “in field” to boost the employment numbers for the Digital Entertainment and Game Design program. Students in this program had been promised positions with video game manufacturers and designers, or with animation companies like Disney.

372. ITT counted any graduate of a Computer Network Systems program as “placed” so long as that graduate’s employment somehow involved the use of a computer, however tenuously. For example, ITT’s “in field” placements for that program included a student who worked as a janitor, whose routine tasks included unclogging drains and ordering janitorial supplies. ITT’s Vice President of Career Services justified ITT’s designation of this job as an “in field” placement because “bullets [on the job description] support the fact that there would be IT systems within the facility” where the graduate worked as a janitor.

373. The Vice President of Career Services also justified designating as “in field” graduates of the Computer Networking program who worked as retail salespeople at big box stores. The Vice President explained that salespeople would be “tapping into the knowledge” they purportedly acquired at ITT in order to sell computers and software. Notably, despite the high numbers of graduates who ended up in such positions—many of whom held these jobs

*before* enrolling in ITT—ITT’s “Career Wheel” did not list “sales associate” as a typical job title for graduates of the Computer Networking Program. Similarly, ITT counted placements as an airline customer service representative and bank teller as “in field” for graduates of the Computer Network Systems program.

374. ITT also counted as “placed in field” graduates of the Criminal Justice program who worked as security guards, in positions that did not require any postsecondary education.

375. The Dean of Academic Affairs at an ITT campus reported that between 2011 and 2015, most of the students claimed as “placed” for that location were in jobs that these students already had prior to enrolling in ITT. This was especially true in the nursing program. ITT used students’ prior employment to boost its job placement figures, even though these students had enrolled in ITT specifically to advance out the jobs that they already held.

376. ITT also counted as “placed in field” graduates who obtained temporary positions that lasted two or four weeks. This form of manipulation violated an ACICS requirement that placements be verified after 30 days of employment. Despite this policy, ITT made little, if any attempt to determine the length of placement, used a placement verification form that did not ask for this information, and generally implemented a “don’t ask, don’t tell” policy towards temporary placements.

377. A student who also worked at ITT reports that management pressured career services to inflate job placement statistics:

The director of our campus in Youngstown, Ohio was putting pressure on one of the career coordinators to inflate the statistics of student employment after they graduated from the school. Surveys were sent to students to see if they were employed and where they were working. If the student marked working at McDonalds she was to mark they were working in their field of study.

*Id.* Ex. 8 ¶ 39.

378. ITT compounded its misrepresentation of graduate outcomes by annualizing the student’s salary from these temporary jobs and incorporating such figures into graduate earnings data it advertised to prospective students.

379. ITT conscripted students into its scheme, pressuring them to sign forms stating that they had been placed in field when they had no job, or a job that did not relate to their field of study. *See id.* Ex. 8 ¶¶ 7, 11, 12, 13, 14, 16, 20, 22, 24, 27, 32, 34, 35, 37, 39, 40, 44, 45, 49, 50, 57, 58, 65, 67, 68. Examples include one student who was a graduate of ITT’s game design

program. He worked in a pool tile store prior to and during his enrollment in ITT. A career services representative asked him to sign a form stating that he was employed in his field. *Id.* Ex. 8 ¶ 7.

380. Another reports, “I was pressured into saying I had a job lined up a week before graduation, when I was working with another student on a side project and was still employed in a minimum wage retail job.” *Id.* Ex. 8 ¶ 14.

381. Another was given an evaluation survey (at ITT Tech) to explain how I felt about this ‘job.’ There was a question in it that asked me how relevant was this ‘placed job’ to my field of study. I answered honestly that it had little to no relevance, once my program chair saw my answer, he instructed me to change it, to state that it was very relevant because according to him, answering negatively would ‘affect my chances of graduating.

*Id.* Ex. 8 ¶ 12.

382. Another student was “made to sign documents about job placement in the middle of my last semester,” and “was told if I didn’t sign I couldn’t continue going there.” *Id.* Ex. 8 ¶ 37.

383. Another student describes an experience being pressured by ITT to sign forms: At the end of my term there, I was pulled into a room and given a survey. The counselor filled out the survey based on my answers. However, it seemed as though he would try and pressure me into giving me the answers he was looking for. However, it seemed as though he would try and pressure me into giving the answers he was looking for. For example, I did end up finding an IT job on my own, with no assistance from ITT tech. The counselor kept rephrasing the question on if ITT assisted me with in getting the job. [ ] I’m unsure of what he wrote down, but it was a very uncomfortable survey.

*Id.* Ex. 8 ¶ 57.

384. Yet another student states, After I graduated they called me constantly and wanted me to come down and sign some paperwork saying I got a job in my field of study. I was in the roofing business!!! My course of study was Computer Networking Systems! Their reasoning was, I had talked about setting up a live feed for my business so customers...could see their house being worked on from a webpage.

*Id.* Ex. 8 ¶ 35.

385. In the words of one such student,

I was told that ITT would help me find a job. That being said, I found a job at a law firm doing medical record requests. It was not in my field of study [Criminal Justice], and I found this job on my own. After finding out where I was employed, ITT personally called my boss and asked that they explain how ITT helped me get this job. My boss came to me and questioned me on why ITT was calling her. I had to call ITT and tell them to quit calling my work as they had NO hand in helping me land a job wheheter it was in my field of study or not.

*Id.* Ex. 8 ¶ 24.

386. Another student reported that ITT’s career services office asked the student to register a business so that ITT could represent that the student was employed.

387. Other students report learning that ITT had falsified records relating to their own placement. For example, a student reports:

ITT showed a job placement rate of over 85% infield, when in reality the rate was closer to 20%. This rate was inflated by taking jobs like Cashier and saying working with a computer is infield. This person is actually working at a local grocery. The inflated salaries w[ere] shown when I was told I could be making upwards of \$80,000 and I, on top of my class, graduated having a job with a salary around \$30,000. The paper work filed for my employment said that I was making \$80,000 per year. [T]he reason I know these numbers and how jobs were incorrectly filed is because my wife held an internship in the career services center.

*Id.* Ex. 2 ¶ 189.

388. Another student states,

“At one point, I stopped receiving any information about new positions opening, and when I inquired about it with the career resources tech, I was informed that I had been removed from the ‘Job Blast’ list and marked as already having a position in my field, despite never being contact or hired.

*Id.* Ex. 2 ¶ 2.

389. ITT also pressured students who were unable to find work to reenroll in another program at ITT, in order to be able to exclude those students from their placement numbers and generate more revenue for the school.

390. As one student recounts,

I joined ITT in 2008. I was guaranteed that upon completion of [an] Associates Degree I will have [a] six figure salaried job. I was introduced to career services department and was told that they will provide 100% support and introduce me to hiring managers of the companies and that their job is to constantly make connections and invite hiring managers to recruit students from ITT School, hold and organize job fairs for school students. [ ] The promise of connecting to Hiring

Managers of companies those who are looking for IT Professionals never became a reality. 6 months passed by, the[y] started telling me that the program[s] have changed and my [degree] is outdated and I should take more classes and I should loan out more money to pay for more classes and the[n] I will have better chances to find a job and that they have more managers in line who are waiting to hire new graduates, so now in order for me to get connected with the hiring managers I needed to get another 50K in loan[s].

*Id.* Ex. 4 ¶ 62.

391. And another student reports: “They asked me to participate in a commercial about how ITT helped me find a job in my field of study. I told them NO! [ ] They were asking me to lie about their ‘successful statistics about job placement rates.’” *Id.* Ex. 8 ¶ 24.

392. ITT was able to maintain accreditation by ACICS in part because high-ranking members of ITT’s management served on ACICS’s decision-making body.

393. ACICS has since been denied continued recognition by the United States Department of Education as a reliable assessor of institutional quality for purposes of determining which institutions may have access to federal student aid programs, in part because of its failure to protect against conflicts of interest, and its failure to sanction schools that fell below its benchmarks. The Department also noted that ACICS had in several instances been confronted with irrefutable evidence that institutions it accredited had falsified job placement reports, and had not taken any action against those institutions.

394. In the face of the more vigorous oversight exercised by state nursing authorities, ITT’s programs were not able to withstand scrutiny and faced severe sanctions in many jurisdictions.

395. A major component of oversight with respect to nursing programs has to do with passage rates of the NCLEX exam. Unlike the entirely self-reported and unverified job placement rates that ITT reported to ACICS, ITT could not manipulate the passage rate of its nursing students on the NCLEX exam. Pass rates were as low as 20% at some locations. In 2015, the best-performing ITT nursing program registered pass rates 15 percentage points below the national average.

396. ITT’s programs were placed on probation in Arizona, Indiana, Ohio, and Texas, after regulators in those states identified numerous curriculum violations, including a lack of qualified instructors and adequate laboratory equipment and clinical training.

**D. Concealment of Actual Student Outcomes from Investors and Securities Regulators**

397. ITT also concealed the actual outcomes of its students, in the form of default rates on private loan instruments, from investors and the Securities Exchange Commission.

398. ITT consistently reported in filings to the Securities Exchange Commission that 70% of its graduates were placed in positions that required the direct or indirect use of skills taught in their program of study.

399. Defaults on ITT's private loan products were extremely high, a fact which ITT hid from investors and regulators until 2014. As early as May 2011, ITT's consultant for loan default analysis projected a gross default rate of 61.3% for the existing CUSO loans. ITT reported a projected default rate of over 70% on these loans in 2014.

400. In order to avoid the consequences of this high default rate under the terms of the PEAKS program, and alerting regulators and shareholders to the dire outcomes facing ITT students, ITT chose to make minimum payments on these loans, in order to avoid student default. This "payments on behalf of borrowers" scheme was implemented without students' knowledge or consent. In October 2012, ITT made \$2.4 million in such payments, thereby avoiding an obligation to provide \$30 million in guaranty payments that would have otherwise come due.

401. The SEC charged ITT's CEO and CFO, Modany and Fitzpatrick, with securities violations, for their role in "routinely misle[ading] ITT's external auditors" in order to "further [their] fraudulent scheme."

**IV. ITT'S BREACH OF CONTRACT WITH STUDENTS**

402. In light of the above allegations, ITT committed a breach of its contracts with students by failing to provide educational services, entirely or substantially. Further, ITT violated the express and implied terms of its contracts with students by knowingly depriving students of the benefit of their bargain with ITT, and by imposing unconscionable one-sided contractual terms on students.

403. Named Plaintiffs and class members who attended ITT entered into enrollment contracts with ITT. Each enrollment contract incorporates by reference the school catalog, which contains, among other things, a description of program objectives, instructional facilities, and career opportunities for graduates of that program.



404. ITT regularly breached its contract with students by unilaterally cancelling programs without notice, harming students who were already enrolled. *See id.* Ex. 9 ¶¶ 2, 8, 10, 11, 12, 14, 16, 18, 19, 22, 31, 33, 34, 36, 37. ITT's closure is merely a large scale expansion of this ongoing practice.

405. As one student recounts,

[ITT] started a construction management program and cancelled it before any classes were [able] to obtain a degree. There was no notice, no prior knowledge. They let our class start thinking we were in Construction Management when behind the scenes they cancelled it and changed it to Project Management without even telling us. We actually just noticed that the course name on our schedules changed. There was no staff available to help answer questions and then they suckered about half of my class into continuing the Project Management program which was later canceled without anyone receiving a degree.

*Id.* Ex. 9 ¶ 10.

406. Another student was

told 2 weeks before getting my associates degree that the criminal justice program was being cancelled. Now I just wasted 2 years of my life and \$80,000 plus in debt for an associates degree that can't even be used for a lowly security job watching the front door of a grocery store, or the school credits can't be transferred to another school.

*Id.* Ex. 9 ¶ 12.

407. ITT also unilaterally moved certain classes online, even though students had signed up for in-person learning. *Id.* Ex. 9 ¶¶ 1, 5, 9, 15, 17, 21, 29. For example, one student states:

The general education was originally on campus, during my third year they moved it online, no prior announcement. I did not sign up for online classes and was not the least bit interested in taking courses online. In fact I didn't find out I had an online class until I got my class schedule. When I went to my program chair they told me it's too bad, it was moved online to cut costs.

*Id.* Ex. 9 ¶ 5.

408. Students who were still enrolled when ITT campuses closed in September 2016 were denied the educational services they were promised by ITT, in breach of ITT's contract with them. A Kentucky student who was enrolled when ITT closed says:

I have a family that I have to take care of. I was looking forward to get[ting] a career out of the training provided by ITT Technical Institute. This would allow

me to pay off these debts. Now I am faced with bankruptcy and being homeless with my 3 year old daughter and wife.

*Id.* Ex. 28 ¶ 8.

409. Although ITT promised students lifetime career placement services and refresher courses, students were being denied these services even before the school shuttered. ITT's closure now ensures that, going forward, all former students will continue to be deprived of those promised services.

410. Even before ITT closed, students were routinely denied the services that they were expressly promised. Even students who completed ITT programs did not receive the hands on training and guaranteed job placement that was promised. *See id.* Exs. 3, 4. ITT failed to make even minimal investments to support the core educational training and career placement functions that it promoted to students. ITT's underinvestment in these core services deprived students of the educational and vocational services that they bargained for, and constitutes bad faith.

411. ITT's efforts to misrepresent and misconstrue the inferior nature of their accreditation reveals a further lack of good faith. When students repeatedly expressed that they were interested in credits that would transfer to community colleges and public universities, ITT's promised that its services would help students accomplish these goals. Instead, ITT's high-cost, low-quality education foreclosed the possibility of true educational advancement for these students. *See id.* Ex. 27.

412. Students enrolled in ITT's nursing programs were misled by ITT's false promise that those programs would lead to employment when, in fact, ITT's lack of programmatic accreditation rendered its students ineligible to become licensed nurses in most states.

413. ITT's practices of enrolling students without regard for student success, providing poor instruction, and passing students simply so that the school could continue to receive more funding further reflect the company's lack of good faith in providing educational services. *See id.* Ex. 7.

414. ITT focused on maximizing profits by lying to potential students, concealing the truth about poor outcomes, and extracting ever-increasing costs from students rather than providing the educational services that students sought. For example, when members of ITT's corporate board learned that nearly all ITT campuses would fail a proposed "gainful

employment” standard, ITT did not focus on improving students’ employment prospects. To the contrary, ITT’s corporate board proposed gaming the metrics once again by manipulating the debt burden of students who were likely to be captured by the relevant regulatory metric.

415. Although ITT recruiters told students that ITT was looking out for them, ITT recruiters abused the positions of trust that they held as nominal financial aid and admissions advisors. Many students believed so deeply that education was their path to a better life that they did not pause to consider the possibility that a government-approved educational institution would mislead them by entering into a contract with no intention of actually providing the promised educational and job placement services.

416. ITT’s enrollment agreements included many one-sided terms that are unconscionable under any circumstances, but are particularly egregious given ITT’s practice of targeting the most financially vulnerable segments of a population that is by definition unsophisticated. Many students were young and had just become capable of entering legally binding contracts when they enrolled with ITT.

417. ITT’s Enrollment Agreement grants ITT the right to unilaterally change the terms, provisions, procedures, policies, and requirements of the enrollment contract without notice and at any time. The Enrollment Agreement states that such changes are binding on students.

418. Although ITT requires students to assent to mandatory, binding arbitration of disputes as a condition of enrollment, ITT reserves for itself the right to seek remedies outside of arbitration, or even to conduct arbitration under different terms than those contained in the Enrollment Agreement.

419. If a student breaches the Enrollment Agreement, ITT can seek costs and expenses without limitation, including collection costs, attorney fees, and arbitration fees. Meanwhile, students are limited to recovering only their tuition cost.

420. The “Cost Summary and Payment Addendum to Enrollment Agreement” used by ITT also includes unconscionable, one-sided terms. Although the student is bound to pay as described, ITT reserves the right to “rearrange, adjust, and/or extend the time and amounts of payment due on this Addendum without notice to, or the consent of, Student and without releasing student from any of his/her liabilities and obligations hereunder.”

421. As students progressed through their coursework, ITT levied additional costs and insisted that students had to pay for these additional costs either out of pocket or by taking out

additional loans. Students had to accept these costs to avoid being kicked out of school midway through their program of study. *See id.* Ex. 17 ¶¶ 5, 6, 11, 12, 13, 15, 20, 21, 23, 24, 47, 48, 54. For example one student “had to pay over \$5000 out of pocket because the loans did not cover the full cost of the program even though they said the loans would cover the cost completely.” That same student reports, “[o]ne month before graduation they sprang yet another fee that had not previously been mentioned and I had to pay to receive my degree.” *Id.* Ex. 17 ¶ 16.

422. Another student was explicitly told that she would not graduate unless she paid an additional \$800 in cash.

[T]owards the end of my graduation they said that all the loans were exhausted and that i had to pay them in cash or i wouldnt graduate or get my diploma. [I] believe it was arround the 800 dollar side but at that point i didn’t have that kind of money on hand. [I] had to borrow it from family. [H]ow could it be if everything was so well planed out how was it that i had to pay in cash? [D]id something change? [W]ere they charging me extra for something? [T]he thing that scared me into paying is the fact that i wouldn’t graduate. [L]ooking at it now it seems like a scare tactic to bully me into paying them.

*Id.* Ex. 17 ¶ 13.

423. ITT students were subjected to a shifting set of rules and financial burdens that increased the total amount of ITT’s cost to them. For example, students were told that laptops were “free” when in fact students had to pay for them, or were told that they would qualify for an ITT “Opportunity Scholarship,” when in fact ITT would only award the scholarship after a student had borrowed the maximum amount of loans available to them.

## **V. INJURY TO CLASS**

424. Students continue to experience harm from ITT’s predatory practices in nearly every facet of their lives. Students are financially impoverished, their families are destabilized and torn apart, and they experience harassment, wage garnishment, eviction and homelessness. Upon learning that their job prospects are dismal, that their credit is destroyed, and they have exhausted their educational opportunities, students lose faith that they can ever claw their way out of lifelong debt and poverty. Many experience personal shame, depression and thoughts of suicide.

425. In the past ten years alone, ITT created, by a conservative estimate, \$7.3 billion in student loan debt, both federal and private. The amount of debt carried by ITT students has and will continue to balloon.

426. ITT student earnings are patently insufficient to support this enormous debt. 2014 ITT graduates earned nearly 20 percent less than the median earnings of American workers with high school diplomas but no college credits, including twenty-three ITT programs with lower median earnings than workers with only a high school diploma. Graduates of eleven ITT programs had median earnings even lower than workers who did not graduate from high school.

427. Default rates demonstrate the insufficiency of ITT student earnings to even minimally service this massive student loan debt. As of 2016, roughly 18.5% of all ITT student borrowers had defaulted on their federal student loans. Only 53.3% of the remaining, non-defaulted borrowers had reduced their principal balance by even a single dollar in the past seven years. One financial analyst estimates that lifetime default rates on ITT students' federal student loans will approach or exceed 70%. The default rate on PEAKS loans ranges from 75 to 85%.

428. Student loan default has dire consequences. Students who default on federal student loans lose eligibility for further financial aid. They are subject to involuntary collection of their wages, benefits, and tax refunds, including Earned Income Tax Credits. Private loan defaults, like federal defaults, destroy a student's credit and can result in litigation and liens against students.

429. ITT students' inability to repay their loans causes additional harm in other areas of their lives. Bad credit from default, or even the mere existence of this sizeable debt, further restricts employment possibilities. Financial strain undermines families, leaving students further isolated from financial and emotional support. Students cannot afford healthcare or access credit to treat chronic depression and physical ailments. Students are left in a downward spiral and many conclude that their lives are ruined. *See generally id.* Exs. 20-29.

**A. Harassing Debt Collection and Involuntary Collection**

430. ITT students who cannot repay their loans experience constant harassment by debt collectors. *See generally id.* Ex. 22. For example, one student, who was enrolled in ITT's Network System Administration program at a Washington campus stated,

I joined the Army to pay for school, and ITT Tech mislead my dreams of higher education. Now I'm \$10,000 in debt and have nothing to show for it. I'm constantly being harassed by collection agencies and it's making me depressed.

*Id.* Ex. 22 ¶ 79. Another student who was enrolled in ITT's Criminal Justice program in California until 2005 says that

I was mental abused by Sally Mae threats. They called me lazy told me to sell my body and they were going to send me to jail. So much more. I was trash all I wanted to do was lived off of the government. It was so bad I seriously thought about suicide I eventually went on meds for this.

*Id.* Ex. 22 ¶ 26.

431. Debt collectors call students multiple times every day to harass them. *Id.* Ex. 22 ¶¶ 11, 18, 65, 70, 96, 104. In one particularly egregious case, a student who was enrolled in ITT's Computer Drafting and Design program in Michigan through 2011 receives "over 20 phone calls a day from the private loan servicer. They also call my place of employment. It is embarrassing. It has put a huge financial strain for me, my wife, and my family." *Id.* Ex. 22 ¶ 41.

Debt collectors commonly extend their harassment to former students' family members to increase the discomfort and pressure experienced by student borrowers.

*Id.* Ex. 22 ¶¶ 2, 3, 10, 20, 21, 23, 24, 31, 39, 45, 51, 54, 62, 71, 72, 86, 97, 100, 103, 104.

432. For example, a student who was enrolled in ITT's associate degree program in Network Management until 2009 is:

having 15% of my wages garnished. Dealt with multiple collection agencies calling at odd hours AND contacting my parents and brother who had nothing to do with the loans nor were they even on the loans. . . . The collections companies violated Fair Debt Collection rules and contacted family members also provided them with information regarding the loans. They refused to take them off the contact list. This has caused a very large strain on my relationship with my brother. We are virtual strangers at this time.

*Id.* Ex. 22 ¶ 51.

433. Another is

a Veteran who suffers from PTSD, depression, suicidal tendencies, insomnia and other maladies. Before incurring the debt without completion from ITT Tech I was doing fine . . . but now with the burdening of the debt from ITT Tech and the constant bombardment of collection calls, being threatened that any tax refunds would be withheld causes much needless stress. Sallie-Mae and now Navient have sent or called me threatening to take action on my tax refunds, payroll and even harassed my family members for repayment.

*Id.* Ex. 22 ¶ 86.

434. Debt collectors also harass former ITT students at work. *Id.* Ex. 22 ¶¶ 8, 10, 19, 39, 41, 73, 88, 96. For example, a student reports,



Sallie Mae/Navient has called my work repeatedly. Let messages with my boss and other coworkers. Called my family about my debt, asking them questions about me. . . . I get extreme anxiety over my student loans. I have insomnia and every time my extension rings at work I'm afraid it's them hounding me.

*Id.* Ex. 22 ¶ 10. Such workplace harassment further undermines the stability of ITT students' employment.

435. In addition to constant harassment, students who default experience garnishment of their already-low wages and lose Earned Income Tax Credits and Social Security benefits that they urgently need to meet their basic needs. *See generally id.* Ex. 23. These forms of involuntary debt collection make student debt an inescapable burden for many students who attended ITT campuses. For example, a student says:

I am earning 13\$ and hour. The more I work the more they take because my wages are being garnished. . . . Plus they take my tax refund every year even my Earned income tax credit that I should get because I have a 2 year old. When I first had my baby in 2013 I was making 11\$ an hour at the goodwill, I lost that job and they took my tax refund even though I was unemployed with infant. I could have used that 3000\$. I feel like I have let down my entire family. I went to the school, my dad used to pay them every month . . . about 150\$. And now his tax refunds are being taken so are mine and I have nothing to show for it. I live in absolute poverty and with no way out. . . . I can't pay it off ever. And my dad calls me everyday saying that creditors are calling his manager at work threatening to garnish his wages. And for what , we have nothing to show for tens of thousands that we have paid. This has caused me to have severe depression, because I see no way out ever. It hurts, I used to cry everyday . . . . It's like being in a strong arm robbery every paycheck and every tax refund.

*Id.* Ex. 23 ¶ 13.

436. Students who experience involuntary collection are often struggling to support themselves with low wage or minimum wage jobs that are a far cry from the high-salary positions promised by ITT recruiters. For example, one student says:

For crying out loud, I wor[k] at McDonald's as a drive-thru attendant 32-60 hours a week earning only \$8p/h... and my husband has gotten laid off his \$28,000p/y factory job. . . . Because my daughter has a psychotic & behavior disorder . . . the state could file charges of child neglect and endangerment if I can't afford to buy food, pay rent/water/electric bills[.]

Despite the fact that attending ITT did not elevate this student's wages or career prospects, she reports that, "[m]y and my husband's yearly tax returns are being confiscated to pay of the debt.

[ ] Due to all of the struggles I have went through and and am still enduring caused by ITT-

Technical Institutite my family has to live in a cheap rundown apartment, barely able to pay our monthly bills.” *Id.* Ex. 23 ¶ 4.

437. Involuntary collection can impact several generations of a family. *Id.* Ex. 23 ¶¶ 2, 6, 8, 11, 12, 13, 23, 25, 30, 31, 35, 36, 37, 38, 40, 45, 46, 47, 48, 50, 61, 62, 68, 70, 71, 77, 78, 80, 85, 88. For example, one student reports:

I am a single mother struggling to get by, getting further into debt due to the negligence of this school. My garnishes are being waived and my taxes are being taken. I am forced to live with my parents due to not having enough money for my son and myself to live on our own. This debt has been so unbelievably hard to overcome . . . . If I would have known then what I know now I would have never attended this school. It’s hard being a single mom living from paycheck to paycheck trying to support a child.

*Id.* Ex. 23 ¶ 2.

438. Involuntary collection on ITT loans forces students and family members to make impossible choices, cut back on necessities, and default on other bills. For example, a student states:

They have garnished my pay checks and tax refunds, so I have to work more than 40 hours a week to make up from what they take and that doesn’t help, because the more I make the more they take...I am a single parent who was trying to better my life for my daughter and I, now I don’t spend time like I want with my kid, because. I am working all the time and I am drowned in debt that I will never be able to repay . . . I have now had my wages garnished and my income tax taken from me and it has left me unable to pay my rent, bills and get food...I barely bring home \$100 every week!!

*Id.* Ex. 23 ¶ 45. A parent whose son attended ITT says:

I make ten dollars an hour and now my wages are being garnished for this loan that has not helped myself or my son any at all. . . . I can barely afford to pay my bills now that I am being garnished. I have several medical bills I am also trying to pay. I had to stop paying on them because of my garnishment. . . . I have been dealing with this for ten years now. It is very stressful. My wages being garnished makes it difficult to pay my bills and still have money to eat. I have to choose some weeks between paying my electric bill or buying food. I can forget about saving any money for retirement. There is nothing left to save.

*Id.* Ex. 23 ¶ 30. Many students worry that harmful collection activity will continue for the rest of their lives because the interest on their student loans is growing so fast that they are unable to keep up with their limited payments and garnishments from low-wage jobs; for these students, ITT effectively left them with a life-long debt sentence.

439. Some students default and subsequently experience harassment and involuntary collection for loans that ITT secured without informing the student about the nature or number of the loans or the identity of the lender. *See generally id.* Exs. 11-15. For example, a student received a letter of “congratulations” after 2 loans were paid off. I had assumed that was all I owed. I then received the collection notice and letter from the IRS that they were holding my \$8000 tax return to pay toward my debt. I have had my tax returns held for unpaid loans I was unaware of. I was not aware of 10 loans. I still owe close to \$17,000.00 in student loans.

*Id.* Ex. 23 ¶ 56. Another student reports, “After finding out that i had 12 or so different loans which i was unaware of until i was being garnished by most of them. . . I had so much stress that I missed time at work. I was emotionally and mentally unable to cope.” *Id.* Ex. 23 ¶ 10.

### **B. Destruction of Credit**

440. Upon leaving ITT, many students discover that their credit scores have been damaged by the number of loans, the amount of debt, and the high burden of repaying the loans. *See generally id.* Ex. 21; *see also id.* Exs. 11-15, 17, 19. As students fall behind on these loan obligations and experience delinquency, default, and collection activity, their credit scores sink lower and lower.

441. Credit harm perversely prevents students from attaining even entry-level employment, locking them into a negative cycle of financial insecurity. *Id.* Ex. 21 ¶¶ 3, 8, 9, 15, 18, 23, 32, 42, 55, 92, 105, 106, 119, 135, 140, 155, 166. This pattern is particularly acute for students enrolled in ITT’s Criminal Justice and Program Management programs. For example, a student who enrolled in ITT’s Criminal Forensics Technician program describes how her credit has prevented her from working in her field of study. “I can’t get a job in my field because they do credit checks. I can’t better my life because I am financially unable to pay due to not having a job.” *Id.* Ex. 21 ¶ 79.

442. Some students describe being rejected from specific job opportunities because of their debt from ITT. A Criminal Justice student notes that, “it has cost me a job with the TSA due to the debt was so high, that’s why I went to school[,] to get a job like that.” *Id.* Ex. 21 ¶ 55. Another student writes, “The debt load has worked against me when applying for sensitive jobs. I believe I’ve lost out on two sheriff support jobs as well as one with the Vancouver Police department[:] my deferred debt is seen as poor fiscal management on my part.” *Id.* Ex. 21 ¶ 106.

443. Veterans were pushed out of military careers because of ITT’s negative impact on their credit. For example, one veteran reports:

My credit score is low. My marriage is in danger because of constant stress of how we are to pay for everything.[] Thus burden has forced me to have to retire from the military because I had my security clearance revoked and could no longer serve my country. I have emotional and physical damage because of this.

*Id.* Ex. 21 ¶ 155.

444. Another veteran who attended ITT’s Criminal Justice program has a “credit score [that] is so very ruined that my new family is living in a room sleeping on the floor because we can’t afford adequate housing since everything is based on credit scores including employment...” *Id.* Ex. 21 ¶ 15. His damaged credit “resulted in with[]drawing from staying in the military as a career.” *Id.*

445. Credit harm also prevents ITT students from being able to move forward with their lives. *Id.* Ex. 21 ¶¶ 31, 61, 75, 77, 82, 84, 93, 121, 122. A student explains:

I live with my fiancée`, and we have wanted to get married for many years now, but simply cannot afford to due to the immensity of these payments. . . . I would give anything to be able to marry this woman. [] I have been with my fiancée` for seven years. Not being able to afford a wedding is absolutely heart-breaking every day.

*Id.* Ex. 26 ¶ 85.

446. One student “was afraid to get married because I didn’t want my student loan debt to hurt my husband’s credit score.” *Id.* Ex. 21 ¶ 77. Another student reports, “I am 31 years old and I had to move back home with my parents because my student loan debt won’t allow me to purchase a home. . . . I make barely enough to keep myself going.” *Id.* Ex. 21 ¶ 122.

### **C. Loss of Opportunity**

447. Many ITT students want the opportunity to correct their mistakes by earning a degree at a legitimate college, but they cannot further their education or training because ITT exhausted the students’ financial aid eligibility and other resources. *See generally id.* Ex. 27.

448. For example, one student laments, “ITT-Tech not only ruined my credit but ruined any chance of me attaining any legitimate degree from a respected college. I have maxed out on my federal loans and currently can’t afford to pay my way into another. I am totally and completely helpless at this point.” *Id.* Ex. 27 ¶ 22.

449. Another student found that although more study would be required to obtain the certifications necessary for employment in his field, he can no longer afford to earn those certifications: “Looking at the job requirements that meet the pay grade I was promised I need to go back to school to get Linux, Cisco, A+, Ethical Hacking, and other certifications which I can not afford to take at this time due to limited hours after work, and monthly student loan payments 6 years later.” *Id.* Ex. 27 ¶ 85.

450. Most schools do not accept any transfer credits from ITT. *See generally id.* Ex. 10. Therefore, students face the dual obstacle of having to rebuild their educational credentials from the ground up after their financial resources have been depleted by ITT. *See id.* Ex 10 ¶¶ 144, 157, 165, 175, 287, 307, 367, 393, 402, 419, 456, 640, 666. As one student put it, “ITT credit are non transferable, I would have to start from ground up, but can not because I’d never get approved for more loans.” *Id.* Ex. 10 ¶ 144.

451. A veteran who enrolled in ITT’s Electrical Engineering program exhausted his military tuition benefits, explaining, “I use the VA so my credits wont transfer to my new school and my benefits remaining will not allow me to pursue a Bachelors Degree.” *Id.* Ex. 10 ¶ 165.

452. Many veterans have lost all of their GI Bill benefits to ITT. *See, e.g.,* Ex. 20 ¶¶ 10, 17, 29, 35. One veteran who attended a Computer Networking Services program found that he had “wasted my GI bill on this, so i no longer have a benefit that i served for 4 years to accumulate. And i did worse than throwing it out the window- i worked my tail off AND paid them in cash for the privilege!” *Id.* Ex. 27 ¶ 295. Another veteran “gave up furthering my education because we simply could not afford anymore school debt. I feel like I wasted my GI Bill on this school.” *Id.* Ex. 20 ¶ 17.

453. Another veteran reports that ITT never told me that my GI bill with yellow ribbon program was going to be exhausted when I signed up for the Bachelor program along with all of the grants I qualified for. Towards the end of my program about 9 months out I found out. Now I have no way of continuing my education. I am currently having to pay \$240 monthly . . . I have 4 children which one will be attending college here in about 2 years. I am a disabled Veteran and I have loans totaling \$20,262.94 and as much as I have paid over the past it has not went down. Exhausted all Veteran benefits for this along with not being able to incur more debt.

*Id.* Ex. 20 ¶ 29.

454. Students worry that because ITT exhausted their borrowing capacity and ruined their credit, they will not be able to help their children earn degrees from legitimate colleges. For example, one student reports:

My wife can't go to a real school and better herself because we cannot afford the debt. My children will probably not be able to go to school, at least not with my help and that fills me with despair. This is supposed to be the greatest country in the world but I.T.T. tech is profiting on the backs of people that only want to make a better life for themselves. They are destroying peoples futures[.] I make \$12.99 an hour which is what I could make without a degree. I can't obtain any loans or assistance to go to a real school and obtain a real degree. I sometimes think very dark thoughts that I don't want to describe because they are very distressful and saddening. I don't want to lose my family or life because I went to I.T.T. tech. I don't want to live in poverty because I went to I.T.T.

*Id.* Ex. 26 ¶ 175. Another student notes, "I was not able to co-sign for my daughter's student loans. This is like a dark cloud." *Id.* Ex. 27 ¶ 298.

#### **D. Undermining of Families**

455. The experience of attending ITT and the resulting debt has undermined students' families. *See generally id.* Ex. 26. For example, one student was

evicted from the home I was renting, and my wife left me. I was forced to move into a trailer park that I did not feel was the safest place for me and my daughters as the amount of my loan payment, the eviction, and now poor credit kept me from being approved for a better home. I feel I have failed my family because I am not able to make the salary I was promised. High monthly student loan payments make it very difficult to pay my regular home bills, children have not been able to participate in sports etc at school, I'm unable to afford medical insurance, children and I have had to shop for school and work clothes at second hand stores, two pets had to be put down because we could not afford necessary vet bills. . . . I've added financial burden on my parents as they have been financially assisting me in supporting my family do to the broken promises of ITT.

*Id.* Ex. 26 ¶ 47.

456. For another student, attending ITT

has destroyed my relationship with my grandmother who is my cosigner & has put a large burden on my relationship with my mother. The debt and amount of payments caused me to lose my fiance because all my money went towards loans and she saw that I wouldn't never be able to support her or children...she was right to abandon me, I can't even support myself now.

*Id.* Ex. 26 ¶ 50.



457. Many students postpone marriage, sometimes indefinitely, for fear of exposing their prospective spouse to their ITT-related debt. *Id.* Ex. 26 ¶¶ 5, 20, 25, 26, 65, 85, 95, 96, 104, 112, 117, 200, 207, 212, 220, 227. As one student reports,

My girlfriend and I have been together for 4 years and can't afford to get married, move into our own place, or start a family. Student debt has forced me to put my life on hold and I've done all I can to pay it off, there is no future for me as long as I hold this debt.

*Id.* Ex. 26 ¶ 25. Another states, "I can't get married because I don't want my future wife to be saddled with my debts." *Id.* Ex. 26 ¶ 26.

458. Many students' marriages have suffered because their debt from ITT has caused marital strife. *Id.* Ex. 26 ¶¶ 3, 8, 11, 30, 31, 36, 64, 75, 77, 79, 89, 97, 98, 103, 113, 120, 130, 134, 140, 145, 155, 160, 161, 171, 174, 182, 190, 202, 205, 210, 215, 229, 243, 248. For one student, "the financial stress of the garnishment[] has my wife ready to walk out on the marriage taking my children." *Id.* Ex. 23 ¶ 40.

459. ITT has contributed to many students' divorces. *Id.* Ex. 26 ¶¶ 7, 21, 47, 49, 50, 67, 110, 122, 125, 136, 148, 157, 183, 188, 193, 198, 202, 213, 222, 236, 241, 245, 246, 247. For a Nevada student who enrolled in ITT's Applied Science, Software Applications & Programming program, "[t]he monetary stress of not being able to find jobs in the field I had studied for eventually led to a divorce and the loss of my house to foreclosure." *Id.* Ex. 26 ¶ 122.

460. ITT loans prevent many students from being able to adequately provide for their children. One parent who enrolled in a Computer and Electrical Engineering program in wonders:

What happens if my car brakes down, a child falls, a refrigerator brakes, we get sick, cost of day care goes up, or a pipe bursts in the house? We cry. We get sick. With this debt we, I, cannot give my sons the childhood memories they deserve. I [have] \$395 a month in student loan debt. Considering I never got the \$60,000/yr job they promised me, this is a huge struggle for me to raise my two sons (5 & 7 years old).

*Id.* Ex. 26 ¶ 163.

461. Another parent "cr[ies] every day saying this isn't [enough] i don't have the money to go and do stuff for my kids, no Christmas, no Halloween, no holidays and barely nothing for there birthday. I cant keep doing this it hurts me to look at my kids[.]" *Id.* Ex. 26 ¶ 250. Another "ha[s] to buy less groceries for my children because of the garnishments," *id.* Ex.

26 ¶ 57, and another notes that, “for the rest of my life I can not provide better for my family,” *id.* Ex. 21 ¶ 143.

462. ITT students are unable to care for aging parents and disabled family members because of the burden of student loans. One is “supporting my disabled father and trying like hell to make ends meet working construction again. I stopped receiving tax returns 2 years ago and now they want to garnish my wages.” *Id.* Ex. 23 ¶ 70.

463. Many ITT students feel that they have become a burden to their families. A student who attended a Computer Networks Systems program says:

I feel sad and stupid I decided to say yes to ITT Tech. I was 19 years old fresh out of high school and the only thing I wanted to do was work with computers. The ITT recruiter sweet talked me into thinking ITT Tech was this great school, and since that I was gonna make such a great salary I was gonna pay back my loans in no time. I also feel terrible for my dad that is still stuck with a loan on his name when he’s 76 years old and he’s got 10 more years to go. I also feel embarrassed when I tell people I’m an ITT graduate, no company respects that degree. It’s like everyone knew they were a fraud except 19 year old me.

*Id.* Ex. 29 ¶ 12.

464. Many students’ disastrous experiences with ITT have led them to believe that suicide is the only way to help their families escape the harmful effects of ITT. For example, one student says:

I have had many sleepless night pondering what I’m going to do. The future I had believed in so badly . . . proved to be false on so many levels. The fact I had put my mother into debt for a loan only gave me even worse stress and contemplated suicide in order for my debt I would be unable to pay off [to] be erased so she can survive.

*Id.* Ex. 24 ¶ 20.

465. Another student who enrolled in ITT’s MBA program explains:

I am now 40 years old and I cannot start again[.] My future is already gone, but I need to think about my family’s future instead. If I could go back in time and do things differently, I would have just walked away and never enrolled in that school. At times, I think it is best to commit suicide, so my loans are finally forgiven. All my husband has to do is give my death certificate to the lenders, so I can finally be free; and him as well. He does not deserve to be chained to a person who will only drag him down due to my student loan debts. My family deserves better, but I feel I have failed them all as a wife, mother and daughter.

*Id.* Ex. 24 ¶ 75.

466. Student loan debt from ITT has caused foreclosure, eviction, and homelessness. *See generally id.* Ex. 28. For example, one student says, “I was homeless living on friends couches because of false promises on finding a job and my credit . . . not being able to get approved for a home or apartment.” *Id.* Ex. 28 ¶ 10. Another student describes how negative credit, poor employment prospects, and homelessness were among the negative consequences of attending a Networking Information Technology program: “I can’t get work because I owe so much . . . I’ve become homeless numerous times because I can’t find work and people give up on me.” *Id.* Ex. 28 ¶ 15.

467. Some students became homeless as a result of ITT’s failure to prepare enrolled students in advance of ITT’s sudden and unanticipated closure in September 2016. For example, a student who was enrolled when the school closed says, “I am now homeless with four children[.] I was locked out on Sept 1, 2016 due to the high stress and lack of transcript or even being able to reach a Dean or Financial adviser on the phone[;] its like the school closed over night after my last final.” *Id.* Ex. 28 ¶ 14.

468. Other students, including those who were not enrolled when ITT closed, also experienced extended periods of homelessness because of their attendance at ITT. For example, one student “ended up being homeless for almost two years after all of this,” *id.* Ex. 28 ¶ 7, and another student states, “[i]t took me 2.5 years of being homeless and sleeping on peoples couches to get out of default,” *id.* Ex. 28 ¶ 3.

**E. Student Loan Debt from ITT Has Caused Impacts on Emotional and Physical Wellbeing**

469. ITT students experience overwhelming feelings of shame and self-loathing, and often blame themselves for falling victim to ITT’s predatory scheme. *See generally id.* Ex. 29. For example, one student reports being

ashamed of being nearly 30 years old and living with my parents, being the first person in my immediate family to go to college, and yet bringing home a degree that is effectively worth as much as a paper towel. It got so bad that I stopped going to family gatherings, even on holidays like Thanksgiving and Christmas, because I was utterly ashamed and didn’t want to be seen and known. I never really wanted fabulous success, but I did aspire to be self-sufficient and at least able to afford a small house and take care of myself. Having mucked that up so hard, I couldn’t bear to look people in the eye when talking about careers and degrees. I lied to people out of shame when asked where I was living or what I do for work.

*Id.* Ex. 29 ¶ 2.

470. Students feel deep regret over enrolling at ITT. *See id.* Ex. 25 ¶¶ 17, 44, 58. One student reports:

Everyday I regret going to this school. [I]f I could go back in time and change only one thing in my life, It would be attending this school and taking out these loans. I am so embarrassed that this scam happened to me. I don't even tell my friends that I have a degree because I am so embarrassed when people ask why I don't have a job in that field if I paid so much for it.

*Id.* Ex. 29 ¶ 21. A student who owes almost \$23,000 explains:

Going in the program to better myself believing their lies that I would have a great future makes me feel like an idiot. I regret everyday walking into their front door. . . . I have to stay poor and my family has to live a lesser life because our government allows these parasites to operate and if we don't pay then the government comes after us. Maybe it's time that our government stands up for it's people and dismantle these predatory colleges that try to sucker people in with hopes of making a better life for themselves and families.

*Id.* Ex. 29 ¶ 31.

471. Many ITT students feel ashamed for being young, naive, or unsophisticated enough to fall prey to ITT's deceptive advertising. For example, one student

was the first of my family to graduate from college. I took pride in that idea and now I feel nothing but shame and stress from debt collectors calling. I want nothing to do with the degree I have and will probably never persue this type of dream again as I question my own intelligence.

*Id.* Ex. 29 ¶ 14. Another student describes a similar reaction:

Every waking moment is filled with regret. Every single day I think about the mistake I made attending ITT Tech. All I wanted was to better my life because I worked a dead end clerical job in a state building. Their commercials made me believe I could find a career . . . . The only thing that has changed since achieving my Bachelor's degree is the amount of debt I am in and the state building I work in. I would never commit suicide, but I have pontificated on the idea of suicide. I don't feel like an adult, I feel like a sucker who got sold a dream.

*Id.* Ex. 24 ¶ 87.

472. Veterans in particular suffer the shame of losing their hard-won benefits. One such veteran reports:

When I applied to ITT Technical Institute, they assured me that my post 9/11 GI BILL benefits would cover all of my expenses at ITT Technical Institute for 3 years. However, how am I left with \$56k + in student loan debt? [ ] This degree

has brought nothing but shame on me, my family, and tens of thousands of other students and veterans across the country. I was the first in my family to complete a college degree, and now I am the laughing stock.

*Id.* Ex. 20 ¶ 19.

473. Many ITT students have lost faith in the idea that education can make them financially better-off. One student “want[s] to show my kids that a strong education can help you succeed in life, but so far I have let them down because that has not turned out to be true for myself.” *Id.* Ex. 20 ¶ 5. A student who attended ITT’s Project Management program

couldn’t believe that my hard work and sacrifices were done with no reward. I live in a gang infested city and had a positive image and impact on the younger youth that seen me struggle and keep pushing to finish [my degree] but now i feel like i let them all down and I am sure they will not make school there number one priority.

*Id.* Ex. 20 ¶ 10.

474. Beyond the self-imposed shame that they suffer, ITT students are routinely subject to ridicule by potential employers, by admissions officers at other colleges, and even by their own family and friends. *See, e.g., id.* Ex. 1 ¶¶ 12, 17, 38, 39, 60, 61, 69, 77, 120, 125, 127, 130, 187, 198, 218, 220, 227, 229, 242, 243, 252, 262, 263, 266, 307, 319, 323, 335, 354, 357, 378, 396, 410, 442, 448, 460, 468, 490, 494.

475. According to one ITT student, “It is an incredibly shameful experience to know that you worked very hard to get a degree only to find out that employers and colleges laugh at it.” *Id.* Ex. 29 ¶ 4. Another student is “constantly ridiculed by my friends and even employers for choosing ITT Technical Institute to complete my education.” *Id.* Ex. 29 ¶ 19. Yet another says, “[m]y lifestyle , motivation and life stress is affected every day due to the ridicule and slander I receive for my educational background.” *Id.* Ex. 29 ¶ 11.

476. Many ITT students experience deep despair and hopelessness. *See generally id.* Ex. 24. “Due to this experience,” one student has

essentially given up on everything. I was promised a bright future if I worked hard and so I did, I graduated with a 3.96 GPA, summa cum laude, a member of every society, valedictorian of my program. I worked full time while in school and still had to take care of my mentally ill brother and run my mother to chemo and renal appointments five days a week. I held up my end of the deal. Where is the dream I was promised? Yes, I am extremely depressed and in a dark place. Who wouldn’t be? I let myself down and now I am letting my family down.

*Id.* Ex. 24 ¶ 14.

477. Many ITT students feel depressed. For example, a student of an ITT Electrical and Electronics Engineering Technology program says:

I've been depressed as hell since this all happened and it came to light for me that I'd been scammed. I live an hour away from where I was going to school and at the time I was fairly newly married. I think about all the gas I burned, all the late nights I was up there doing classes, staying up to do busywork homework that didn't do anything for me. All the hard work and money I spent on parts for projects that were basically high school level science fair stuff. Time I spent away from my wife, and time I didn't have to be around my Mom before she passed not long ago. It's two and a half years of my life down the tube and the only reward is just about 40K in debt.

*Id.* Ex. 27 ¶ 6.

478. For some students, despair takes on physical manifestations including hypertension, heart palpitations, and insomnia. For example, one student reports:

I have laid awake many nights very upset not knowing how I was going to put food on the table and about how bills would get paid. I suffered further stress and fatigue from staying up late hours to study books I've had to purchase to teach myself the things that my job required that ITT did not teach and to try to study for certifications that they said I don't need. I've been experiencing deep, strong feelings of failure and depression because I have been unable to provide for my family. . . . I have been hospitalized for high blood pressure, stress, anxiety, and fatigue due to work and school related stresses.

*Id.* Ex. 26 ¶ 47.

479. Many ITT students contemplate suicide. *Id.* Ex. 24 ¶¶ 11, 15, 20, 24, 26, 46, 57, 63, 75, 80, 84, 87, 94, 96, 98, 105, 106, 113, 128, 139, 142, 144, 149, 156, 168, 170, 175, 210, 214, 215, 220. As one student describes being

Very much stressed, depressed, my health is poor. I had to go to the hospital because I was having a panic attack due to the stress of debt collectors calling and not being able to pay off debt. I have thought of suicide many times that would make this all go away and my family will not have to stress or worry either. Its horrible please help!!

*Id.* Ex. 24 ¶ 24.

480. In sum, ITT caused severe and long-lasting financial, physical, familial, and emotional harm.

481. Even as ITT recruiters continued to enroll prospective students by promising a high "return on investment," former students experienced such broad and pervasive harm that



they concluded that ITT ruined their lives. *See generally id.* Ex. 25. One student says “[m]y life was actually better before I went to school, now that I have a supposed education I’m worse than before when I only had a HS degree.” *Id.* Ex. 26 ¶ 30. That sentiment is shared by one student who

was actually financially better off before attending college[.] It has caused me extreme depression and anxiety which I take medication for. I have a 6 year old daughter, and I will never be able to help her with college because I have ruined my credit with these student loans. I hate myself for getting into this predicament. All I wanted was to be able to provide a better life for my family.

*Id.* Ex. 26 ¶ 77.

482. Another student explains:

My family can barely make it my student loans have caused so much financial hardship and stress it’s not even funny. The amount of money these loan companies are asking for exceeds my monthly income we are looking at garnishment and we can’t afford to lose any money[.] I wish I would have known how badly this was going to affect my life and my families life I would have never attended the school. Who would think getting an education in this country would ruin someone’s life.

*Id.* Ex. 25 ¶ 58. For one student:

It ruined my life, my credit, my employment opportunities, my significant other relationship, my family, and most of all they stole my future from me which I will never get back. [] The really sad part is I love to learn. I knew what I wanted to do with my life, I loved technology from when I was a kid. Every single night I think about this loan and how it has effected me, my family, and my significant other. I dont sleep, I have heart populatons from constant stress, and frankly I’m to exhausted to elaborate.

*Id.* Ex. 25 ¶ 35.

### **CLASS ACTION ALLEGATIONS**

483. Plaintiffs bring this action pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of themselves and others similarly situated. Plaintiffs seek certification under Rule 23(b)(2) and (b)(3).

484. The proposed class includes all individuals who attended any ITT campus, regardless of how long they were enrolled, from at least 2006 up until ITT’s closure in 2016.

### **Numerosity**

485. Rule 23(a)(1) requires that the class be so numerous that joinder of all members is impracticable. The precise size of the class is known only to ITT Defendants. However, according to ITT's own SEC filings, including 10-K reports from 2005 through 2015, over 750,000 students have attended ITT from 2006 until ITT closed its doors in September 2016. Class members' identities are readily ascertainable through records in the possession of ITT Defendants.

**Common Questions of Law and Fact**

486. Rule 23(a)(2) requires a class to share common questions of law and fact. Here, there are numerous questions of law and fact common to the class.

487. As laid out above, ITT's corporate headquarters dictated policies and procedures at all ITT campuses, from program offerings and curriculum, faculty hiring, staffing levels, and policies and procedures for recruitment, financial aid, and career services departments. The same acts and practices were implemented throughout all of ITT's campuses and in every state where they operated.

488. The attached exhibits include testimony from students who attended ITT locations in 38 states, in addition to students who attended online: Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin. These exhibits, together with evidence about ITT's central control, demonstrate that exposure to ITT's unlawful conduct was uniform and did not vary in a meaningful way across jurisdictions.

489. Additionally, as laid out above, at the direction of its corporate headquarters, ITT engaged in a continuous course of conduct designed to fraudulently conceal wrongdoing across all campuses from all students and from third parties that students may have relied on for information.

490. Thus, there are questions of fact common to members of the proposed class including: (1) whether ITT misrepresented that ITT adequately trained students for entry-level positions in technical fields that are in demand from employers; (2) whether ITT deceptively misrepresented that ITT provided students any return on their investments in the form of wages

sufficient to repay their debt; (3) whether ITT employed abusive, unfair and deceptive recruiting and retention strategies; (4) whether ITT misrepresented that ITT credentials were respected by employers and that ITT graduates were in demand; (5) whether ITT employed abusive, unfair, and deceptive financial aid practices; and (6) whether ITT fraudulently concealed its unfair and deceptive practices.

491. There are questions of law common to members of the class including: (1) whether ITT violated state and federal consumer protection statutes through conduct alleged herein; (2) whether ITT committed breach of contract through conduct alleged herein; and (3) whether, by reason of ITT's violations of consumer protection and contract laws, ITT should be required to (i) pay the remaining balances on all of the student loans taken out by Named Plaintiffs and class members, (ii) reimburse Named Plaintiffs and class members for payments made on their student loans, and (iii) compensate Named Plaintiffs and class members for their lost wages and time; and (4) whether Named Plaintiffs and class members are entitled to additional relief under common law, and the nature and extent of that relief.

492. In each of the 38 states in which ITT operated schools, there is a state consumer protection statute. Alabama Deceptive Trade Practices Act, Ala. Code §§ 8-19-1 *et seq.*; Arizona Consumer Fraud Act, Ariz. Rev. Stat. §§ 44-1521 *et seq.*; Arkansas Deceptive Trade Practices Act, Ark. Code Ann. §§ 4-88-101 *et seq.*; California Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200 *et seq.*; California False Advertising Law, Cal. Bus. & Prof. Code §§ 17500 *et seq.*; Colorado Consumer Protection Act, Colo. Rev. Stat. §§ 6-1-101 *et seq.*; Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. §§ 501.201 *et seq.*; Georgia Fair Business Practices Act, Ga. Code Ann., §§ 10-1-390 *et seq.*; Idaho Consumer Protection Act, Idaho Code Ann. §§ 48-601 *et seq.*; Illinois Consumer Fraud and Deceptive Business Practices Act, 815 Ill. Comp. Stat. § 505 / 2; Indiana Deceptive Consumer Sales Act, Ind. Code §§ 24-5-0.5-1 *et seq.*; Iowa Consumer Frauds Act, Iowa Code §§ 714H.1 *et seq.*; Kansas Consumer Protection Act, Kan. Stat. Ann. §§ 50-623 *et seq.*; Kentucky Consumer Protection Act, Ky. Rev. Stat. Ann. §§ 367.110 *et seq.*; Louisiana Unfair Trade Practices and Consumer Protection Law, La. Rev. Stat. Ann. §§ 51:4101 *et seq.*; Maryland Consumer Protection Act, Md. Code Ann. §§ 13-101 *et seq.*; Massachusetts Unfair Business Practices Law, Mass. Gen. Laws ch. 93A; Michigan Consumer Protection Act, Mich. Comp. Laws §§ 445.901 *et seq.*; Minnesota Uniform Deceptive Trade Practices Act, Minn. Stat. §§ 325D.43 *et seq.*; Mississippi Consumer Protection Act, Miss. Code.

Ann. §§ 75-24-5 *et seq.*; Missouri Merchandising Practices Act, Mo. Rev. Stat. §§ 407.010 *et seq.*; Nebraska Consumer Protection Act, Neb. Rev. Stat. §§ 59-1601 *et seq.*; Nevada Deceptive Trade Practices Law, Nev. Rev. Stat. §§ 598.005 *et seq.*; New Jersey Consumer Fraud Act, N.J. Stat. Ann. §§ 56:8-1 *et seq.*; New Mexico Unfair Practices Act, N.M. Stat. §§ 57-12-1, *et seq.*; New York General Business Law, N.Y. Gen. Bus. § 349; North Carolina, N.C. Gen. Stat. §§ 75-1.1 *et seq.*; Ohio Consumer Sales Practices Act, O.R.C. §§ 1345.02 & 1345.03; Ohio Consumer Sales Practices Act, Ohio Rev. Code §§ 646.605 *et seq.*; Oklahoma Consumer Protection Act, Okla. Stat. Tit. 15, §§ 751 *et seq.*; Oregon Unlawful Trade Practices Act, Or. Rev. Stat. §§ 646.605 *et seq.*; Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 Pa. Cons. Stat. Ann §§ 201-1 *et seq.*; South Carolina Unfair Practices Act, S.C. Code Ann. §§ 39-5-10 *et seq.*; Tennessee Consumer Protection Act, Tenn. Code Ann. §§ 47-18-101 *et seq.*; Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code §§ 17.41 *et seq.*; Utah Unfair Practices Act, Utah Code Ann. §§ 13-5-2.5 *et seq.*; Virginia Consumer Protection Act, Va. Code Ann. §§ 59.1-196 *et seq.*; Washington Consumer Protection Act, Rev. Code Wash. §§ 19.86.010 *et seq.*; West Virginia Consumer Credit and Protection Act, W.Va. Code §§ 46A-6-101 *et seq.*; Wisconsin Deceptive Trade Practices Act, Wis. Stat. §§ 100.18 *et seq.*

493. By and large, these statutes are modeled after the Federal Trade Commission Act, 15 U.S.C. §§ 41-58, which broadly prohibits unfair methods of competition and unfair or deceptive acts or practices in commerce.

494. In the context of private vocational schools, the Federal Trade Commission has defined conduct that is presumptively unfair and/or deceptive. Among other things, it is deceptive for a school to: misrepresent the facilities, services, qualifications of staff status, *see* 16 C.F.R. § 254.4; misrepresent enrollment qualifications or limitations, *see* 16 C.F.R. § 254.5; or to employ deceptive sales practices, *see* 16 C.F.R. § 254.7.

495. The conduct of ITT toward the named plaintiffs and the class is clearly deceptive conduct that is prohibited by every relevant state law, its implementing regulations, and decisional law. Whether the state explicitly incorporates the Federal Trade Commission Act, has a scope of coverage in their law identical to the Federal Trade Commission Act, or provides a list of wrong-doing that is prohibited, the actions and practices of ITT described herein would be deemed illegal.

496. ITT's conduct falls within the core prohibitions of state consumer protection laws, as further evidenced by civil investigative demands or complaints from the attorneys general of Arkansas, Arizona, Colorado, Connecticut, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Mexico, North Carolina, Oregon, Pennsylvania, Tennessee, Washington, and the District of Columbia, acting under the authority of state consumer protection statutes. These investigations and lawsuits concern the practices at issue here, regarding ITT's marketing and advertising, recruitment, financial aid, academic advising, career services, admissions practices, programs, licensure exam pass rates, accreditation, student retention, graduation rates, and job placement performance.

### **Typicality and Adequacy**

497. The claims of the named plaintiffs are typical of the claims of all members of the proposed class. The named plaintiffs, like all members of the class, have experienced deceptive misrepresentations, abusive, unfair and deceptive recruitment and retention practices, abusive, unfair and deceptive financial aid practices, breach of contract, and have been victims of illegal concealment practices, all at the hands of ITT.

498. The claims of each proposed class representative are set out in detail in an attachment to the Class Proof of Claim, filed concurrently with this proceeding. *See* Roytenberg Decl. Ex. 10.

#### ***Jorge Villalba***

499. Mr. Villalba attended ITT in California, graduating in 2010 with a bachelor's degree in Digital Entertainment and Game Design.

500. Mr. Villalba experienced ITT's deceptive recruiting and retention practices, including misrepresentations about the salary he could expect after going to ITT and the transferability of ITT credits. When Mr. Villalba first went to enroll, he was told by a recruiter that he would earn four times what he was earning prior to enrolling (at the time it was \$13 per hour) with an associate degree, and double that with a bachelor's degree. When Mr. Villalba first met with a recruiter, he was told that he could start at ITT and could go to any other school. However, when Mr. Villalba wanted to transfer to another school, he inquired and did his own research online, only to find out that ITT credits did not transfer.

501. Mr. Villalba also experienced ITT's deceptive financial aid practices, including high pressure loan tactics. ITT financial aid employees would not explain his loans in detail and

would also pull him out of class to sign paperwork, not giving him the chance to actually understand what he was signing.

502. Mr. Villalba has also suffered injury typical of the class. Upon graduation, after applying to hundreds of jobs, Mr. Villalba was only able to find employment as a graphic designer at a fitness company, earning \$8 per hour. Even now, more than six years later, Mr. Villalba makes \$22 per hour in his current position, nothing close to what the recruiter promised him. Mr. Villalba currently owes over \$149,000 in private and federal loans, and because of the loan debt, has experienced significant stress, anxiety, and has put a strain on his familial relationships. Mr. Villalba regrets his decision to attend ITT.

***James Eric Brewer***

503. Mr. Brewer attended ITT in Indiana, graduating in 2012 with an associate degree in Computer Network Systems.

504. Mr. Brewer experienced ITT's deceptive recruitment practices, including misrepresentations about ITT's ability and willingness to help find him employment after graduation, the salary he could expect to be making, and the hands-on training he would receive. Before Mr. Brewer enrolled in the program, the recruiter told him that ITT would help him find a job in his field of study and that upon graduating, Mr. Brewer would make a mid-range salary of \$55,000. The reality is that ITT has never helped Mr. Brewer find a job in his field of study. All of Mr. Brewer's lab experience was "virtualized." All of the work was done on simulated models on a computer screen, rather than hands-on with actual equipment. Mr. Brewer had very little experience with actual equipment while at ITT, where he never saw a router, switch, or server, all of which are common equipment used in the computer network systems field.

505. Mr. Brewer also experienced ITT's deceptive financial aid practices, including high pressure loan tactics. ITT financial aid employees rushed through every meeting with Mr. Brewer and pulled him out of class to sign paperwork, not giving him the chance to actually understand what he was signing. Mr. Brewer was not made aware that he was taking out private loans in addition to federal loans.

506. Mr. Brewer has also suffered injury typical of the class. Upon graduation, the only employment Mr. Brewer could secure was a short-lived help desk support position, making \$14 per hour. Currently, Mr. Brewer is unemployed. He has never made the salary that the recruiter told him about. Mr. Brewer currently owes over \$72,500 in private and federal loans, and as



result of the loan debt, he has experienced significant stress, anxiety, loss of sleep, and has put a strain on his relationship with family and friends. Mr. Brewer regrets his decision to attend ITT.

***Cheryl House***

507. Ms. House attended ITT in New Mexico, graduating in 2012 with a bachelor's degree in Criminal Justice.

508. Ms. House experienced ITT's deceptive recruiting and retention practices, including misrepresentations about the salary she could expect after going to ITT and that she would be working in her field of study upon graduation. Ms. House was told that she would start out making \$80,000 a year after graduated.

509. Ms. House also experienced ITT's deceptive financial aid practices, including high pressure loan tactics. ITT financial aid employees would rush through every meeting with Ms. House. Ms. House also was not made aware that he was taking out private loans in addition to federal loans.

510. Ms. House has also suffered injury typical of the class. Upon graduation, the only employment Ms. House could secure was as a retail sales clerk position making \$7.45 per hour. To this day, Ms. House has never worked in her field of study. Ms. House currently owes over \$87,300 in private and federal loans, and as a result of the loan debt, she has experienced significant stress, anxiety, headaches, and suicidal thoughts. Ms. House regrets her decision to attend ITT.

***Juan Hincapie***

511. Mr. Hincapie attended ITT in Massachusetts, graduating in 2014 with a bachelor's degree in Information Systems Security.

512. Mr. Hincapie experienced ITT's deceptive recruiting and retention practices, including misrepresentations about the salary he could expect after going to ITT and the hand-on experience ITT could offer. In the hallways of ITT, ITT boasted on a poster that graduates of ITT with a bachelor's degree would make \$80,000 upon graduating. Ms. Hincapie found that ITT had outdated technology and incorrect and outdated information on how to use the software. Mr. Hincapie also found that the computers provided were outdated and could not run the programs that students needed.

513. Mr. Hincapie also experienced ITT's deceptive financial aid practices, including high pressure loan tactics. ITT financial aid employees would not explain his loans in detail,

would rush him through the process, and would not give him paperwork when he requested to review it.

514. Mr. Hincapie has also suffered injury typical of the class. Mr. Hincapie currently makes \$48,000 annually, nothing close to what ITT promised him. Mr. Hincapie currently owes over \$72,000 in private and federal loans, and because of the loan debt, has experienced significant stress, anxiety, and has put a strain on his familial relationships. Mr. Hincapie regrets his decision to attend ITT.

***Joshua Cahill***

515. Mr. Cahill attended ITT in Nebraska, graduating in 2015 with a bachelor's degree in Information Systems Cyber Security.

516. Mr. Cahill experienced ITT's deceptive recruitment practices, including misrepresentations about ITT's ability and willingness to help find him employment after graduation and the salary he could expect to be making. When Mr. Cahill was enrolling in the program, the recruiter told him that ITT would help him find a job in his field of study with six months and that upon graduating with a bachelor's degree, Mr. Cahill would earn a mid-range salary of \$55,000-\$100,000. The reality is that ITT never found Mr. Cahill a job in his field of study.

517. Mr. Cahill also experienced ITT's deceptive financial aid practices, including high pressure loan tactics. When Mr. Cahill first met with financial aid to discuss loans, he expressed concern about having to pay them back. The financial aid employee sent Mr. Cahill back to the recruiters, who reminded him about ITT's job placement and salary rate.

518. Mr. Cahill has also suffered injury typical of the class. Currently, Mr. Cahill works as a sandwich delivery person making \$9 per hour and has never worked in his field of study and does not believe he will ever be able to work in his field of study. Mr. Cahill currently owes over \$57,200 in private and federal loans, and as result of the loan debt, he has experienced stress and anxiety. Mr. Cahill regrets his decision to attend ITT.

519. Named Plaintiffs will adequately and fairly represent and protect the interests of the proposed class because they have the requisite personal interest in the outcome of this litigation and have no interests antagonistic to those of the class.

520. Named Plaintiffs are represented by counsel experienced in class action litigation and litigation to enforce the rights of consumers, particularly individuals who have incurred student loan debt to attend for-profit schools.

Requirements of Rule 23(b)(2)

521. Because of ITT's centralized control of all its campuses across states, ITT has acted, or failed to act, on grounds generally applicable to the entire proposed class, thereby making injunctive or declaratory relief appropriate with respect to the class as a whole, as required by Federal Rule 23(b)(2).

522. ITT students seek declaratory relief in this proceeding for the purposes of determining, in an efficient and comprehensive manner, the exact nature of Defendant's wrongdoing towards them, and consequently determining the loan relief available in collateral administrative proceedings.

523. To the extent applicable, ITT students also seek an injunction against further collection of private loan debt facilitated by ITT and currently held by alter egos of ITT. These alter egos are creditors in this bankruptcy matter.

Requirements of Rule 23(b)(3)

524. Every claim that Named Plaintiffs have alleged on behalf of themselves and those similarly situated arise out of ITT's violation of consumer protection and contract laws, which occurred as a result of ITT's systematic, uniform, and centrally controlled policies. Therefore, common issues of law and fact presented predominate over any individual issues that may arise, as required by Federal Rule 23(b)(3).

525. To the extent that individual questions of damages may obtain, these issues do not predominate in this proceeding, for several reasons. First, the amount of damages that are available from the estate may ultimately be limited, such that all claimants will have a deficiency judgment. Under these circumstances, apportionment of damages according to a formula may be appropriate, resolving the need for individualized inquiries into damages.

526. To the extent that variations exist in state consumer protection laws, these variations do not destroy predominance or render administration of class action proceedings unmanageable. ITT's practices violate the core prohibitions of each and every state's consumer protection laws. To the extent that liability may turn on questions of individual state laws, the court may create subclasses or, in the alternative, determine that a single state law applies.

527. Furthermore, specifically because of the current posture of ITT, a debtor in a Chapter 7 bankruptcy proceeding, this controversy may only be adjudicated in this forum.

528. A class action is the superior method for a fair and efficient adjudication of this matter because ITT has acted in a manner generally applicable to the class, joinder of all members of the class is impracticable, and a class action will avoid numerous separate actions by class members that would unduly burden the court.

### **GROUND FOR RELIEF**

#### **I. Violation of Consumer Protection Statutes**

529. Plaintiffs allege and incorporate by reference each of the forgoing paragraphs, as if fully set forth herein.

530. ITT violated consumer protection statutes by deceptively misrepresenting that ITT adequately trained students for entry-level positions in technical fields that are sought after by employers.

531. ITT violated consumer protection statutes by deceptively misrepresenting that ITT provided any return on investment for students in the form of gainful employment.

532. ITT violated consumer protection statutes by employing abusive, unfair, and deceptive recruiting and retention strategies.

533. ITT violated consumer protection statutes by deceptively misrepresenting that ITT credentials were respected by employers and that ITT graduates were in high demand.

534. ITT violated consumer protection statutes by employing abusive, unfair, and deceptive financial aid practices.

535. ITT violated consumer protection statutes by falsely obtaining accreditation.

536. As a result of ITT's violation of consumer protection statutes, Named Plaintiffs and class members have experienced significant harm, including but not limited to:

- a. Harassing debt collection and involuntary collection;
- b. Destruction of credit;
- c. Loss of opportunity;
- d. Homelessness;
- e. Undermining of families; and
- f. Harm to mental and physical wellbeing.

- g. Accordingly, Named Plaintiffs and class members are entitled to equitable relief, declaratory relief, court costs, attorney's fees, and any and all other relief provided by law.

## **II. Breach of Contract and Unconscionability**

537. Plaintiffs allege and incorporate by reference each of the forging paragraphs, as if fully set forth herein.

538. Named Plaintiffs and class members who attended ITT entered into enrollment contracts with ITT. Each enrollment contract incorporates by reference the school catalog, which contains, among other things, a description of program objectives, instructional facilities, and career opportunities for that program.

539. Pursuant to their enrollment contracts, Named Plaintiffs and class members who attended ITT agreed to pay tuition and fees in exchange for ITT's provision of educational services and job placement assistance.

540. ITT breached its contracts with students by failing to provide, entirely or substantially, the promised educational services.

541. ITT also breached its contracts with class members by ceasing to provide its educational services when it closed its doors in September 2016. Furthermore, ITT breached its contracts with class members because as a result of its closure, students can no longer take lifelong refresher courses or get lifetime assistance with job placement.

542. ITT breached the implied covenant of good faith and fair dealing in relation to these contracts. The implied covenant of good faith and fair dealing obligates the parties to deal with each other in good faith, including in the performance of the contract, and to refrain from doing anything to destroy or injure the right of the other party to receive the fruits of the contract.

543. By underinvesting in educational services, understaffing career service offices, implementing grade inflation policies, enrolling unqualified students, canceling programs and classes, ITT knowingly deprived students the benefit of the bargain, and therefore, ITT breached the implied covenant of good faith and fair dealing.

544. ITT imposed unconscionable terms on students. A contract that is unconscionable may not be enforced.

545. By granting itself the right to unilaterally change the terms, provisions, procedures, policies, and requirements of the enrollment contract without notice and at any time

and making such changes binding on students, ITT made its promises illusory and its enrollment agreement unconscionable.

546. In its “Cost Summary and Payment Addendum to Enrollment Agreements,” ITT made unconscionable illusory promises that render its enrollment contract unenforceable.

547. By requiring students to assent to mandatory, binding arbitration of disputes as a condition of enrollment, while reserving for itself the right to seek remedies outside of arbitration, or even to conduct arbitration under different terms than those contained in the Enrollment Agreement, ITT made the promises in its contracts illusory and rendered its enrollment contract unconscionable.

548. As a result of ITT’s various breaches of contract, Named Plaintiffs and class members have been injured.

549. Accordingly, Named Plaintiffs and class members are entitled to actual damages, declaratory relief, court costs, and attorney’s fees.

#### **PRAYER FOR RELIEF**

**WHEREFORE** Named Plaintiffs and members of the Class respectfully pray for the following relief jointly and severally as against ITT as follows:

1. An order certifying this case as a class action under Federal Rule of Civil Procedure 23;
2. A judgment declaring that ITT has committed the violations of law alleged in this action;
3. An order enjoining ITT or its alter egos from collecting on all private students loans administered by ITT or any alter ego including but not limited to CUSO and PEAKS;
4. Actual and/or compensatory damages against ITT in an amount to be determined;
5. An order awarding disbursements, costs, and attorney’s fees; and
6. Such other and further relief that may be deemed just and proper.

///



Dated: January 3, 2017

Respectfully submitted,

/s/ Eileen M. Connor

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# Exhibit 2

The following table contains testimony from former ITT students who attended ITT campuses located in California and were misled by ITT regarding employment prospects, including misrepresentations about job placement rates and the earnings of ITT graduates and expected salaries. This testimony was submitted as an exhibit to the class action complaint filed against ITT Educational Services, Inc. in Case No. 16-07207, attached as Exhibit 1. The ID numbers included on the table are unique identifiers for former ITT students.

<u>ID</u>	<u>CAMPUS</u>	<u>PROGRAM</u>	<u>DATE</u>	<u>TESTIMONY</u>
ID 8989	California-Lathrop		5/2008 - 3/2012	The school promised a high paying job in my specific field of study with assistance from the school for job placement. Assistance was very little, I had to bother the person in the career center every week for new job postings. One of the ones I was offered was in the correctional facilities as an intern where I worked for FREE for months, the other was a seasonal position where I currently work at which was not directly in my field and I was only hired full time because the manager liked how hard I worked and learned, skills I have always possessed sine before ITT. When I got my current job I had not completed my Associates degree yet so my degree was not the reason I landed the job. [] Nobody I know has gotten a job in their field as a result of their IT degrees at ITT Tech.
ID 7047	California-Rancho Cordova	Electrical Engineering Technology	9/1996 - 5/1998	They guaranteed job placement of 90% or better. I found this to be untrue during the time that I attended the school because I held a work-study position in the job placement office.
ID 8919	California-San Dimas	Criminal Justice	1/2005 - 3/2010	I signed a loan for my son because the enrollment counselor told me after my son graduated he 100% guaranteed my son would be making so much money as a Crime Scene Investigator that he would pay them off one year after college. Obviously he lied, he also lied about ITT Tech having 100% job placement success with 6 figure income. It was all deceptive and fraud.
ID 6070	California-West Covina	Computer Networking Systems	1/2000 - 1/2003	I was guaranteed a job in the field I went to school for, after graduation I tried using their job placement program but there was nothing related to my field available.

ID 4863	California-Lathrop		9/2011 - 5/2013	When I completed the program the only job offered was a minimum wage part time job at an Apple Store. I haven't been able to find work since.
ID 8973	California-National City		9/2013	There was little to no effective resources available to help me gain anything other than entry level job (not career) that I already had with out a degree. I actively communicated with my guidance reps during my last full year (3 semesters) prior to graduating to find gainful employment to no avail. I eventually found a job (without the help of ITT, through an temp agency) out of my field of study that would support me well enough to start paying off my student loans.
ID 6592	California-Orange		6/2008 - 3/2012	The jobs that the career services would send out in an email blast to the students would often time contain requirements for the position that were directed at military service members. When job leads that were general in nature in the "Criminal Justice" field were circulated, most of the positions were for security guards at various company's which required no experience other than a high school diploma. There was often mention of the career services department having connections with agency's in the field of study, but never heard of anyone getting hired any of the various connections.

ID 8300	California-Oxnard		6/2003 - 3/2007	<p>I was told time and time again that career services was there to help with resume writing as well as finding employment during attendance as well as after graduation. The only job offers I ever saw were posted off of craigslist or monster.com. There were usually for employment that only required a highschool diploma and paid minimum wage or companies that were so far out of reach for anyone at the school, such as wanted several years experience etc. [] I ended up signing up at a temp agency and taking a job just checking emails, nothing pertaining to my degree.</p> <p>I've worked mostly low wage jobs since graduating. It's been next to impossible to find something decent paying with this degree.</p>
ID 8306	California-Oxnard		3/2014 - 12/2015	Career services sent me irrelevant job leads that didn't pertain to my degree.
ID 8361	California-Rancho Cordova		7/2004 - 8/2005	I never received any support from the school for any type of job placement and even getting transcripts to show education to employers was nearly impossible. I actually lost 2 positions early on because the school never responded. I eventually had to go in to the office and told them to provide the certified copies I needed.

ID 8291	California-Rancho Cordova		6/2010	Upon completion of my degrees, I discovered that job placement by the school was simply them telling you about jobs they found on craigslist.org and classifieds, and they had no actual relationships with IT employers as I was led to believe. Instead of the \$70k-90k salaries the school touted, these jobs paid just above minimum wage in some cases, and often were temporary assignments barely related to my degrees. After a few calls to complain about the lack of decent work offers, they stopped trying to offer the craigslist jobs. They only called after that to try to get me to say that I was employed in IT so they could boost their stats, when I was actually selling phones in a retail store.
ID 8529	California-San Diego		9/2010 - 6/2012	I signed on with the promise that ITT was going to help with job placement until I was placed into the job field. However, that never came to pass and I was never given a job opening that would accept my credentials and skills from ITT. Soon after graduating, ITT stopped communication with me to help get me placed somewhere, even though I told them that I still needed help looking for placement.
ID 7524	California-San Diego	Game Design	4/2005 - 11/2008	The recruiter i met with boasted about their job placement program. He also lied about game design companies attending the campus and sitting in on our final boards for recruitment (which neither one of those things occurred).
ID 5526	California-San Dimas		6/2008 - 6/2010	After I graduated the Career placement department would send me job listings directly from Monster or Indeed.com that were not relevant to my degree and then after a short period of time they stopped trying all together.



ID 7706	California-Sylmar	Electronics and Communications	1/2003 - 12/2007	<p>Career services couldn't do their jobs they just copied and pasted emails from Indeed and Monster, one of them they sent me was even a scam job.</p> <p>I was promised a good paying job and job placement in the electronics field. The only jobs offered were jobs like BESTBUY, SEARS, or RADIOSHACK. These were jobs that did not need college degrees.</p>
ID 9171	California-Torrance		3/2006 - 4/2010	<p>I was also told that the school had a successful job placement program and I wouldn't have a problem finding a job after graduation. The only thing the school offered me after I graduated was the L.A. County website and the phone number to a Security Officer Agency. I applied for every job closely related to Criminal Justice on the L.A. County website and other leads that I received through networking with people not associated with ITT Tech and received more informative information than the people at the school.</p>
ID 7679	California-Anaheim	Data Communications	3/2004 - 11/2009	<p>When i enrolled they touted their job placement rates in the high 80% as well as citing generous salary information.</p>
ID 7009	California-Anaheim	C Electrical Engineering Technology	1/2003 - 1/2005	<p>[P]romised me a job before graduation, "tons of companies are hiring our students left and right" was promised i'll be making more money than it costs for you to obtain this degree w/ in 2 years of graduating well before the first payment of your loans will due for repayment.</p>
ID 8137	California-Clovis		5/2013 - 9/2016	<p>I[TT] tech told me that they will find me a job upon graduation. And that there current rate of employment was well over 80% of students whom attend.</p>

ID 8970	California-Lathrop	Internet Security	6/2006 - 6/2011	They had promised 90% job placement in the field that I was studying. When I finished the program no one would give a job in the internet security field because I went to ITT. They also promised that I would make a six figure salary when I got a job[.]
ID 8393	California-Lathrop	Criminal Justice	9/2004 - 10/2005	They told me they would help me find a job while attending school and also help me find a permanent job after I graduate and that there graduation rate was 99.8 percent successful and I would make around 85 thousand a year starting pay. What they lied about is if u only have one eye you can't get a job in this field I studied and also the pay is way lower for any of these jobs. Everyone but maybe 10 ppl dropped out because we did nothing in the classes and all we did was watch movies that just released from the movie theater. We never used any of the book that we had to pay for and we never seen a penny from the Pell Grant we received.
ID 7342	California-Lathrop		9/2009 - 3/2013	Was told 80% of the students have been employed in their field of study. I was also told graduates' income has risen with a degree.
ID 4863	California-Lathrop	Information Technology Computer Networking Systems	9/2011 - 5/2013	Showed information saying that they had an 80% hire rate.
ID 9349	California-Oxnard	Network Systems Administration	9/2014 - 8/2015	I was told by Yasmine Morontes that the job placement rates for my particular career choice was 93%. I was also lead to believe a six figure salary wage for my completion of the course.
ID 8361	California-Rancho Cordova		7/2004 - 8/2005	After graduation I found that I did not have enough training in the area I studied and salaries ended up being much lower then what I was anticipated to make by \$20,000 to \$30,000.

ID 5811	California-Rancho Cordova		9/2005 - 5/2007	ITT told me that 90% of students were working within their field of study within 6 months, and that graduates of my program were making an average of \$60,000 a year to START. ITT did not even attempt to place me in jobs within my field of study, they pushed me out for interviews with any company that was hiring someone who knew how to type on a keyboard and talk on a phone.
ID 8410	California-Rancho Cordova		8/2001 - 6/2005	ITT said that job placement for new graduates was in the 80-90th percentile. ITT said that average salary for new graduates was in the \$60k-100k range. ITT did NOT provide support in finding and landing a job.
ID 7047	California-Rancho Cordova	Electrical Engineering Technology	9/1996 - 5/1998	They guaranteed job placement of 90% or better. I found this to be untrue during the time that I attended the school because I held a work-study position in the job placement office.
ID 5546	California-Rancho Cordova	Multimedia	3/2006 - 12/2010	I was signing up to complete the DigitalEntertainmentAndGameDes course. I was told that 36% of graduates move on to be successfully employed by the Game Design industry and of those students they are making over \$200,000 per year. ITT was unable to assist in finding a job after completion of the 2 year multimedia program. I still know the majority of the students that also entered the DEGD program, and those students are also not working jobs in this field. I don't believe anyone that attended this program was able to find work in this industry.

ID 8811	California-Rancho Cordova		9/2008 - 8/2012	<p>I work in my field, and did before i ever went to ITT. This degree did not advance to the other job titles that they promised. I'm still in Project Management and probably always will be. [] When you signed up you were shown a career wheel that displayed salaries and job titles that were available to you if you completed a certain type of degree. During my job search after i got my AS i realized quickly that those salaries and job titles only applied to people who had way more education and experience then i received at ITT.</p>
ID 8324	California-San Bernardino		9/2006 - 7/2009	<p>ITT Tech showed me false data that says that graduates make an average of 45-80,000 per year. This was proven to be untrue.</p>
ID 8310, 8919	California-San Dimas	Computer/Electrical Engineering Technology	9/2005 - 3/2010	<p>They showed me in detail that they had a record of getting students jobs at a 95% of the time, and the 5% were students who turned down jobs. The odd part was they told me you didn't have to finish school to secure a job, obviously both were misleading and lies.</p> <p>I signed a loan for my son because the enrollment counselor told me after my son graduated he 100% guaranteed my son would be making so much money as a Crime Scene Investigator that he would pay them off one year after college. Obviously he lied, he also lied about ITT Tech having 100% job placement success with 6 figure income. It was all deceptive and fraud.</p>

ID 9661	California-Sylmar	Electrical Engineering Technology	9/2005 - 9/2009	I was told that the hiring rate for students after completing their degree was approximately 80%. It was nowhere near this number, I remember that most off my peers had no job opportunities in the final semester of the program. I myself was not able to find a job in my field, and I graduated valedictorian of my class. There was next to no support when it came to career services. I checked in with them on a weekly basis for several months, and all they ever did was refer me to a few different job placement agencies, essentially trying to dump the problem on someone else.
ID 8319	California-Sylmar	Computer Drafting & Design	9/2006 - 9/2008	They gave us a certain percentage of students that got hired at jobs when graduating from I[TT]. They told us that they wouldn't stop looking until they landed us at a job that fit our description. Was only sent to one job interview and that was it. After that I heard that most of the jobs required work experience for us to get into the field when no job gave us an opportunity!
ID 8890	California-Sylmar		3/2009 - 6/2013	The ITT counselor indicated 95% of their graduates obtain employment upon graduation and that Career Services would assit in helping me to find a job. I was sent on 2 -3 job interviews during my entire 4 years with ITT Institute. All of these 'positions' were in strip malls with no names of the companies listed on the buildings. I eventually got a job 40 miles from my home repairing computers (hardware) which has nothing to do with the cybersecurity field of interest I wanted to be employed in.
ID 7706	California-Sylmar	Electronics and Communications	1/2003 - 12/2007	At the beginning of the orientation I was told that 90% of the students that graduated had starting salaries of 60K per year and that finding a job would be easy with their staff.

ID 9574	California-Torrance	Computer Networking	9/2007 - 3/2010	I was told by my appointed counselor that ITT has a 100% job placement rate and that I would have access to the job placement database for life. Not only does ITT not have a 100% job placement rate but I will not have access to any database whatsoever going forward, only 6 years after graduating. I was also misled on the total amount I would be borrowing.
ID 9171	California-Torrance	Criminal Justice	3/2006 - 4/2010	I was and still am interested in a career as a Probation Officer but when I met with the recruiter he gave me a tour of the facility and then took me in his office and proceeded to fill my head with a promising career that never came through. He breezed over the loans and when I did question how much I would be paying back he told me that I wouldn't have anything to worry about because I would be making 90,000.00 a year and I could handle the payments.
ID 6997	California-West Covina	Computer Networking Systems	1/2003 - 11/2005	[I] was told once i finished the InformationTechnology-Computer program they would find an entry level job in the field i was going to study and would make yearly salary of 55k-75k a year. [A]lso i was promised of student loan repayment of no more than 200 monthly payments,in reality when payments started coming in they were asking for minimum payments of \$800 a month.
ID 8153	California-Anaheim		1/2006 - 1/2009	I am currently employed in my field in the same low income job for over 5 years but am unable to get any call backs or interviews due to ITT being on my resume as my educational background.

				<p>The campus i attended no longer exists. I also find it a determent that i have ITT on my resume. I feel that i have missed out on job opportunities based on where i went to college and it has not helped in job placement.</p> <p>It took me 2yrs to find a job in IT and currently i have great work experience but i am always asked about my college degree and what i learned. It is looked down upon in my field and i believe i have been turned down management jobs because of my education.</p> <p>When i enrolled they advertised huge employers such as the FBI, CIA, and Boeing who would hire from ITT and now after the lawsuits and predatory lending practices that have tarnished any weight my degree needs to carry and has turned into a negative on my resume that i have taken off the school name from my education section.</p>
ID 7679	California-Anaheim	Data Communications	3/2004 - 11/2009	
ID 7009	California-Anaheim	C Electrical Engineering Technology	1/2003 - 1/2005	<p>[I] had 2-3 employers after taking time out and reviewing my resume that I don't have the skills they expect in a recent college graduate should have to do the job right without complete retraining. They were sorry they and ITT wasted my time to schedule interviews.</p> <p>[C]ompanies that told me directly "if only you would have gone to a better school where the education actually taught someone real world skills" multiple times.</p>
ID 7708	California-Clovis	C Electrical Engineering Technology	1/2014 - 1/2010	Had to minimize my education on resume due to employers not wanting an ITT graduate[.]



ID 6057	California-Culver City	Drafting Design	6/2008 - 4/2010	<p>One example, roughly dated at 10/2009 i was going to get hired by the union/ state work when they asked if i had or working on a degree of field to hire and I said "yes", when they asked from where, I said "ITT-tech", I have never seen a person look so bothered at the answer i gave because this person rejected my application and said "this school is not accredited, worst school good luck" as i left confused and fumbled!.</p>
ID 7977	California-Culver City		7/2014 - 7/2015	<p>Jobs would not look twice at a person who lists ITT Tech as a school on its resume. I was shunned more than 100 times before I went back into the hospitality industry and back to another Hilton hotel.</p> <p>Jobs connected to the program were unattainable because those companies did not accept ITT tech degrees.</p>
ID 8989	California-Lathrop		5/2008 - 3/2012	<p>Having ITT Tech on my resume already affected my employment chances since even before I graduated. When I would apply for jobs and get the on phone interviews they would always ask what school I attended and didn't sound amused when I said ITT. Also everyone I know doesn't put it on their resumes anymore because of it. Now that the school is closed and based on their lawsuits my degree is pretty much worthless and this will definitely stop me from achieving a job in the actual IT field.</p> <p>I've applied to other places besides my current employer and besides my work experience and knowledge I gained on my own I've never made it past the first interview with the school on my resume. I took the School name out of my resume[.]</p>

ID 8970	California-Lathrop	Internet Security	6/2006 - 6/2011	<p>If I put that I have an ITT bachelors degree on a resume most employers will not even look at my resume. Do to its bad reputation for not teaching even the basics to its students[.]</p> <p>I applied for a number of jobs and because I had ITT on my resume they would not hire me no matter id I could do the job or not[.]</p>
ID 4863	California-Lathrop	Information Technology Computer Networking Systems	9/2011 - 5/2013	<p>ITT Tech has been a detriment in my resume, it seems employers do not believe that students from there are properly trained.</p> <p>I haven't so much as received a phone call from any company I have applied to.</p>
ID 4739	California-National City	Criminal Justice	3/2008 - 6/2012	<p>I've literally had my degree laughed at because it's from ITT I have started putting bachelors degree private college on my resume so I can get past the first round I do not work and can not get a job in my field and yet have massive multiple loan payments to worry about.</p>
ID 8755	California-National City		6/2009 - 3/2013	<p>A lot of employers just laughed at me when they saw ITT Technical Institute on my resume.</p>
ID 6592	California-Orange	Criminal Justice	6/2008 - 3/2012	<p>Employees and friends have often mentioned what a joke the school is[.] I have no doubt in my mind that having this school name on my resume has greatly reduced the market for my resume to be accepted. Now i find myself unable to work in the field of study.</p>
ID 9049	California-Orange		6/2010 - 6/2012	<p>When they knew i graduated from ITT they ignore my resume because they think that school close and they dont teach that well[.]</p> <p>Employers know how ITT tech works and they think that school is a joke[.]</p>

ID 8603	California-Orange		6/2011 - 9/2012	I had to take ITT tech off of my resume because every employer interview would bring up how the school is not accredited.
ID 9349	California-Oxnard	Network Systems Administration	9/2014 - 8/2015	Through the school's Job administrator, Anthony, I was under the impression that having ITT tech in my resume would attract recruiters, not dissuade or repel them as I have seen now.
ID 8300	California-Oxnard	BS Digital Entertainment and Game Design	6/2003 - 3/2007	I have never gotten even one call back for an interview in the game design field due to ITT being on my resume. Even basic graphics jobs aren't interested.
ID 8041	California-Oxnard		8/2003 - 12/2007	I feel that ITT deters employers from me, I have two resumes. One with and one without ITT on it.
ID 8306	California-Oxnard		3/2014 - 12/2015	ITT led me to believe they were a reputable school with multiple accreditations and employers flock to ITT students before anyone else it was all lies. [ ]A lot of employers didn't care that I had ITT on my resume they pretty much made it seem like the degree was irrelevant and that wouldnt get me the job even though ITT assured me emoloyers love ITT Tech graduates. I went looking for work and as soon as I mentioned I was pursuing my degree at ITT Tech I wasnt considered for employment.
ID 8361	California-Rancho Cordova		7/2004 - 8/2005	My education is not taken seriously with ITT on my resume.

ID 2845	California-Rancho Cordova		9/2004 - 3/2007	<p>Employers in my field strictly do not hire ITT tech graduates. ITT lied to me regarding placement statistics and salary upon graduation. I had to get a job on my own working in a call center which was only given to me because I had customer service experience from working in a bank. I worked very hard at that job and expressed interest in providing desktop support for the company just before they laid off the seasonal call center hires. The manager of the IT department gave me a task and said if I could complete it he would hire me. This was a very basic task and not something I knew how to do because ITT's education was so poor. I googled the issue and figured out how to resolve it on my own. Once I solved the issue the manager hired me and told me "I just wanted to make sure you could troubleshoot because I know that degree isn't helping you any."</p> <p>ITT's marketing and those who work as recruiters paint the school and its graduates as highly sought after commodities. Even going as far to have CEO's of major companies represented in their commercials stating how much they love hiring ITT tech graduates. I've spoken to potential employers since graduating whom indicated they strictly do not hire for profit college graduates. I've never once spoken to any employer that preferred ITT Tech graduates. ITT tech was sued by the CFPB last year for the very issues I'm speaking of. They were also sued by the SEC only a few months ago for fraud.</p>
ID 8410	California-Rancho Cordova		8/2001 - 6/2005	I had a hard time finding a job in my field because ITT Technical Institute was on my resume.

ID 9287	California-Rancho Cordova	Project Management	1/2011 - 9/2015	<p>Mid way through my education I started to hear rumors about ITT Tech. Such as "Employers will just throw away you resume if they see it." I asked my counselor and the program chair about these concerns and was assured that those are just rumors from people that are not in charge of hiring. Since graduating I have applied to countless positions related to my degree and have several times been notified I did not qualify because I went to ITT Tech.</p> <p>Toward the end of my B.S. program there were increasing rumors that the federal government was looking into ITT tech and that its possible it could shut down. The dean asked all the instructors to reassure everyone that this was not happening and the investigation into ITT tech was a normal thing that happens.</p>
ID 8811	California-Rancho Cordova		9/2008 - 8/2012	<p>I've already received several comments from potential employers on LinkedIn that i should remove this from my resume'. This degree is absolutely a black mark on my record. I'm humiliated.</p>
ID 2551	California-Rancho Cordova	Information Technology	6/2013 - 4/2015	<p>I've applied and interviewed for different companies I have experience in information technology. I have my certifications but when it comes down to my degree I know my resume is thrown away because it says ITT Technical Institute.</p>

ID 7718	California-San Bernardino	School of Information Technology	2/2007 - 2/2012	<p>Had to remove ITT from my resume, because of the belittlement I received during interviews... One question I was asked was, "you know ITT isn't a real school, right?" Followed by laughs. [] Also asked to demonstrate certain job qualities referring to the job I was applying for, which I had no problem, but was disqualified because it's not considered a "real school."</p> <p>I removed ITT from my resume, because I was laughed at in interviews for jobs I applied for.</p> <p>Have never landed an IT job with the worthless time I've had at ITT. Had to resort to returning to maintenance, which I have wanted to get away from. Exactly the reason I went to try and better myself.</p>
ID 8324	California-San Bernardino		9/2006 - 7/2009	<p>I have been laughed at during job interviews from Raytheon, Lockheed Martin, Tek Systems, Robert Half Technologies, IGT gaming. I was given professional advice from an AT&amp;T recruiter to remove my involvement with ITT Tech from my resume.</p> <p>ITT Technical Institute promised me that I would be chosen above other candidates that went to regular universities or colleges because I would be ITT Tech Alumni and would be more preferable. This is not true. Most companies admit that they Would prefer a regular student from a regular university or community college.</p>

ID 9052	California-San Diego	Computer Networking (AA) Information Systems Security Systems (BS)	3/2003 - 3/2007	<p>In my experiences in looking for work having ITT on my resume has NOT helped me in acquiring employment. Each job that Ive acquired came from know someone and getting training years after attending ITT Tech. Today my degree are a joke to current employers I am lucky to have had the opportunity to take courses and get certified. Current employers will simply disregard an ITT education.</p> <p>I applied to many jobs from San Diego, CA, Los Angeles, and Utah before getting a job in my field of work. []It took me close to 3 years after graduating to find a job in my field. The only reason I was hired was because a good friend of mine worked there. Even then I had to take a pay cut and move back home with my parents in order to afford to live and pay my student loans and other bills. [] Having ITT on my resume has yet to benefit my situation.</p>
ID 8176	California-San Diego		3/2008 - 6/2010	<p>Not only is it hard to find a job because of having ITT Tech on my resume. I have been harassed and made fun of by other colleagues just because I attended.</p>
ID 8529	California-San Diego		9/2010 - 6/2012	<p>I have heard on numerous occasions that having ITT Tech on my resume repels the job field that I was applying for (WebDesign and GraphicDesign). No one wants to deal with a graduate from my little known degree and because It associates itself with ITT.</p>



ID 7329	California-San Dimas	Computer Networking Systems	1/2006 - 1/2008	<p>I have 15+ years computer experience but my \$20k debt I'm carrying will never go away and now I'm unemployed and can't get an interview because employers immediately pass over my resume because of my junk degree.</p> <p>I graduated with a 3.8GPA w honors but my degree is not valued and no one will accept it as a legitimate A.S. Degree. I have since been forced to file bankruptcy and my loans still carry regardless. I am continually having to seek forbearance to avoid default on almost \$20k loan debts.</p>
ID 8310	California-San Dimas	Computer/Electrical Engineering Technology	9/2005 - 3/2010	<p>I was told since the school was for profit, I was better leaving it off my resume.</p>
ID 5526	California-San Dimas	Computer Drafting and Design	6/2008 - 6/2010	<p>I have removed my education at ITT from my resume due to the negative impact it has on my chances of getting hired even though I am not applying for jobs in the field I got my degree for.</p>
ID 7706	California-Sylmar	Electronics and Communications	1/2003 - 12/2007	<p>ITT-Tech lied about there reputation and how good of a school it is because of misleading TV commercials of success stories. At a job interview with General Atomics I was laughed at, because of the school I went too, and was told I should have left the school name off my resume.</p> <p>I was told that with the Electronics Degree I would be able to be hired by major Aerospace companies and my Degree is very useful to land any electronic job easily.</p> <p>I cannot find a entry level job in electronics with ITT-TECH listed as my school[.]</p>

ID 9261	California-Torrance	Software development	4/2014 - 12/2015	Having ITT on my resume made employers weary about calling me[.]
				<p>When employers see ITT Technical Institute on my resume it might as well read "Sam's School for Fools." I have seen the looks on their faces and experienced the sudden change of heart when they find out what school I attended.</p> <p>Everything would go great on the interview until they reviewed my resume and found out what school I attended.</p> <p>After graduation I was determined to find a job and after so many no's after I know for a fact the interview was better than good, I came to the conclusion that ITT Technical Institute was not a reputable school and I would never be employed in the Criminal Justice field. This is extremely hard for me to write because I feel like such an idiot and it makes me sick to my stomach and I get depressed thinking about the effect this has put on my livelihood and credit.</p>
ID 9171	California-Torrance	Criminal Justice	3/2006 - 4/2010	
ID 6997	California-West Covina	Computer Networking Systems	1/2003 - 11/2005	I had hard time finding a technical job due to ITT Technical Institute being on my resume, employers would say that they had to let go students because they were not properly trained and educated on that job placement.
ID 9710	California-West Covina		3/2007 - 9/2009	They never told me that [] having ITT on my resume would basically disqualify me from jobs.
ID 9472	California-West Covina		1/1997 - 7/1999	I cannot put ITT in my resume.

ID 7009	California-Anaheim		1/2003 - 1/2005	Career services both during and after graduation were basically none. They only jobs they assisted with were temp-only agencies, or companies that told me directly "if only you would have gone to a better school where the education actually taught someone real world skills" multiple times.
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# Exhibit 3

The following table contains testimony from former ITT students who attended ITT campuses located in California and were misled by ITT regarding transferring ITT credits to other universities. This testimony was submitted as an exhibit to the class action complaint filed against ITT Educational Services, Inc. in Case No. 16-07207, attached as Exhibit 1. The ID numbers included on the table are unique identifiers for former ITT students.

<u>ID</u>	<u>CAMPUS</u>	<u>PROGRAM</u>	<u>DATE</u>	<u>TESTIMONY</u>
ID 3658, 7942	California-Anaheim	Digital Entertainment and Game Design	6/2004 - 9/2009	<p>When i attended they claimed credits were transferable. Not the case. They said they had students working in the videogame industry that could get me into the bussiness. They claimed strong connections with bussinesses and did not deliver. Teachers were not accredited to teach.Credits were sold at a point as being transferrable and accredited.</p> <p>I was considering transferring to Fullerton university but my credits are not accepted.</p>
ID 7679	California-Anaheim	Data Communications	3/2004 - 11/2009	<p>They didnt fully explaing that their accreditation wasnt transferable to most colleges for continuibng education after graduation. I wanted to get my masters and found that none of my credits would transfer to open colleges. My company encouraged me to get an MBA and my choices were limited to for profit schools who had lower enrollment requirements. As such I got a degree from a non reputable school.</p>
ID 7009	California-Anaheim	C Electrical Engineering Technology	1/2003 - 1/2005	<p>Was told our classes are all fully accredited to any and all schools except for a few ivy league campuses.Tried furthering me education at Cypress Community College, and found out not a single credit from my ITT education could transfer over, so its basically as if you never went to ITT and have to start from scratch all over again.</p>
ID 6884	California-Anaheim	Internet Networking	6/2003 - 12/2003	<p>They informed me that the classes I take at ITT would be transferable to a cal state. Tried to transfer to a community college in which none of the classes I took were transferable.</p>
ID 6057	California-Culver City	Drafting Design	6/2008 - 4/2010	<p>This school is non accredited so i tryd to tranfer to santa monica college but they didn't accept it.</p>

ID 9464	California-Culver City	Criminal Justice	9/2009 - 12/2011	Im having a hard time having my credits transfered so i can continue my education without accruing more debit.
ID 7103	California-Hayward	Information Technology Multimedia	1/2002 - 1/2004	Certain classes that I had taken at ITT Tech did not transfer over to other Universities causing me to take those classes again which caused my Higher Education to cost more.
ID 7700	California-Hayward	Software Development	3/2016 - 8/2016	I tried to enroll in community college and they told me NOTHING transfers over from I.T.T.
ID 8599	California-Lathrop	Computer Tech	8/2001 - 7/2002	We were told our credits were going to be transferable but when I try to go back to school on a junior college only a few credits were transferable and I chose to wait to go back to ITT tech but now they're closed and I'm have to start all over when I go back to school. I need to retake classes cause credits won't transfer.
ID 3727, 8010	California-Lathrop	Criminal Justice	5/2007 - 9/2012	<p>When I tried to leave ITT- tech and transfer because I was starting to see the lies. I couldn't all those years all those credit didn't exist if I transferred.</p> <p>The recruiter that assisted me in enrolling stated the Forensic class offered on the Criminal Justice program would be classes necessary for me to pursue a field as a coroner.</p> <p>When I wanted to enroll to CSU Stanislaus I was informed my credits were not transferable. ITT-Tech failed to inform me.</p>
ID 7646	California-Lathrop		1/2007 - 1/2009	In order to be promoted, i need a 4 year degree. Sadly, i cant transfer my credits to a more legit institution to finish 2 more years of school. ITT wants me to get into another mess of a loan situation and over charge me another \$40k to complete their bachelor program.



ID 8970	California-Lathrop	Internet Security	6/2006 - 6/2011	No one explained to me that the credits from this school would not transfer to a real school so i felt trapped.
ID 8393	California-Lathrop	Criminal Justice	9/2004 - 10/2005	I was told that all my credits could be transferred to any college of my choice if I decided to leave. Which was a lie nothing was able to transfer and the pre test before school I did not pass they lied on that. I tried to finish my degree at another school and that's when I was informed none of my credit can be transferred. I would have to take the classes all over. Which means more money.
ID 9289	California-National City	Information Systems and Cyber Security	2/2009 - 3/2014	It was explained that yes they were a fully accredited college and if I wanted to continue to my Masters that my credits would transfer. After beginning the program I found out that the majority of colleges in the US did not accept credits nor acknowledge my degree. Furthermore at most employers ITTs reputation severely devalues my degree. I tried to pullout during my program to a State university but my credits would not transfer nor would ITT help me in transferring credit.
ID 9336	California-National City	C Electrical Engineering Technology	7/2007 - 9/2009	They told me that ITT was fully accredited and that I would've been able to transfer my credits when I signed up. They also sent a gentleman into my Electronics class that lied to every person in that class about accreditation. I had to start completely over at my community college because none of my credits transferred. This also caused me more time and money to transfer to a 4 year university.
ID 5366	California-National City	Networking Systems Adminstration	9/2012 - 6/2014	I found out after the fact that the school is not accredited and I am not able to transfer any of my credits to finish my schooling.

ID 8755	California-National City		6/2009 - 3/2013	I was unable to transfer to a different school because they didn't accept ITT Technical Institute credits. I was unable to further my education in this field because of that reason.
ID 8440	California-Orange	Data Communications Systems Technology	6/2007 - 6/2011	I tried to transfer to another colleges like UCLA but as I was trying to obtain more information I was told that my BS did not count and could not be transfer to that school or any other University of California.
ID 6592	California-Orange	Criminal Justice	6/2008 - 3/2012	During the program i had to finish because my credits would not transfer to another college so my options to leave the school and seek education at another institute was very limited.
ID 9266	California-Orange	Electronics Technology	1/2004 - 1/2008	I could not transfer any of my ITT credits to a local community college. I have to re take my general education and start from the beginning.
ID 9614	California-Orange	ASEE	2/2009 - 9/2011	Was told that my credits could transfer to any school. I tried to attend a local university after graduation only to find out nothing could be transfered not even general education.
ID 8107	California-Orange	Project Management Administration	1/2012 - 1/2015	Was lied to about accreditation and where credits could transfer[.] The credits I earned at ITT Tech wouldn't transfer to anywhere but a for profit school. I tried to transfer the credits but hit a dead end and had to give up on school altogether.

ID 5418	California-Rancho Cordova	Computer Networking Systems	9/2005 - 6/2007	The whole reason I went to this school was so I can get my Associates degree and then move on to a State school to finish my bachelors degree. I was told that many students graduated to move onto the nearest State school. After graduation, all of my credits were not transferable. I was told by the State school that they have never transferred any units from ITT Technical Institute. After graduating from ITT Technical Institute I was told by Sacramento State University and other local community colleges that my credits would never transfer. Before I signed paper work to attend ITT Technical Institute, I was told that it was very common for people to earn an Associates degree with ITT Technical Institute and move on to a State school to finish their education.
ID 2845, 5811	California-Rancho Cordova		9/2004 - 3/2007	I would have to start all over again as not one of my credits transfer. I'm taking courses in programming to further my career but retaking all of the classes necessary to earn a real degree is not possible with my work schedule.  I'm taking courses at the local Community College just to further my work skills and attempt to get a job as a developer (java). None of the credits I spent so much time and money to earn will even transfer to a Community College... not one credit.
ID 8410	California-Rancho Cordova		8/2001 - 6/2005	I couldn't enroll in another school because my credits wouldn't transfer.
ID 7047	California-Rancho Cordova	Electrical Engineering Technology	9/1996 - 5/1998	None of my credits transferred at the community college level, so I was faced with a difficult choice. Start over from scratch or continue with ITT. I chose the latter because I felt like I didn't have a choice.

ID 9573	California-Rancho Cordova	Computer Electronics/Electronic Engineering	1/1996 - 12/1998	I called a local college and asked about enrolling to get my Microsoft Certification and was told ITT was not able to transfer my credits. When I called ITT they said they were not. Upon enrollment I was told I could transfer my credits anywhere. Now, if I want to go back and finish I have to start all over.
ID 4497	California-Rancho Cordova	Network Systems Administration	6/2011 - 3/2013	Furthermore, I had another faculty member try to "persuade" me into staying at ITT by telling me that none of my credits would transfer to any other school. She explained this point by telling me that it was up to the other school to accept the credits and that schools hardly ever accepted credits from any other school, because they could not verify that the curriculum was similar enough to allow me to skip taking their course. I find this to be misleading information, and down right rude to tell a student that they are essentially stuck at ITT.
ID 7961	California-Rancho Cordova	Information Technology and Multimedia	8/2004 - 8/2006	I have had to retake multiple classes that I had already taken at ITT Tech because my credits would not transfer. I am now enrolled in a community college and if I want an associate's degree I will have to retake ALL of my general ed classes on top of IT.
ID 2551	California-Rancho Cordova	Information Technology	6/2013 - 4/2015	I attended ITT Technical Institute with the idea and conformation that when I completed my credits they would transfer. I was lied to my face and felt like a number in line. You have to remember I was there for 2 years, I asked multiple times over the year if they would I even confronted the Dean of ITT Technical Institute on Rancho Cordova and was blissfully lied to. ITT Technical Institute is a failed accredited administration my local college wont take them or my local university's ITT Technical Institute credits are nationally accredited which means there not able to be transferred which are pointless because I've wasted two years for a pointless degree.

ID 9476	California-San Bernardino	Computer Electrical Engineering Technology	6/2010 - 6/2012	I was told by school personnel that I could transfer my credits to a 4-year college like Cal Poly Pomona if I got my Bachelor's degree. In retrospect, I am relieved that I did not opt in to pursue a bachelor's degree because I know now that that was false information to try to get students to continue after getting an associate's degree and grow their debt to an additional \$40,000 plus interest. However, the thought of the opportunity to get my bachelor's there and transfer to Cal Poly Pomona was one of the reasons why I was happy with my decision to attend this institution. I have been wanting to go to Cal Poly Pomona for engineering and was told I could transfer to that college but found out later that credits do not transfer and I would have to start all over again.
ID 9474	California-San Bernardino	Computer Electronics	1/2002 - 1/2006	Can't transfer to a regular Community college.
ID 9035	California-San Bernardino	Computer and Electronics Engineering	3/2009 - 6/2011	They made me believe that there credits were transferable but they were not when I tried attending San Bernardino Valley College they told me that none of my credits were transferable I would have to start over from scratch. I later found out the the credits were only transferable to other profit schools and other owned ITT tech schools. My mother and I owe 44,000 dollars due to Federal Loans which makes it hard to go to a community college again.
ID 7718	California-San Bernardino	School of Information Technology	2/2007 - 2/2012	Was told I could transfer my credits to any college if I moved, where there was no ITT school present. I'm trying to enroll in Western Governors University, and my credits will not transfer to that college. Forcing me to start ALL over AGAIN.

ID 9368	California-San Bernardino	Computer Aided Drafting and Design (CDD)	6/2007 - 3/2009	<p>Michael Johnson the ITT-Tech rep or sales rep/recruiter explained that the school was nationally accredited and that most if not all universities would be honored and grateful to accept all students whom possessed ITT-Tech units. I asked if they were WASC accredited and he explained they were better than that because WASC was based off a west coast system accreditation where as ITT-Tech's accreditation was based off a National Widely considered accreditation. And began showing us plaques of the accreditation at the San Bernardino campus. I began going to a community college since 2010, and they told me none of my units would transfer. So I started it all over and have been going to community college since then. It is a tough battle ahead and I felt like if I never went to ITT-Tech I wouldn't have been in the predicament that I am now.</p>
ID 7524	California-San Diego	Game Design	4/2005 - 11/2008	<p>The recruiter also said their credits were non transferable to other schools but soon all that would change and we would be grandfathered in to the transferable credits. ITT's credit are non transferable even though they lied saying they would be eventually.</p>
ID 9052	California-San Diego	Computer Networking (AA) Information Systems Security Systems(BS)	3/2003 - 3/2007	<p>Having come from a community college I distinctly remember verifying with my counselor/financial aide representative that if I wanted to eventually go to a University or go for a Masters degree in the future that it would be possible after my ITT education. I wasn't aware that my credits weren't transferable until well after I'd graduated. ITT Tech gave me a false impression that my credits were transferable in the future. By then I was over education by way of the traditional classroom.</p>

ID 8595	California-San Diego	Computer Drafting and Design	9/2001 - 7/2003	School claimed that credits were transferable when they were not. If I attended another school I would have to start all over again. .Credits were not transferable. So when I wanted to further my education I had to start over again. Eventually had to drop out because I couldn't afford to pay off loan, intern and take on new studies while trying to pay bills[.]
ID 9197	California-San Diego	Data Programming	8/2011 - 2/2012	Started at new schools but credits didn't transfer.
ID 8529	California-San Diego		9/2010 - 6/2012	ITT Tech's Credits weren't transferable 100% to other technical schools. Which was later brought up to us after we were almost done with our Associates. Never before signing up or during our enrollment with ITT Tech was this mentioned. If we were to try and transfer, depending on the school, we'd have to redo a large portion of our schooling to get another school's Associates Degree and then follow it with a Bachelors Degree. This would have caused a huge financial issue.
ID 7774	California-San Dimas	Project Management and Administration	9/2008 - 8/2012	I was told i was able to transfer out at anytime.Many years i went to school at ITT were for nothing because even a community college didn't validate my credits.
ID 7329	California-San Dimas	Computer Networking Systems	1/2006 - 1/2008	However ITT did not make it clear that the degree was not transferable to pursue another higher level degree.
ID 8310, 8919	California-San Dimas	Computer/Electrical Engineering Technology	9/2005 - 3/2010	I was told I would be able to transfer to any university with the units I would be receiving, obviously that was a lie and it's a shame because that's why I started going there in the first place. I was also told I would be provided with actual networking certifications, I was told this by my recruiter who was later fired only because multiple complaints had been filed regarding lies.



ID 8819	California-San Dimas		9/2003 - 1/2007	When I tried to take classes at another college I was not able to because my credits did not transfer so I never was able to attend another school because I did not want to take classes over again. I tried to see if my credits would transfer and mostly I only received credit from the Junior college I attended and very little from ITT.
ID 7755	California-San Dimas	Drafting and Design	6/2008 - 9/2011	My goal was to become an Electrical Engineer/ project manager in the construction field. I thought I was on the right path, until I graduated and found out my credit weren't even transferable. If I knew that was the case, I would have NEVER gone to ITT. I would have gone to a community college... earn a legit degree and pay WAY less.
ID 5526	California-San Dimas	Computer Drafting and Design	6/2008 - 6/2010	I was told during enrollment that I could transfer to another college in my area, but half way through my two year program I found out this was not the case when I called Cal Poly Pomona and asked what classes would transfer and they told me none. I did have one job using my degree and I was terminated 6 months later due to not knowing anything needed to perform in the position and now that I work with other Engineers I know now that everything ITT taught me was useless for working in fields that they claimed to train us in. While I was still student at ITT, I spoke to an enrollment associate at Cal Poly and the Art Institute of Design about transferring after graduation and both of them stated that if I wanted to attend school there that I would have to start over and none of my credits would transfer from ITT.

ID 8004	California-Sylmar		9/2006 - 3/2008	Yes, they did not explain to me the degree was accredited through a private institution and the units were non-transferable to junior colleges/ universities. I tried transferring my credits to a Junior college to take classes to transfer to a 4 year school and get a Bachelor's degree but I was told by the counselor at the Junior College ITT Tech's units did not transfer and I had to start from zero.
ID 4010	California-Sylmar	Digital Entertainment and Game Design	9/2006 - 9/2010	She claim that the credits where transferable and that I could go anywhere I wanted and my education would continue somewhere else. I couldn't enroll anywhere, I had to start from zero and spend more money than what I already had spent at ITT. Going somewhere else would only pile up more debt. I was and still are very frustrated to spend \$150K on a piece of paper that is worth nothing.
ID 4539	California-Sylmar		6/2010 - 3/2015	I constantly look to further my education, and they promised that other students were able to transfer and continue with their M.S. but no school is willing to take me.
ID 7706	California-Sylmar	Electronics and Communications Engineering	1/2003 - 12/2007	They said my credits were transferrable to different universities. I was lied too about transferring my credits to major name universities. I would have to start all over to get a good education from an accredited school.
ID 9256	California-Torrance	Project Management	9/2011 - 9/2016	[M]ost of schools are only taking less than half of the credits that I have already obtained, putting my life on hold for four years and having to start all over is just not right.
ID 2627	California-Torrance		1/2007 - 1/2013	Accredited, but never told me that their credits don't transfer. I found out that information once I started googling about the school. I saw all my class mates pass with flying colors, including the ones that would never show. I had to start from scratch at a community college.

ID 9261	California-Torrance	Software Development	4/2014 - 12/2015	My credits were not completely transferable to community colleges. Lacc wont take my credits for general ed and have to start over again if i want to continue.
ID 8789	California-West Covina	Computer Information Systems	5/2006 - 5/2008	I tried to enroll in Devry and was told my credits wouldn't transfer even though ITT said the credits would transfer.
ID 8869	California-West Covina	Information Systems Security	1/2004 - 6/2007	Credits could not be transferred to another technical school.
ID 5859	California-West Covina	Automated Manufacturing Technology	9/1994 - 6/1997	I tried to enroll in school to obtain a teaching credential. NONE of the classes I took were transferable.
ID 9043	California-West Covina		9/2005 - 6/2009	I tried to attend Antelope Valley college in Lancaster and was told ITT was not an accredited college.
ID 6997, 9311	California-West Covina	Computer Networking Systems	1/2003 - 11/2005	I was told that if i decided to transfer to another school after my associate degree that my credits would be transferable then after i was told it was not. Other schools would not take my credits to transfer.
ID 5518	California-West Covina	Criminal Justice	6/2006 - 9/2007	I attempted to go to a community college shortly after I withdrew from ITT, only to find out the credits were not transferable and I had wasted my time and (future) money on this school.
ID 9472	California-West Covina		1/1997 - 7/1999	I could not transfer to citrus college because of ITT I would have to start all over again.

# Exhibit 4

The following table contains testimony from former ITT students who attended ITT campuses located in California and were misled by ITT regarding the career placement assistance they would receive. This testimony was submitted as an exhibit to the class action complaint filed against ITT Educational Services, Inc. in Case No. 16-07207, attached as Exhibit 1. The ID numbers included on the table are unique identifiers for former ITT students.

<u>ID</u>	<u>CAMPUS</u>	<u>PROGRAM</u>	<u>DATE</u>	<u>TESTIMONY</u>
ID 8989	California-Lathrop		5/2008 - 3/2012	The school promised a high paying job in my specific field of study with assistance from the school for job placement. Assistance was very little, I had to bother the person in the career center every week for new job postings. One of the ones I was offered was in the correctional facilities as an intern where I worked for FREE for months, the other was a seasonal position where I currently work at which was not directly in my field and I was only hired full time because the manager liked how hard I worked and learned, skills I have always possessed sine before ITT. When I got my current job I had not completed my Associates degree yet so my degree was not the reason I landed the job. [] Nobody I know has gotten a job in their field as a result of their IT degrees at ITT Tech.
ID 4863	California-Lathrop		9/2011 - 5/2013	When I completed the program the only job offered was a minimum wage part time job at an Apple Store. I haven't been able to find work since.
ID 8973	California-National City		9/2013	There was little to no effective resources available to help me gain anything other than entry level job (not career) that I already had with out a degree. I actively communicated with my guidance reps during my last full year (3 semesters) prior to graduating to find gainful employment to no avail. I eventually found a job (without the help of ITT, through an temp agency) out of my field of study that would support me well enough to start paying off my student loans.

ID 6592	California-Orange		6/2008 - 3/2012	<p>The jobs that the career services would send out in an email blast to the students would often time contain requirements for the position that were directed at military service members. When job leads that were general in nature in the "CriminalJustice" field were circulated, most of the positions were for security guards at various company's which required no experience other than a high school diploma. There was often mention of the career services department having connections with agency's in the field of study, but never heard of anyone getting hired any of the various connections.</p>
ID 8300	California-Oxnard		6/2003 - 3/2007	<p>I was told time and time again that career services was there to help with resume writing as well as finding employment during attendance as well as after graduation. The only job offers I ever saw were posted off of craigslist or monster.com. There were usually for employment that only required a highschool diploma and paid minimum wage or companies that were so far out of reach for anyone at the school, such as wanted several years experience etc. [] I ended up signing up at a temp agency and taking a job just checking emails, nothing pertaining to my degree.</p> <p>I've worked mostly low wage jobs since graduating. It's been next to impossible to find something decent paying with this degree.</p>
ID 8306	California-Oxnard		3/2014 - 12/2015	<p>Career services sent me irrelevant job leads that didn't pertain to my degree.</p>



ID 8361	California-Rancho Cordova		7/2004 - 8/2005	I never received any support from the school for any type of job placement and even getting transcripts to show education to employers was nearly impossible. I actually lost 2 positions early on because the school never responded. I eventually had to go in to the office and told them to provide the certified copies I needed.
ID 8291	California-Rancho Cordova		6/2010	Upon completion of my degrees, I discovered that job placement by the school was simply them telling you about jobs they found on craigslist.org and classifieds, and they had no actual relationships with IT employers as I was led to believe. Instead of the \$70k-90k salaries the school touted, these jobs paid just above minimum wage in some cases, and often were temporary assignments barely related to my degrees. After a few calls to complain about the lack of decent work offers, they stopped trying to offer the craigslist jobs. They only called after that to try to get me to say that I was employed in IT so they could boost their stats, when I was actually selling phones in a retail store.
ID 8529	California-San Diego		9/2010 - 6/2012	I signed on with the promise that ITT was going to help with job placement until I was placed into the job field. However, that never came to pass and I was never given a job opening that would accept my credentials and skills from ITT. Soon after graduating, ITT stopped communication with me to help get me placed somewhere, even though I told them that I still needed help looking for placement.
ID 7524	California-San Diego	Game Design	4/2005 - 11/2008	The recruiter i met with boasted about their job placement program. He also lied about game design companies attending the campus and sitting in on our final boards for recruitment (which neither one of those things occurred).

ID 5526	California-San Dimas		6/2008 - 6/2010	After I graduated the Career placement department would send me job listings directly from Monster or Indeed.com that were not relevant to my degree and then after a short period of time they stopped trying all together.
ID 7706	California-Sylmar	Electronics and Communications Engineering	1/2003 - 12/2007	<p>Career services couldn't do their jobs they just copied and pasted emails from Indeed and Monster, one of them they sent me was even a scam job.</p> <p>I was promised a good paying job and job placement in the electronics field. The only jobs offered were jobs like BESTBUY, SEARS, or RADIOSHACK. These were jobs that did not need college degrees.</p>
ID 9171	California-Torrance		3/2006 - 4/2010	I was also told that the school had a successful job placement program and I wouldn't have a problem finding a job after graduation. The only thing the school offered me after I graduated was the L.A. County website and the phone number to a Security Officer Agency. I applied for every job closely related to CriminalJustice on the L.A. County website and other leads that I received through networking with people not associated with ITT Tech and received more informative information than the people at the school.
ID 7009	California-Anaheim		1/2003 - 1/2005	Career services both during and after graduation were basically none. They only jobs they assisted with were temp-only agencies, or companies that told me directly "if only you would have gone to a better school where the education actually taught someone real world skills" multiple times.

# Exhibit 5

The following table contains testimony from former ITT students who attended ITT campuses located in California and were misled by ITT regarding the educational services they would receive. This testimony was submitted as an exhibit to the class action complaint filed against ITT Educational Services, Inc. in Case No. 16-07207, attached as Exhibit 1. The ID numbers included on the table are unique identifiers for former ITT students.

<u>ID</u>	<u>CAMPUS</u>	<u>PROGRAM</u>	<u>DATE</u>	<u>TESTIMONY</u>
ID 7942	California-Anaheim	Digital Entertainment and Game Design	6/2004 - 6/2009	<p>Yes as stated before they claimed to have students in the gaming industry and that the program would prepare us for game design. In reality it didn't, i didn't learn enough to do much, at the end of the program i could create very poor non organic objects and some what make an animation of it moving. no where near what is needed to make actual video games. No actual programming which is a major component of gaming, no organic modeling of actual characters which as we know visuals is a large percentage of game design and entertainment. I also came to find that the student that were in the gaming industry were actually video game testers. To be a video game tester you sit there and play the game that has already been created and is soon to be published, you play the game and find any bugs and note them. Thats no where remotely close to what a game designer does. Not to mention they never found me a job in the gaming industry.</p>

ID 7942	California-Anaheim	Digital Entertainment and Game Design	6/2004 - 6/2009	<p>When they made the initial pitch they were selling it as a fast paced hands on education that would get me ready for the industry. They claimed that i could have my bachelors in 3 years time i didn't get my bachelors until 5 years later. Their excuses were that certain classes weren't available and that has to do with the instructors they hire. Most of the instructors are people with a bachelors. At one point i came across one of their ads hiring for a teaching position minimum requirement was bachelors. They also welcomed back students to teach. With the Bachelors i have there is no way i qualify to teach a class. I believe that is the reason my education was so bad. They lacked the skill and knowledge to teach they lacked communication skills and most of the time it was reading straight from the book with no real input from an experienced professional. One of the teachers also yelled and cursed at me for being late to his class by a few mins each time. He said he would drop me from the class, i was tardy because at that time i was taking on a job that the career services had sent me to which had strict hours. I had to quit the job to stay in class. ITT tech was made out to be a great place to learn and advance yourself but it was a horrible education with nothing to show for it.</p>
ID 7679	California-Anaheim	Data Communications	3/2004 - 11/2009	<p>Finally, the program consisted of 2.5 hrs of theory and 2.5 hrs of lab time per class session. My tuition included any labs fees and the equipment and lab material was poor and outdated. It did no prepare me to enter the workforce with current skills.</p>

ID 9406	California-Concord	Electronics and Communications Engineering	9/2009 - 6/2013	The also said they had all the equipment and tools to do our labs and we often were missing things. There were several labs that we didn't complete because we didn't have the proper tools. The books were also outdated and often they would use the same book for two classes and they charged us for two books when we only needed one. We were told that many of the teachers worked in the fields they taught and they could help us prepare for interview. As it turned out many of the teachers didn't have jobs in their fields, all of them had other jobs and taught at ITT for additional income.
ID 6057	California-Culver City	Drafting Design	6/2008 - 4/2010	The teachers: they often would quit or argue back to the admin of the location of teaching. What i mean is that we would go on not having a teacher for semesters or teachers not qualified for teaching that certain background. We would have teachers cursing and infuriated at the school because admin would place them in a class they know nothing of and we end up with am easy A and not knowing what we learned!
ID 7700	California-Hayward	Software Development	3/2016 - 8/2016	My coding class was ALL theory? Youtube videos in entire lecture. Total sham of a school. I had to do self teaching for majority of all work I did thus far. Teachers are horrible. In one course we didn't evem get our books until half the quarter.



ID 8989	California-Lathrop		5/2008 - 3/2012	<p>When we would advice teachers about the equipment not working they would day that was part of the field to "figure it out" but would not provide us with the fix or ever fix it themselves. The equipment was outdated most of the time. we where working on windows XP when windows 8 was already out for example. All of the linix and programming classes that we took where very basic, so basic that anywhere I applied what I had learned was far less than what the employer was looking for. And I received an A or B in those classes so that tells you it wasn't on my part why I didn't meet the employers standards. I was a straight A and B student while attending in all of the IT classes but when I started to try and work in the field on my own (fixing computers for friends) I quickly realized none of what I learned applied to what I was doing. I once applied to Home Depots computer repair department and when they interviewed me they where surprised of the amount of info I didn't know about computers. That should tell you a lot about the courses, how does a A and B student not know enough information to work in the field. As I stated before mostly everything I learned about computers I learned on my own free time.</p>
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ID 7109	California-Lathrop		3/2006 - 6/2008	In every class the teacher would explain what the lab intended to teach us, but when we ran into problems could not figure out how to do the labs themselves. We were 8 weeks behind in a 12 week course in some classes because nothing they "taught" us worked. We only passed the classes because we showed up every day and the teachers felt bad. The schooling was a joke, in our introduction to securities class all we did was sit around and talk about theories, no one actually did anything. I literally learned nothing, making it impossible to get a serious job.
ID 9266	California-Orange	Electronics Technology	1/2004 - 1/2008	The classes at ITT felt very outdated and not current to the field I was in.
ID 9349	California-Oxnard	Network Systems Administration	9/2014 - 8/2015	Many of the classes within my career course had nothing to do with what I should have been learning. They were given titles to make them seem as if they were in coherence with the career path. The lack of proper programs and substandard computers within the ITT tech school was embarrassing.
ID 5718	California-Oxnard	Game Design	2/2011 - 5/2014	We had teachers quit due to the curriculum they were being made to teach be utterly irrelevant to anything that entry level jobs would require.

ID 8300	California-Oxnard	BS Digital Entertainment and Game Design	6/2003 - 3/2007	<p>Systems class the book was so bad, the teacher refused to use it. Halfway through the term we were re-issued a new version of the same book since it was so poorly written. We were also all told we'd be issued hard drives to transport our work on, once enrolled they kept telling us we'd get them the next term, eventually the school staff acted as if we were crazy and said we had no need for hard drives and we'd need to find a different way to transport our work. []Halfway through the bachelors program I found out that the only teacher of the game program, Mr. Johnathan Bair, only had a bachelors degree and very little experience, infact he had only graduated a few years prior from the Art Institute. Most of his classes began with playing games, then we'd do a bit of 3d modeling. Usually have around an hour break in the middle. I do not recall ever doing any kind of tests in his class. The math class taught by Mr. Al-Barack was a joke, he would literally write out the homework and the answers on the board, we'd just copy that down and turn it in, no real learning required. I had several other classes that they'd give us a work shElectricalEngineeringTechnolog to take home for homework. However when we'd bring it back the following week the teacher would have us pull it out and never collect it, they'd then give us the "final" which would be the exact same work shElectricalEngineeringTechnolog. During the third year I started the game design classes. At first we didn't even have enough computers for everyone, there wasn't even 15 people in the class. It took a few weeks to</p>
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ID 8410	California-Rancho Cordova		8/2001 - 6/2005	ITT did NOT explain that they were not ABET accredited and that most employers will not hire new graduates from non-ABET accredited institutions; however they mislead you to believe that their accreditation was widely accepted in the industry. Several industry standards and standard practices were not covered (eg: creepage and clearance, UL, etc.).
ID 8324	California-San Bernardino		9/2006 - 7/2009	ITT Technical Institute told me that I would be receiving an education that would prepare me for the latest specifications in the industry of my field of study. This was false, the industry uses completely different technologies that ITT Tech was incapable of educating it's students on. I was laughed at during job interviews when I told them what ITT Tech had informed me of.
ID 8176	California-San Diego		3/2008 - 6/2010	Not once was I taught about Networking Systems. I had been given basic English and Math courses that would be at about a 10th grade level in the public school system. My technical classes consisted of learning excel, and basic operating system usage and administration. These are a simple operations that I and many of the students attending already knew how to do. One of the classes was installing Windows XP... this is a guided setup by Microsoft... It couldn't get any easier already.

ID 7404, 7524	California-San Diego	Game Design	4/2005 - 11/2008	<p>The classes were an utter joke!! [] The instructors were not qualified and most of them couldn't even use the programs we were supposed to be learning. There was a class that was integral to multimedia design and the teacher didn't know how to work the computer program. I was struggling with a lot of what we were working on, mostly because the instructors didn't know what they were doing. Most of them had no problem passing me with decent grades. Any other school I would have failed!</p> <p>The instructors didn't even know how to use half the programs we were learning. It was very frustrating. Most of the classes were being taught by people who were obviously not qualified to be teachers. I learned next to nothing and am in no way qualified to ever work in my field of study. Even the programs we were learning were outdated.</p>
ID 9052	California-San Diego		3/2003 - 3/2007	<p>From what I observed in the ITT Technical Institute commercials, recruiters, and staff I was under the impression that what I was being taught was cutting/bleeding edge information and that a large number of former students of ITT have be able to land excellent high paying jobs. I felt as if the school preyed on the fact that the majority of the students there were new to this industry and very naive as to what to expect to be learning.</p> <p>Knowing what I know now I would have never started the InformationTechnology-Computer program. The content taught in the InformationTechnology-Computer courses were mediocre. I distinctly remember a student that was already working in the field claiming that the courses were a huge joke.</p>

ID 8529	California-San Diego		9/2010 - 6/2012	<p>During one of my classes, a webdesign class, we had no official teacher for more then 2 weeks. During that time, I found out that classes could be tested out of. I asked to be tested out of that class and they told me I wasn't allowed to. I asked them why and they replied that its because it was 2 weeks into the class and they had taken the loans/money for the class already. I replied that was unfair and I could teach my classmates the very class itself (In fact, I was already teaching my classmates webdesign because we had no real teacher for the course for that period very successfully) and they still did not care nor believed me. I was ushered out with not being able to have a proper webdesign class and forbidden to test out of class.</p>
ID 5526	California-San Dimas		6/2008 - 6/2010	<p>I was led to believe that the software being taught by the school was the industry standard but I later learned that it was not and the school chair was not willing to get the more widely used tools for the students to learn.</p> <p>I did have one job using my degree and I was terminated 6 months later due to not knowing anything needed to perform in the position and now that I work with other Engineers I know now that everything ITT taught me was useless for working in fields that they claimed to train us in.</p>

ID 4010	California-Sylmar	Digital Entertainment and Game Design	9/2006 - 9/2010	<p>education was the best, that not everyone finish their degrees because the school was hard. Come to class I found that the Sibelius was really extent and there was lots of stuff in it, but all the teachers really didn't seem like they cared too much about teaching. Classes were easy A's many times. One major project we had to do involved making a 3D character, the teacher gave us a video that was 30 hours long. This was our capstone project, and that's all we did for the whole quarter while the teacher only took attendance. I did my part, but most students wold just kick back and play around on the internet. I had my model almost finish (3 quarter of a way before the end of the quarter) when the school chair wanted to pay a visit to the class and see everyone's progress on the project. He said he was going to be by next week. Here is when the teacher started to see who had what on the model. He found out that no one had really done anything on those two months of school, then he came over and saw my work. He told me if he could have my model file to give to the other students, that way when the chair person came by he could show how much everyone had done. Basically I gave my two month work to everyone in the class, while they did nothing all quarter, and this was ok by the teacher. Reading other peoples experiences on other campuses, I found out that all teachers were easy like that, and the a lot of them even gave the students the answers to the test. This is so the school can get a good grade and get more money from the government.</p>
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ID 9171	California-Torrance	Criminal Justice	3/2006 - 4/2010	Just about every instructor complained about the books and we never used them. They all had the complaint that they were outdated and didn't touch on the information that we should be learning. I feel so stupid now but it never rang a bell that all of that was B.S. and they didn't prepare for the classes instead we spent a lot of time watching Criminal Justice movies and documentaries.
ID 8153	California-Anaheim		1/2006 - 1/2009	I was told that my Associates and Bachelors would be enough to get a good paying job. Come to find that Certifications from Microsoft would hold a lot more value.
ID 7679	California-Anaheim	Data Communications	3/2004 - 11/2009	They also mentioned that certain classes would help me pass networking certifications, yet they taught no certification material. Most of the material the first two years was not from a reputable company but made specifically for ITT by a company in India. The material was poorly written and the material was not well thought out.
ID 8970	California-Lathrop	Internet Security	6/2006 - 6/2011	They claimed that I would have the proper education to pass their certification test. The teachers were not well enough knowledgeable to help me even try to pass any certification
ID 4863	California-Lathrop	Information Technology Computer Networking Systems	9/2011 - 5/2013	The classes covered a lot of material in the certification tests but it was not in-depth enough and only the basics were taught.
ID 5366	California-National City	Networking Systems Administration	9/2012 - 6/2014	I was led to believe I would be able to compete in a job market where other certifications are required. [ ]I was told I could earn a high salary in my field but they did not mention the fact that I would need additional certifications which they do not offer.
ID 2608	California-National City		2/2011 - 6/2014	They insinuated that I would get the certifications by going to ITT while I was attending.

ID 8440	California-Orange	Data Communications Systems Technology	6/2007 - 6/2011	They also told me that their classes will help me pass most of the highly needed certifications but that was not true. Their classes and instructors lacked the experience to help us achieve this. I had to study on my own and pay extra money outside of the college money to be able to get this type of training and pass my certifications.
ID 5718	California-Oxnard	Game Design	2/2011 - 5/2014	I stopped listing that I attended ITT on my resume because I inquired after getting rejections for almost a year, and they said that they never had hired anyone that worked out from that school. I started listing Udemy certifications instead.
ID 2845	California-Rancho Cordova		9/2004 - 3/2007	I was told that my education would put me in position to acquire the Cisco Certified Network Administrator certification upon graduation, but that I would earn at least \$60,000 salary without it. I was told the certification would only act as a secondary benefit to my degree and passing the exam would be easy after I finished my education.
ID 9573	California-Rancho Cordova	Computer Electronics/Electronic Engineering	1/1996 - 12/1998	They said I would have all the required credentials in my field upon graduation. I later learned, after being turned down from a job i found on my own, i needed Microsoft certification. Upon contacting the school, I was told that was different and would cost more. I asked them why this wasn't disclosed at the time of my graduation, as I called several years later, I was told that was a program they didn't offer at the time but now, as they realize it is needed, they added a whole new program and would have the recruitment staff call me about costs etc.

ID 9287	California-Rancho Cordova	Project Management	1/2011 - 9/2015	We were assured that the accreditation at ITT was just as good as other schools. Along with this told that certification eligibility was the same if we wen't anywhere else. There was even a study group put together for different programs to prepare for exams. This was not the case and the only certifications that we could pursue were also meaningless.
ID 5546	California-Rancho Cordova	Multimedia	3/2006 - 12/2010	Finding a job with a multimedia degree has been impossible. With my Network Systems degree I was at least able to find contract work and a permanent job at Tony's Fine Foods until they were sold to UNFI. However I have not been able to elevate myself beyond customer support, in order to do so I believe that I will need certifications in a few different areas. The issue that I have is that these certifications can cost \$100 to \$400 and just one of them holds more weight to a potential employer than my degree does.
ID 9052	California-San Diego	Computer Networking (AA) InformationSystemsSecurity Systems (BS)	3/2003 - 3/2007	Due to the fact that I was new to the field of Info Technology I was unaware of technical certifications. I was only aware of your basic A+ and Network + certifications that the school made claims that the InformationTechnology-Computer program would prepare you for. Knowing what I know now I would have never started the InformationTechnology-Computer program. The content taught in the InformationTechnology-Computer courses were mediocre. I distinctly remember a student that was already working in the field claiming that the courses were a huge joke.
ID 8310	California-San Dimas	Computer/Electrical Engineering Technology	9/2005 - 3/2010	I was also told I would be provided with actual networking certifications, I was told this by my recruiter who was later fired only because multiple complaints had been filed regarding lies.

ID 4265	California-Torrance		2/2005 - 6/2009	Many of the IT related courses were based on theory. And those that did use a book, used IT certification manuals. Upon graduating and working my way into the field and relying on continued independent education to achieve certifications in my field of study, these courses were nowhere close to what was needed to obtain certifications in the topic.
ID 7646	California-Lathrop		1/2007 - 1/2009	The content for each class felt like it was created for high school students. The tests and end of semester projects were similar to art and craft projects i did when i was young. I should not have to pay this much money for a 7th grade education, for instructors that do not know how to teach and for being decieved in almost every aspect of the program.
ID 2608	California-National City	Network Systems Administrations	2/2011 - 6/2014	They didn't even teach me most of the material or have most materials for the labs. They said the first program I was enrolled in was close to video game design. An associate dean actually *GAVE* me answers to a final on a post it once. I didn't use them.
ID 9614	California-Orange	ASEE	2/2009 - 9/2011	Teachers changed grades to benefit themselves and not the student. Teachers where graded on student attendance and grades.
ID 8300	California-Oxnard	Bachelor of Science in Digital Entertainment and Game Design	6/2003 - 3/2007	During our Capstone class for our associates degree the teacher/program chair quit the day before we were to turn in our finals. After sitting there a few hours waiting on him a random staff member of the school was sent in to tell us he had quit the previous day and that we all passed. None of our work was turned in or checked.

ID 8156	California-Oxnard		6/2010 - 6/2012	<p>My first term at ITT was great. I had some great teachers that really seemed to care about me... I was a little thrown off by the fact that I felt like I was "sold" an education on day one, but I rolled with it. Something was fishy to me though when I overheard my best teacher telling someone that he was not being renewed to come back the next term - he was being let go because he gave students the grades that they earned and didn't just pass people. I worked hard to balance my life and my education, but the teachers were obviously told to pass all students and were let go if they didn't. I saw teachers actually give students the answer key to the exams. How's that for higher education.</p>
ID 5811	California-Rancho Cordova		9/2005 - 5/2007	<p>ITT had a math teacher named Sonny between 2004-2007 that gave answers to the exams during the exam. He made very clear that any student DURING AN EXAM whom did not understand the questions should raise their hand so he could give them the answers. Sonny got his name and photo on a plaque in the hallway of the school while I was there, teacher of the year it said. This is clearly Sonny understanding that the school has a vested interest in the enrollment and successful graduation of its students. They don't care what happens to you when you leave, but while you're there, they want you in class and getting good grades... regardless of whether you're actually learning anything or not.</p>
ID 8410	California-Rancho Cordova		8/2001 - 6/2005	<p>Other students were often given passing grades even though they could not mElectricalEngineeringTechnolog the same expectation or standards that I was mElectricalEngineeringTechnologing; all in the name of better passing statistics.</p>

ID 9115	California-Rancho Cordova		6/2005 - 11/2009	At enrollment, I was lead to believe that this school held students to a high standard. The programs that they had would be rigorous and teach a lot of information. The reality was that the classes were rudimentary and students with poor attendance and skills passed without a problem. The only time someone would not pass a course was if they dropped from the program all together.
ID 9287	California-Rancho Cordova	Project Management	1/2011 - 9/2015	I worked my hardest to get an education that I could be proud of. Even when the issue of their reputation came up I was told that "It will all come down to your GPA/Grades weather you get a good job or not." So I worked hard to get a 3.98 at the end of MY A.S. and a 3.52 at the completion of the B.S. program. During this time the students that did not try hard were constantly getting their grades changed at the end of the quarters so they could continue on. This puts even less meaning on my hard work and makes my degree worthless in the eyes of employers.
ID 9474	California-San Bernardino	Computer Electronics	1/2002 - 1/2006	Never really learned anything. All test were open book. All teachers passed all students regardless of there grades. One Math teacher was really good in teaching. most students were failing and he came in one day to class and let us know that his superiors wanted him to start passing all students regardless of their grades. This is when I knew I made a big mistake coming here. I received Valedictorian award for my class with a C avg grade. And I had no skills.

ID 9035	California-San Bernardino	Computer and Electronics Engineering	3/2009 - 6/2011	<p>Some of my teachers didn't seem to care much about the job most of them had this as a second job and only were doing for the extra income. One time during a tests I wrote down the wrong answer on purpose to see if he would catch it and make me down for it but he didn't he just placed 100 percent with out even looking at the paper. What I did notice the most was that every teacher would ask for this piece of paper that you had to bring to every class you had to print it out from the student portal and bring it to them that piece of paper was worth 20 percent of your grade. This paper only showed that you were at school nothing of value for learning anything. I failed a class on purpose only because I didn't want to bring in that paper but I did all the other work but still failed. I noticed that a student there was bragging that he had paid all his loans to Itt tech he was rarely at school and when he would show up he would bring that piece of paper and leave and when we graduated he received Honors. I couldn't believe it but it made sense know that the school is closing and they seem to have committed fraud to many other students all the wanted was the money.</p>
ID 9500	California-San Bernardino	Computer Networking Systems	6/2008 - 6/2010	<p>The education quality was laughable. The teachers were just out to get you to pass the class as it would benefit them. They would go over the answers to all tests before the test actually started to make sure the students pass. It wasn't about teaching the students, it was about passing them.</p>
ID 7718	California-San Bernardino		2/2007 - 2/2012	<p>I've had instructors tell me that they were forced to pass students, even if they weren't learning the material.</p>

ID 7524	California-San Diego	Game Design	4/2005 - 11/2008	I was struggling with a lot of what we were working on, mostly because the instructors didn't know what they were doing. Most of them had no problem passing me with decent grades. Any other school I would have failed!
ID 4010	California-Sylmar	Digital Entertainment and Game Design	9/2006 - 9/2010	Classes were easy A's many times. One major project we had to do involved making a 3D character, the teacher gave us a video that was 30 hours long. This was our capstone project, and that's all we did for the whole quarter while the teacher only took attendance. I did my part, but most students would just kick back and play around on the internet. I had my model almost finish (3 quarter of a way before the end of the quarter) when the school chair wanted to pay a visit to the class and see everyone's progress on the project. He said he was going to be by next week. Here is when the teacher started to see who had what on the model. He found out that no one had really done anything on those two months of school, then he came over and saw my work. He told me if he could have my model file to give to the other students, that way when the chair person came by he could show how much everyone had done. Basically I gave my two month work to everyone in the class, while they did nothing all quarter, and this was ok by the teacher. Reading other peoples experiences on other campuses, I found out that all teachers were easy like that, and the a lot of them even gave the students the answers to the test. This is so the school can get a good grade and get more money from the government.



ID 7706	California-Sylmar	Electronics and Communications Engineering	1/2003 - 12/2007	<p>Some of the illegal activities were my grades. I believe the teachers gave me higher grades so that the school could be giving more federal money because I was a military veteran. Most of the classes all you had to do was show up and put little effort to get a grade letter of an "A". The school was more worried about your attendance then your education. Exams were corrected by other students in the class so you can get a better grade.</p>
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# Exhibit B

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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**From:** U.S. Department of Education <noreply@studentaid.gov>  
**Sent:** Wednesday, May 20, 2020, 9:14 AM  
**To:** [REDACTED]  
**Subject:** Borrower defense discharge ineligibility information for you

[Click here to view this email as a web page.](#)



Seal of the U.S. Department of Education

May 20, 2020

Borrower Defense Application#: [REDACTED]

Dear Bobby Vang:

The U.S. Department of Education (ED) has completed its review of your application under the applicable Borrower Defense to Repayment regulations for discharge of your William D. Ford Federal Direct Loans (Direct Loans) made in connection with your or your child's enrollment at ITT Technical Institute. "You" as used here should be read to include your child if you are a Direct PLUS Loan borrower who requested a discharge for loans taken out to pay for a child's enrollment at ITT Technical Institute. ED has determined that your application is ineligible for relief based on review of the facts of your claim and the regulatory criteria for relief; this decision means that your Direct Loans will not be discharged. ED explains the reasons below.

**Applicable Law**

For Direct Loans first disbursed prior to July 1, 2017, a borrower may be eligible for a discharge (forgiveness) of part or all of one or more Direct Loans if the borrower's school engaged in acts or omissions that would give rise to a cause of action against the school under applicable state law. See § 455(h) of the Higher

Education Act of 1965, as amended, 20 U.S.C. § 1087e(h), and 34 C.F.R. § 685.206(c) and 685.222 (the Borrower Defense regulations). ED recognizes a borrower's defense to repayment of a Direct Loan only if the cause of action directly relates to the Direct Loan or to the school's provision of educational services for which the Direct Loan was provided. 34 C.F.R. §§685.206(c)(1), 685.222(a)(5); U.S. Department of Education, Notice of Interpretation, 60 Fed. Reg. 37,769 (Jul. 21, 1995).

### **Why was my application determined to be ineligible?**

ED reviewed your borrower defense claims based on any evidence submitted by you in support of your application, your loan data from National Student Loan Data System (NSLDS®), and evidence provided by other borrowers.

#### Allegation 1: Other

You allege that ITT Technical Institute engaged in misconduct related to Other. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### Allegation 2: Admissions and Urgency to Enroll

You allege that ITT Technical Institute engaged in misconduct related to Admissions and Urgency to Enroll. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### Allegation 3: Educational Services

You allege that ITT Technical Institute engaged in misconduct related to Educational Services. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### Allegation 4: Career Services

You allege that ITT Technical Institute engaged in misconduct related to Career Services. This allegation fails for the following reason(s): Insufficient Evidence.

Your claim for relief on this basis therefore is denied.

#### Allegation 5: Transferring Credits

You allege that ITT Technical Institute engaged in misconduct related to Transferring Credits. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

#### Allegation 6: Employment Prospects

You allege that ITT Technical Institute engaged in misconduct related to Employment Prospects. This allegation fails for the following reason(s):

Insufficient Evidence.

Your claim for relief on this basis therefore is denied.

### **What evidence was considered in determining my application's ineligibility?**

We reviewed evidence provided by you and other borrowers who attended your school. Additionally, we considered evidence gathered from the following sources:

1. Consumer Financial Protection Bureau (CFPB)
2. Evidence obtained by the Department in conjunction with its regular oversight activities
3. IA Attorney General's Office
4. MA Attorney General's Office
5. NM Attorney General's Office
6. Transcript of Testimony of ITT Tech Recruiter before the National Advisory Council on Institutional Quality and Integrity (NACIQI) (June 23, 2016).
7. Materials compiled by ITT Tech's accreditor, the Accrediting Council for Independent Colleges and Schools (ACICS).
8. Materials compiled by non-profit group, Veterans Education Success (VES).
9. Materials prepared by ITT Educational Services, Inc.

### **What if I do not agree with this decision?**

If you disagree with this decision, you may ask ED to reconsider your application. To submit a request for reconsideration, please send an email with the subject line "Request for Reconsideration [REDACTED]" to [BorrowerDefense@ed.gov](mailto:BorrowerDefense@ed.gov) or mail your request to U.S. Department of Education, P.O. Box 1854, Monticello, KY 42633. In your Request for Reconsideration, please provide the following information:

1. Which allegation(s) you believe that ED incorrectly decided;
2. Why you believe that ED incorrectly decided your borrower defense to repayment application; and
3. Identify and provide any evidence that demonstrates why ED should approve your borrower defense to repayment claim under the applicable law set forth above.

ED will not accept any Request for Reconsideration that includes new allegations. If you wish to assert allegations that were not included in your application, please see the following section. Additionally, your loans will not be placed into forbearance unless your request for reconsideration is accepted and your case is reopened. Failure to begin or resume repayment will result in collection activity, including administrative wage garnishment, offset of state and federal payments you may be owed, and litigation. For more information about the reconsideration process, please contact our borrower defense hotline at 1-855-279-6207 from 8 a.m. to 8 p.m. Eastern time (ET) on Monday through Friday.

### **Can I apply for borrower defense if I have additional claims?**

If you wish to file a new application regarding acts or omissions by the school other than those described in borrower defense application [REDACTED], please submit an application at [StudentAid.gov/borrower-defense](https://StudentAid.gov/borrower-defense). In the new application,

you should explain in the relevant section(s) the basis for any new borrower defense claim(s) and submit all supporting evidence.

### **What should I do now?**

Because your borrower defense to repayment application was found to be ineligible, you are responsible for repayment of your loans. ED will notify your servicer(s) of the decision on your borrower defense to repayment application within the next 15 calendar days, and your servicer will contact you within the next 30 to 60 calendar days to inform you of your loan balance. Further, if any loan balance remains, the loans will return to their status prior to the submission of your application. If your loans were in forbearance as a result of your borrower defense to repayment application, the servicer will remove those loans from forbearance. **\*See COVID-19 Note below.**

If your loans are in default and are currently in stopped collections, your loans will be removed from stopped collections. Failure to begin or resume repayment could result in collection activity such as administrative wage garnishment, offset of state and federal payments that you may be owed, and litigation. **\*See COVID-19 Note below.**

While normally interest would not be waived for unsuccessful borrower defense applications, given the extended period of time it took ED to complete the review of this application, the Secretary is waiving any interest that accrued on your Direct Loans from the date of the filing of your borrower defense application to the date of this notification. Your servicer will provide additional information in the coming months regarding the specific amount of interest adjusted. **\*See COVID-19 Note below.**

**\*COVID-19 Note:** On March 27, 2020, the president signed the *CARES Act*, which, among other things, provides broad relief in response to the coronavirus disease 2019 (COVID-19) for federal student loan borrowers whose loans are owned by ED. For the period March 13, 2020, through September 30, 2020, the interest rate on the loans will be 0% and no payments will be required. During this same period for defaulted borrowers, all proactive collection activities, wage garnishments, and Treasury offsets will be stopped. Your federal loan servicer will answer any questions you have about your specific situation. In addition, Federal Student Aid's COVID-19 information page for students, borrowers, and parents is located at [StudentAid.gov/coronavirus](https://studentaid.gov/coronavirus). Please visit the page regularly for updates.

### **What if I have another pending borrower defense application?**

If you have additional pending borrower defense to repayment applications, this information applies to you:


- If your loans associated with an additional borrower defense to repayment application that is still pending are in forbearance or another status that does not require you to make payments, your loans will remain in forbearance or that other status. Similarly, if your loans associated with that borrower defense application are in default and you are currently in stopped collections, those loans will remain in stopped collections.
- If you are unsure if you have additional pending applications, or if you would like to check on the status of your loans associated with an additional

application, contact our borrower defense hotline at 1-855-279-6207 from 8 a.m. to 8 p.m. ET on Monday through Friday.

ED offers a variety of loan repayment options, including the standard 10-year repayment plan, as well as extended repayment, graduated repayment, and income-driven repayment plans. For more information about student loan repayment options, visit [StudentAid.gov/plans](https://studentaid.gov/plans). If you have questions about the status of your loans or questions about repayment options, please contact your servicer(s). If you do not know the name of your federal loan servicer, you may go to [StudentAid.gov](https://studentaid.gov) to find your servicer and view your federal loan information.

Sincerely,

U.S. Department of Education  
Federal Student Aid

 Federal Student Aid An Office of  
the U.S. Department of Education  
830 First Street, NE, Washington, D.C. 20202  
[StudentAid.gov/borrower-defense](https://studentaid.gov/borrower-defense)

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

THERESA SWEET, CHENELLE ARCHIBALD, DANIEL DEEGAN, SAMUEL HOOD, TRESA APODACA, ALICIA DAVIS, and JESSICA JACOBSON on behalf of themselves and all others similarly situated,

Case No.: 19-cv-03674-WHA

*Plaintiffs,*

v.

**AFFIDAVIT OF BENJAMIN THOMPSON**

ELISABETH DEVOS, in her official capacity as Secretary of the United States Department of Education,

And

THE UNITED STATES DEPARTMENT OF EDUCATION,

*Defendants.*

I, Benjamin Thompson, state as follows:

1. I am submitting this affidavit in relation to the above-captioned case.
2. I borrowed federal student loans in order to attend DeVry's online division.
3. On July 7, 2016, I submitted a borrower defense application ("Application") to the United States Department of Education via e-mail, asking for these loans to be cancelled. A copy of the Application, with personal information redacted, is attached as Exhibit A.
4. On June 29, 2020, I received correspondence from the Department of Education, stating that my claim had been denied ("Denial Notice"). A copy of that Denial Notice, with personal information redacted, is attached as Exhibit B.
5. In between the time that I first submitted an application for loan cancellation and when I received the notification of denial, my federal student loans have been in forbearance.



1           6.       In between the time that I first submitted an application for loan cancellation and  
2 when I received the notification of denial, I reached out to the Department of Education to ask  
3 about my Application about once a year. Each time I was told it was being reviewed.

4           7.       The Denial Notice says that I failed to state a legal claim about whether DeVry  
5 engaged in misconduct related to "Job Placement Rate."

6           8.       The Denial Notice says that I failed to state a legal claim about whether DeVry  
7 engaged in misconduct related to "other."

8           9.       I do not know what the Department means by "other."

9           10.      I do not understand how I failed to state a legal claim or what "failure to state a  
10 legal claim" means. I referenced the Federal Trade Commission's case against DeVry in my  
11 Application and submitted a copy of the complaint along with my Application. I received at least  
12 one check as a result of the Federal Trade Commission's settlement with DeVry.

13          11.      I do not understand how the Federal Trade Commission, a federal agency, can  
14 find something wrong, but the Department of Education, another federal agency, can refuse to  
15 honor those same findings.

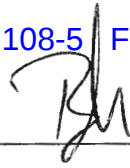
16          12.      Because of the pending settlement, I think it was convenient for the Department to  
17 just hand out mass denials without actually reviewing and considering the evidence the  
18 Department has.

19          13.      The notification of denial states that I may ask for reconsideration. I am unsure of  
20 what additional information I could possibly submit. I also cannot tell what evidence I submitted  
21 was considered and was found to be deficient. I am not sure what information they want.

22                I swear under penalty of perjury that the foregoing is true and correct.

23  
24                Executed on: August 19, 2020

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Benjamin Thompson

# EXHIBIT A

[REDACTED]

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**Subject:** FW: Borrower Defense Request  
**Attachments:** Statement Letter.pdf; UnOfficial\_Transcript.pdf; 160127devrycmpt.pdf

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**From:** Ben Thompson [mailto:[REDACTED]]  
**Sent:** Tuesday, August 18, 2020 10:22 PM  
**To:** [REDACTED] >  
**Subject:** Fw: Borrower Defense Request

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**From:** Ben Thompson [REDACTED]  
**Sent:** Thursday, July 7, 2016 9:27 AM  
**To:** [FSAOperations@ed.gov](mailto:FSAOperations@ed.gov) <[fsaoperations@ed.gov](mailto:fsaoperations@ed.gov)>  
**Subject:** Borrower Defense Request

Good morning,

I wish to assert a borrower defense to repayment based on state law.

I have attached a more formal request along with supporting documentation.

Anything else I need to do please let me know at your leisure.

Regards,

Benjamin Thompson

To whom it may concern,

I wish to assert a borrower defense to repayment based on state law. However I would not like to have my loans placed in forbearance. I will continue to pay as needed until a decision is made. All pertinent information is as follows:

- Benjamin Andrew Thompson
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- DeVry MN/Online
- Computer Information Systems
- Attained Bachelor of Science
- Fall 2007 to Degree Date of 10/23/2011

I have included a copy of an unofficial transcript as documentation for information given above. If an official transcript is required please let me know and I will get one to you directly. I am requesting this discharge in coordination with a FTC probe into misleading marketing in regards to job placement and wages. These were the reasons I decided to attend DeVry and since graduation I am still in my current job with only a handful of interviews with other companies and little contact with the career placement division of the school. So now I am in

heavy debt without the expected gains. I have included a copy of the original injunction for reference.

Regards,

A handwritten signature in black ink, consisting of a stylized 'B' and 'M'.

Benjamin Thompson



Unofficial Transcript for Benjamin Thompson ( [REDACTED] )

**UNOFFICIAL TRANSCRIPT**

Your GPA information is updated after all grades for the session have been posted.

Repeated courses are indicated by an 'E' or 'I' in column 'R'. 'E' is a repeated course excluded from your GPA. 'I' is a repeated course included in your GPA.

Print Date: 07/07/2016

**Student Information**

Name: Benjamin Thompson

DSI: [REDACTED]

Student Type: Continuing

**Curriculum Information**

Degree: Bachelor of Science  
 Program: Computer Information Systems  
 College: Coll of Engineering & Info Sci  
 Campus: MN Online/Minnesota  
 Major: Computer Information Systems  
 Concentration: Computer Forensics

**Degree Awarded**

Awarded: Bachelor of Science      **Degree Date:** Oct 23, 2011  
 Institutional Honors: Cum Laude  
 Program: Computer Information Systems  
 College: Coll of Engineering & Info Sci  
 Campus: MN Online/Minnesota  
 Major: Computer Information Systems  
 Major Concentration: Computer Forensics

Program GPA	Cumulative Earned Hours	Cumulative GPA
3.56	131.00	3.56

**Transfer Credit Accepted by Institution**

200730      Minnesota Sch Business Rchfld



Unofficial Transcript for Benjamin Thompson ( [REDACTED] )

Subject	Course	Title	Grade	Credit Hours	Quality Points	R
COMP	100	Computer Apps For Bus W/Lab	TR	2.000	0.000	
CRCS	31	Gen Cred In Comm Skills	TR	3.000	0.000	
CRHU	31	Gen Cred In Humn	TR	3.000	0.000	
Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
8.000	8.000	8.000	0.000	0.00	0.00	

200730

Univ Nevada Reno

Subject	Course	Title	Grade	Credit Hours	Quality Points	R
ENGL	112	Composition	TR	4.000	0.000	
ENGL	135	Adv Composition	TR	4.000	0.000	
MATH	114	Algebra For College Students	TR	4.000	0.000	
PSYC	110	Psychology	TR	3.000	0.000	
Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
15.000	15.000	15.000	0.000	0.00	0.00	

**Institution Credit**

**Semester:** Fall 2007

**Semester Honors:** Dean's List

**College:** Coll of Engineering & Info Sci

**Major:** Computer Information Systems

**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
BUSN	115	Online	UG	Intro To Bus & Tech	B	3.00	09.00	
COLL	148	Online	UG	Critical Thinking and Problem-	A	3.00	12.00	
		Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
<b>Current Semester:</b>		6.00	6.00	6.00	6.00	21.00	3.50	
<b>Cumulative:</b>		6.00	6.00	6.00	6.00	21.00	3.50	





Unofficial Transcript for Benjamin Thompson ( [REDACTED] )

**Semester:** Spring 2008  
**Semester Honors:** Dean's List  
**College:** Coll of Engineering & Info Sci  
**Major:** Computer Information Systems  
**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CIS	115	Online	UG	Logic and Design	A	3.00	12.00	
CIS	206	Online	UG	Architecture & Operating Sys W	W	4.00	00.00	E
HUMN	303	Online	UG	Intro To The Humanities	W	3.00	00.00	E
PSYC	305	Online	UG	Motivation & Leadership	A	3.00	12.00	

	Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA
<b>Current Semester:</b>	13.00	6.00	6.00	6.00	24.00	4.00
<b>Cumulative:</b>	19.00	12.00	12.00	12.00	45.00	3.75

**Semester:** Summer 2008  
**Semester Honors:** Dean's List  
**College:** Coll of Engineering & Info Sci  
**Major:** Computer Information Systems  
**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CIS	206	Online	UG	Architecture & Operating Sys W	A	4.00	16.00	I
HUMN	303	Online	UG	Intro To The Humanities	A	3.00	12.00	I

	Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA
<b>Current Semester:</b>	7.00	7.00	7.00	7.00	28.00	4.00
<b>Cumulative:</b>	26.00	19.00	19.00	19.00	73.00	3.84

**Semester:** Fall 2008



Unofficial Transcript for Benjamin Thompson ( [REDACTED] )

**College:** Coll of Engineering & Info Sci  
**Major:** Computer Information Systems  
**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
ECON	312	Online	UG	Prin of Econ	B	3.00	09.00	
MATH	221	Online	UG	Stats For Decision Making	C	4.00	08.00	
		Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
<b>Current Semester:</b>		7.00	7.00	7.00	7.00	17.00	2.43	
<b>Cumulative:</b>		33.00	26.00	26.00	26.00	90.00	3.46	

**Semester:** Spring 2009

**Semester Honors:** Dean's List  
**College:** Coll of Engineering & Info Sci  
**Major:** Computer Information Systems  
**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
ENGL	227	Online	UG	Prof Writing	A	4.00	16.00	
SCI	228	Online	UG	Nutrition, Health and Wellness	B	4.00	12.00	
		Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
<b>Current Semester:</b>		8.00	8.00	8.00	8.00	28.00	3.50	
<b>Cumulative:</b>		41.00	34.00	34.00	34.00	118.00	3.47	

**Semester:** Summer 2009

**Semester Honors:** Dean's List  
**College:** Coll of Engineering & Info Sci  
**Major:** Computer Information Systems  
**Academic Standing:** Good Standing



Unofficial Transcript for Benjamin Thompson ( D03115073 )

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
ACCT	301	Online	UG	Ess In Acct	A	4.00	16.00	
HUMN	447	Online	UG	Logic & Critical Thinking	B	3.00	09.00	
		Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
<b>Current Semester:</b>		7.00	7.00	7.00	7.00	25.00	3.57	
<b>Cumulative:</b>		48.00	41.00	41.00	41.00	143.00	3.49	

**Semester:** Fall 2009

**Semester Honors:** Dean's List

**College:** Coll of Engineering & Info Sci

**Major:** Computer Information Systems

**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CIS	246	Online	UG	Connectivity with Lab	A	4.00	16.00	
MGMT	404	Online	UG	Proj Mgmt	A	4.00	16.00	
SEC	280	Online	UG	Principles of Info Sys Sec	A	3.00	12.00	
		Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
<b>Current Semester:</b>		11.00	11.00	11.00	11.00	44.00	4.00	
<b>Cumulative:</b>		59.00	52.00	52.00	52.00	187.00	3.60	

**Semester:** Spring 2010

**College:** Coll of Engineering & Info Sci

**Major:** Computer Information Systems

**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CIS	170A	Online	UG	Programming with Lab	B	4.00	12.00	
CIS	247A	Online	UG	Object-Oriented Programming W/	B	4.00	12.00	



Unofficial Transcript for Benjamin Thompson ( [REDACTED] )

CIS 321 Online UG Struct Analysis & Dsgn B 3.00 09.00

	Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA
<b>Current Semester:</b>	11.00	11.00	11.00	11.00	33.00	3.00
<b>Cumulative:</b>	70.00	63.00	63.00	63.00	220.00	3.49

**Semester:** Summer 2010

**College:** Coll of Engineering & Info Sci

**Major:** Computer Information Systems

**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CCSI	330	Online	UG	Digital Crime: Evidence & Pro	A	3.00	12.00	
CIS	336	Online	UG	Intro To Database W/Lab	B	4.00	12.00	
CIS	339	Online	UG	Oo Analysis & Dsgn	B	3.00	09.00	

	Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA
<b>Current Semester:</b>	10.00	10.00	10.00	10.00	33.00	3.30
<b>Cumulative:</b>	80.00	73.00	73.00	73.00	253.00	3.47

**Semester:** Fall 2010

**College:** Coll of Engineering & Info Sci

**Major:** Computer Information Systems

**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CCSI	360	Online	UG	Computer Ethics	A	3.00	12.00	
CIS	355A	Online	UG	Business Application Prog W/La	C	4.00	08.00	
CIS	363B	Online	UG	Web Interface Design with Lab	A	4.00	16.00	
CIS	407A	Online	UG	Web Application Development W/	A	4.00	16.00	

	Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA
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Unofficial Transcript for Benjamin Thompson ( [REDACTED] )

<b>Current Semester:</b>	15.00	15.00	15.00	15.00	52.00	3.47
<b>Cumulative:</b>	95.00	88.00	88.00	88.00	305.00	3.47

**Semester:** Spring 2011

**Semester Honors:** Dean's List

**College:** Coll of Engineering & Info Sci

**Major:** Computer Information Systems

**Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CCSI	410	Online	UG	Digital Forensics I with Lab	A	4.00	16.00	
CIS	470	Online	UG	Comp Info Sys Senior Project	A	3.00	12.00	
HUMN	432	Online	UG	Technology, Society & Culture	A	3.00	12.00	
SEC	440	Online	UG	Info Sys Security Plan & Audit	A	4.00	16.00	
		Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	
<b>Current Semester:</b>		14.00	14.00	14.00	14.00	56.00	4.00	
<b>Cumulative:</b>		109.00	102.00	102.00	102.00	361.00	3.54	

**Semester:** Summer 2011

**Semester Honors:** Dean's List

**College:** Coll of Engineering & Info Sci

**Major:** Computer Information Systems

**Academic Standing:** Good Standing

**Last Academic Standing:** Good Standing

Subject	Course	Campus	Level	Course Title	Grade	Credit Hours	Quality Points	R
CARD	405	Online	UG	Career Dev	A	2.00	08.00	
CCSI	460	Online	UG	Digital Forensics II with Lab	A	4.00	16.00	
		Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA	



Unofficial Transcript for Benjamin Thompson ( [REDACTED] )

<b>Current Semester:</b>	6.00	6.00	6.00	6.00	24.00	4.00
<b>Cumulative:</b>	115.00	108.00	108.00	108.00	385.00	3.56

**Transcript Totals (Undergraduate)**

	Attempted Hours	Passed Hours	Earned Hours	GPA Hours	Quality Points	GPA
<b>Total Institution:</b>	115.000	108.000	108.000	108.000	385.00	3.57
<b>Total Transfer:</b>	23.000	23.000	23.000	0.000	0.00	0.00
<b>Overall:</b>	138.000	131.000	131.000	108.000	385.00	3.57

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15  
 16 UNITED STATES DISTRICT COURT  
 17 CENTRAL DISTRICT OF CALIFORNIA

18	FEDERAL TRADE COMMISSION,	)	Case No.
		)	
19	Plaintiff,	)	
20		)	COMPLAINT FOR PERMANENT
21	v.	)	INJUNCTION AND OTHER
		)	EQUITABLE RELIEF
22	DEVRY EDUCATION GROUP	)	
23	INC., formerly known as DeVry Inc.,	)	
24	a corporation;	)	
25	DEVRY UNIVERSITY, INC., a	)	
26	corporation; and	)	
27	DEVRY/NEW YORK INC., a	)	
28	corporation;	)	
	Defendants.	)	



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

2 1. The FTC brings this action under Section 13(b) of the Federal Trade  
3 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain permanent injunctive  
4 relief, rescission or reformation of contracts, restitution, the refund of monies paid,  
5 disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts  
6 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

7 **JURISDICTION AND VENUE**

8 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§  
9 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

10 3. Venue is proper in this district under 28 U.S.C. § 1391 (b)(2) and  
11 (c)(2), and 15 U.S.C. § 53(b).

12 **PLAINTIFF**

13 4. The FTC is an independent agency of the United States Government  
14 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC  
15 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or  
16 affecting commerce.

17 5. The FTC is authorized to initiate federal district court proceedings, by  
18 its own attorneys, to enjoin violations of the FTC Act, and to secure such equitable  
19 relief as may be appropriate in each case, including rescission or reformation of  
20 contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten  
21 monies. 15 U.S.C. § 53(b).

22 **DEFENDANTS**

23 6. Defendant DeVry Education Group Inc. (DEG) is a publicly traded  
24 Delaware corporation with its principal place of business at 3005 Highland  
25 Parkway, Downers Grove, Illinois. DEG was formerly known as DeVry Inc. DEG  
26 transacts or has transacted business in this district and throughout the United  
27 States. At all times material to this Complaint, with respect to the acts and  
28 practices of DeVry University, Inc. and DeVry/New York Inc. that are described



1 below, DEG dominated or controlled those acts and practices, knew of or approved  
2 those acts and practices, and/or benefitted from those acts and practices. DEG,  
3 DeVry University, Inc., and DeVry/New York Inc. are collectively referred to in  
4 this Complaint as “DeVry” or “Defendants.”

5 7. Defendant DeVry University, Inc. (DVU), a Delaware corporation, is  
6 a subsidiary of DEG with its principal place of business at 3005 Highland  
7 Parkway, Downers Grove, Illinois. DVU transacts or has transacted business in  
8 this district and throughout the United States. At all times material to this  
9 Complaint, acting alone or in concert with others, DVU has advertised, marketed,  
10 distributed, or sold educational products and services to consumers throughout the  
11 United States.

12 8. Defendant DeVry/New York Inc. (DeVry New York), a Delaware  
13 corporation sometimes doing business as DeVry College of New York, is a  
14 subsidiary of DEG, with its principal place of business at 3005 Highland Parkway,  
15 Downers Grove, Illinois. At all times material to this Complaint, acting alone or in  
16 concert with others, DeVry New York has advertised, marketed, distributed, or  
17 sold educational products and services to consumers.

18 **COMMERCE**

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

22 **BUSINESS ACTIVITIES**

23 ***Background***

24 10. DeVry operates DVU, a private, for-profit postsecondary educational  
25 institution, which currently has more than 50 campuses throughout the United  
26 States, and at times has had as many as 96 campuses. DVU also offers online  
27 classes and degree programs. DVU’s predecessor, DeVry Institute of Technology,  
28 began offering bachelor’s degrees in 1970. DVU comprises five colleges, as well

1 as a graduate school of business. More than ten majors and 40 specializations are  
2 available. Annual new-student enrollment between 2008 and 2014 ranged from  
3 approximately 29,000 to 49,000. Since 1975, more than 870,000 students have  
4 enrolled at DVU, and approximately 278,000 undergraduate students have  
5 obtained degrees from DVU.

6 11. DVU tuition is \$609 for each credit hour for new students and \$365  
7 for each credit hour in excess of seven credit hours for continuing students.  
8 According to DEG's 2015 10-K filing with the Securities and Exchange  
9 Commission, based upon current tuition rates, a full-time student enrolled in the  
10 five-term undergraduate network systems administration associate degree program  
11 will pay total tuition of \$39,585 and a full-time student enrolled in the eight-term  
12 undergraduate business administration program will pay total tuition of \$75,516.  
13 Most DVU students do not attend full-time, and the total cost for a part-time  
14 student is higher than the cost for a full-time student.

15 12. DEG's total gross revenues between 2008 and mid-2015 exceeded  
16 \$14.5 billion. DVU's gross revenues between 2008 and mid-2015 exceeded \$8.6  
17 billion.

18 13. In each fiscal year between and including 2011 and 2014, DVU spent  
19 over \$135 million on the advertising, marketing, or other promotion of DVU's  
20 educational products and services.

### 21 *Overview*

22 14. Through the use of English and Spanish-language advertisements and  
23 other marketing materials, and during sales pitches with prospective students,  
24 Defendants have made deceptive representations about the benefits of obtaining a  
25 degree from DVU.

26 15. Defendants have advertised and promoted DVU's degree programs  
27 through television commercials, DVU's website, YouTube advertisements, radio  
28 spots, brochures, print advertisements, Facebook, Twitter, sales pitches with

1 prospective students, and other advertising and promotional materials. DeVry's  
2 target audience includes, but is not limited to, high-school students and current and  
3 former members of the military.

4 16. One of the messages of Defendants' advertisements and recruitment  
5 efforts is that obtaining a degree from DVU is highly likely to result in obtaining a  
6 desirable job soon after graduating—a well-paying, career-oriented job in the  
7 student's chosen field of study.

8 17. Among other methods, Defendants convey this message by  
9 representing that, as a result of obtaining a DVU degree, 90% of DVU graduates  
10 who were actively seeking employment landed or obtained new jobs in their field  
11 of study within six months of graduation. In some instances when Defendants  
12 make this representation, they claim this statistic applies to DVU graduates from a  
13 recent year, while in other instances, Defendants claim this statistic applies to all  
14 graduates since 1975, or "for more than 30 years." In its advertising and in its  
15 presentations to prospective students, Defendants present this 90% "employment  
16 rate" as evidence of the likelihood that obtaining a DeVry degree leads to finding a  
17 job. While Defendants' advertisements and sales pitches most commonly express  
18 DVU's employment rate for recent graduates as exactly 90%, in some instances,  
19 during certain limited time periods, Defendants have stated a percentage that is  
20 slightly less or more than 90% (e.g., 87% or 92%). As explained below, these  
21 representations (Defendants' "90% claims") are false and unsubstantiated.

22 18. Defendants also have conveyed the message that DVU graduates  
23 obtain desirable jobs by representing that DVU graduates obtain jobs that pay  
24 significantly more than jobs that graduates of other colleges and universities obtain  
25 (Defendants' "higher income claim"). For example, Defendants have represented  
26 that, one year after graduation, DVU graduates with bachelor's degrees earned  
27 15% more than graduates with bachelor's degrees from all other colleges and  
28 universities. As explained below, this representation is false and unsubstantiated.





1 transcript of this advertisement is attached as Exhibit A.1.) Defendants also made  
2 this advertisement, including a shortened version, available on the Internet on  
3 DeVry’s YouTube channel. This advertisement contains the following statements  
4 and depictions:

- 5 a. A DVU student narrates the advertisement. She concludes by stating:  
6 “And when I finish my degree in business, a new job at a great  
7 company—that’s the graduation present I want.”
- 8 b. Immediately after the student refers to wanting a new job at a great  
9 company, an announcer states: “In 2012, 90% of DeVry University  
10 grads actively seeking employment had careers in their field in six  
11 months.”
- 12 c. While the announcer is speaking, the following screen appears, with  
13 people walking in the background, for approximately five seconds:  
14



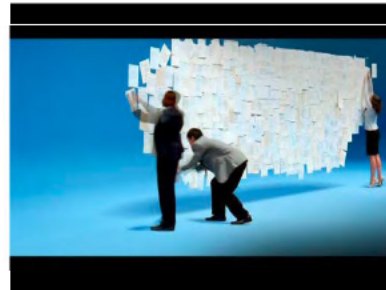
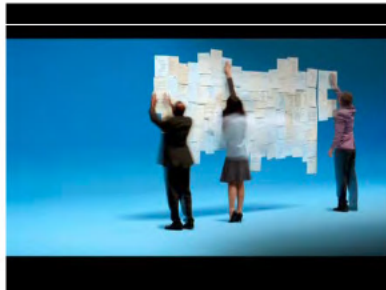
15  
16  
17  
18  
19  
20  
21  
22  
23  
24 The text in the middle of the screen reads:

25 **90%** of our **grads** actively seeking  
26 employment **had careers** in 6 months

- 27 d. The screen with the text then disappears, and the announcer then  
28 states: “Join the 90%. Learn how at devry.edu.”

1           23. A copy of another advertisement that Defendants ran on various  
2 national cable and satellite television channels, in approximately 2010, which is  
3 titled “Offer Letter,” is attached as Exhibit B. (A transcript of this advertisement is  
4 attached as Exhibit B.1.) Defendants also ran this advertisement starting in 2009,  
5 and continuing for an undetermined time, on YouTube. Defendants included a link  
6 to this YouTube video on DVU’s Facebook page. This advertisement contains the  
7 following statements and depictions:

- 8           a. The advertisement depicts people in business attire taping letters  
9 extending offers of employment to a large clear wall. The following  
10 two images are screen shots taken from this advertisement as the wall  
11 is filling up:



- 18  
19           b. An announcer states:

20                   The offer letter. If you’re going to college, or back to  
21 college, that’s your bull’s-eye. It is for DeVry University  
22 students. In fact, for more than thirty years, 90% of all  
23 graduates in the active job market had careers in their  
24 fields within six months. 90%. And all those offer  
25 letters up there, that’s just for last year. DeVry  
26 University: Discover education working at devry.edu.

27           24. A copy of an advertisement that Defendants have disseminated, or  
28 caused to be disseminated, at various times between October 2013 and April 2014

1 on numerous national cable and satellite TV channels, which Defendants titled  
2 “Roommates,” is attached as Exhibit C. (An English-language translation of this  
3 advertisement is attached as Exhibit C.1.) This advertisement contains the  
4 following statements and depictions:

5 a. During this advertisement, the announcer states:

6 En el 2012, el 90% de los graduados de DeVry University que  
7 buscaron empleo de forma activa ejercían su carrera en menos de 6  
8 meses. (Translation: “In 2012, 90% of graduates from DeVry  
9 University actively seeking employment had careers in less than 6  
10 months.”)

11 b. While the announcer is speaking, the following screen appears, for  
12 approximately five seconds:



23 The text in the middle of the screen reads:

24 el **90%** de nuestros **graduados** que buscaron empleo de  
25 forma activa **ejercían su carrera** en 6 meses.

26 (This translates to mean: “90% of our grads actively  
27 seeking employment had careers in 6 months.”)

28 DVU’s Website

1 25. Since at least 2008, Defendants have made their 90% claims and  
2 higher income claim on various webpages on the DVU website, at www.devry.edu.  
3 Examples of such webpages include, but are not limited to, the webpages described  
4 below.

5 26. A copy of a printout of webpages, which were available starting in  
6 2013 by clicking a link on DVU's homepage (www.devry.edu) titled "Why  
7 DeVry," is attached as Exhibit D. This page contains the following statements and  
8 depictions:

9 a. At the top of the page it states the following:

10 **Excellent employment results.**

11 Nobody wants to go to college and just be a number . . . unless  
12 they're numbers like these. Each year, thousands of our grads  
13 find themselves right where they want to be – employed in their  
14 fields of study.

15 b. Immediately below this statement, the following graphic appears:



23  
24 (1) The text that accompanies this graphic reads:

25 In 2012, 90% of DeVry University **GRADS** actively  
26 seeking employment **HAD CAREERS<sup>1</sup>** in their field  
27 within six months of graduation.  
28



1 (2) The corresponding footnote, which is printed in a small font  
2 size at the end of the webpage attached as Exhibit D, reads:

3 <sup>1</sup>Figure based on 2012 graduates self-reporting  
4 data to DeVry University Career Services who  
5 were employed at graduation or actively seeking  
6 employment in their field after graduation. Does  
7 not include graduates who were not actively  
8 seeking employment, as determined by DeVry  
9 University Career Services, or who did not report  
10 data on employment status to DeVry University  
11 Career Services.

12 c. Another heading on the same webpage reads, “**An education that**  
13 **pays,**” which is followed by the statement that “Not only can a degree  
14 from DeVry University prepare you for a lifetime of career success, it  
15 can also increase your earning potential right from the start.”

16 (1) The following graphic appears immediately below this  
17 statement, on page 2 of Exhibit D:



25 (2) The text that accompanies this graphic reads:

26 One year after graduation, **DeVry University grads**  
27 **report earning 15% more** than the median earnings  
28 reported by all other bachelor's degree candidates.<sup>3</sup>

1 (3) The corresponding footnote, which appears at the end of the  
2 page in a small font size reads:

3 <sup>3</sup>Based on PayScale.com study commissioned by  
4 DeVry University. Data for the study was collected in  
5 2012 and compared reported earnings for 2010  
6 graduates. 73,309 bachelor's degree graduates  
7 reported earnings including 620 DeVry graduates.  
8 Self-reported information may not reflect actual  
9 earnings and may not be representative of earnings of  
10 individuals that do not supply information. Results  
11 may not be statistically significant. Comparative data  
12 includes private not-for-profit schools, private for-  
13 profit schools, and public schools.

14 27. A copy of a printout of one version of DVU's homepage at  
15 [www.devry.edu](http://www.devry.edu), which appeared beginning in 2014 and continued into 2015, is  
16 attached as Exhibit E. This page contains the following statements and depictions:

- 17 a. In large bold font, on the first screen, Defendants assure visitors to  
18 DVU's website that they can "Count on DeVry for Career Success."  
19 b. Immediately below this line, the figure "90%" is printed in bold,  
20 extra-large font, on the left half of the screen. On the right half of the  
21 screen, the following text appears:

22 DeVry University helps prepare you to advance in your  
23 chosen career. In 2013, 90% of DeVry University  
24 graduates actively seeking employment obtained careers in  
25 their field within six months of graduation, or were already  
26 employed in their field when they graduated.\*

- 27 c. Below this statement, the following text appears:  
28

1                   \*Based on self-reported data from bachelor's and associate  
2                   degree graduates. Does not include graduates not actively  
3                   seeking employment, as determined by DeVry University  
4                   Career Services or graduates who did not report data on  
5                   employment status to DeVry University Career Services.

6           28.    DVU's website has included webpages directed at high-school  
7           students, including webpages at <http://www.high-school.devry.edu>. A copy of one  
8           such webpage, which includes "Frequently Asked Questions" for parents of high-  
9           school students, is attached as Exhibit F. This webpage appeared in at least 2014  
10          and 2015. The following question and answer are included on this webpage:

11                   **Do DeVry University graduates get good jobs?**

12                   Employers want DeVry University graduates. More than  
13                   90% of our new graduates quickly land jobs in their fields of  
14                   study within six months of graduation ([learn more](#)). This is a  
15                   true testament to the fact that DeVry University teaches what  
16                   companies are looking for. . . . DeVry University graduates  
17                   leave school well-prepared to enter the workforce and begin  
18                   contributing immediately.

19          29.    Clicking on the "[learn more](#)" link on Exhibit F leads or did lead to a  
20          landing page for the "Career Services" section of DVU's website. A copy of  
21          one version of this Career Services webpage that appeared in at least 2015,  
22          attached as Exhibit G, includes the same "90%" statements that Defendants  
23          made on DVU's homepage as described in Paragraph 26.

24          30.    DVU's website also has included webpages that appeared in at least  
25          2015 that were directed at current and former members of the armed services. An  
26          example of one of these pages, attached as Exhibit H, contains the following  
27          statements and depictions:  
28

1           **90%** DeVry University helps prepare you to advance in your  
2 chosen career. In 2013, 90% of DeVry University graduates  
3 actively seeking employment obtained careers in their field within  
4 six months of graduation, or were already employed in their field  
5 when they graduated.\*

6           \*Based on self-reported data from bachelor's and associate degree  
7 graduates. Does not include graduates not actively seeking  
8 employment, as determined by DeVry University Career Services  
9 or graduates who did not report data on employment status to  
10 DeVry University Career Services.

11           31. Another webpage, which has appeared on DVU's website since at  
12 least 2013 and is attached as Exhibit I, contains the following statement:

13           **Outstanding Career Services**

14           In addition to a relevant education and a highly respected degree,  
15 DeVry University offers invaluable career services that have  
16 helped thousands of students begin rewarding careers in their  
17 fields. The proof is the numbers. Since 1975, 265,869  
18 undergraduate students have graduated from DeVry and 90% of  
19 those in the active job market were employed in career related  
20 positions within six months of graduation.

21           YouTube Advertisements

22           32. At various times since at least 2009, Defendants have disseminated or  
23 caused to be disseminated video advertisements to YouTube, including videos that  
24 Defendants has uploaded to DVU's publicly available YouTube channel at  
25 <https://www.youtube.com/user/TheDevryUniversity/videos>. Examples of such  
26 videos include, but are not limited to, the video described below, as well as the  
27 "Graduation Present" and "Offer Letter" videos described above.  
28





1 DeVry University has been helping students do just that since  
2 1931. Everything we offer . . . is focused on your career  
3 success. Read on to learn how you can thrive at DeVry  
4 University – and beyond.

- 5 c. The statistic “90%” immediately follows this statement, in a bold,  
6 extra-large font, followed by the statement that:

7 For over 30 years, 90% of all DeVry graduates in the active  
8 job market have been employed in their field of study  
9 within six months of graduation\*.

- 10 d. At the bottom of the page, the following sentence appears, in fine  
11 print: “\*Active job market includes those already employed prior to  
12 graduation.”

13 36. Another brochure, entitled, “Why Should I Invest in an Education,”  
14 which Defendants disseminated or caused to be disseminated to high-school  
15 students, and which Defendants made available on DVU’s website beginning in  
16 2015, contains the following statements and depictions:

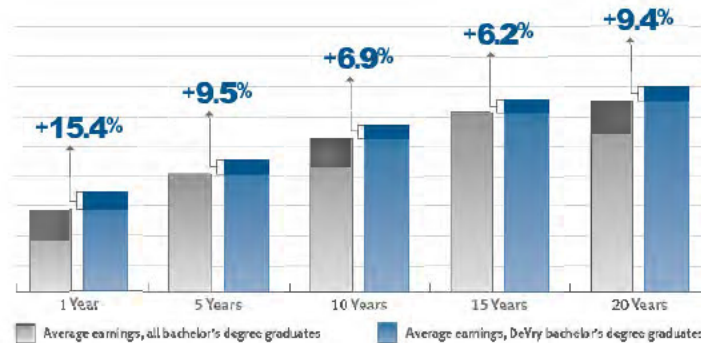
- 17 a. The following statements appear at the top of page 5 of the brochure:

18 **It pays to earn a degree at DeVry University**

19 Not only can a bachelor’s degree make it possible to earn more  
20 money when you first enter the workforce, but a bachelor’s  
21 degree from DeVry University can also help you earn more  
22 over the life of your career.

- 23 b. The following graphic appears immediately below this text:  
24  
25  
26  
27  
28

**DeVry bachelor's degree graduates report earning more than other bachelor's degree holders**



Source: Based on PayScale study commissioned by DeVry. Data collected in 2012 and compared median self-reported earnings for graduates at different stages in their careers. Self-reported information may not reflect actual earnings and may not be representative of earnings of individuals who don't supply information. Results may not be statistically significant. For information on study methodology, visit [devry.edu/sourceinfo](http://devry.edu/sourceinfo).

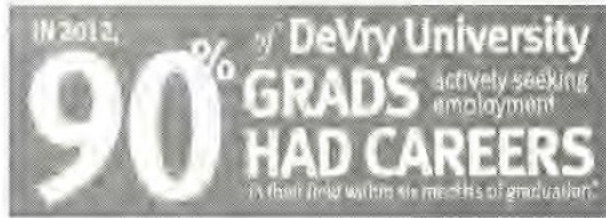
- (1) The text above this bar graph reads:  
DeVry bachelor's degree graduates report earning more than other bachelor's degree holders.
- (2) The key beneath the graph explains that the gray bar on the left side of each pair of bars depicts the "average earnings, all bachelor's degree graduates," and that the blue bar on the right side of each pair depicts the "average earnings, DeVry bachelor's degree graduates."
- (3) The fine print under the graph reads:  
Source: Based on PayScale study commissioned by DeVry. Data collected in 2012 and compared median self-reported earnings for graduates at different stages in their careers. Self-reported information may not reflect actual earnings and may not be representative of earnings of individuals who don't supply information. Results may not be statistically significant. For information on study methodology, visit [devry.edu/sourceinfo](http://devry.edu/sourceinfo).



Print Advertisements

37. Copies of two different print advertisements that Defendants disseminated or caused to be disseminated are attached as Exhibit L. These advertisements contain the following statements and depictions:

- a. “Everything we do is focused on preparing our students for today’s careers. Our quality, real-world degrees and lifetime of career assistance can lead to exceptional employment results.”
- b. Below this statement, the following graphic appears:



The text of this graphic reads:

In 2012, **90%** of **DeVry University GRADS** actively seeking employment **HAD CAREERS** in their field within six months of graduation\*

- c. The phrase “Join the 90%” immediately follows this graphic.
- d. The following statement appears at the bottom of the page, in fine print:

\*Figure based on 2012 graduates self-reporting data to DeVry University Career Services who were employed at graduation or actively seeking employment in their field after graduation. Does not include master’s degree graduates or graduates who were not actively seeking employment, as determined by DeVry, or who did not report data on employment status to DeVry.

1 Twitter

2 38. Defendants have disseminated, or caused to be disseminated,  
3 representations on DVU’s public Twitter page at <https://twitter.com/DeVryUniv>.  
4 For example, on July 29, 2013, Defendants, using “@DeVryGroup,” tweeted the  
5 following:

6 “90% of #DeVry grads active in the job market find employment in  
7 their field of study within 6 months.” @DeVryUniv president Dave  
8 Pauldine.

9 Sales pitches

10 39. Prospective DVU students often have two different conversations  
11 with DVU representatives—an initial call with “an appointment setter,” and then a  
12 more extensive “interview” with one of DVU’s “Admissions Advisors.” During  
13 the course of these interactions, Defendants make statements and representations  
14 described below to induce prospective students to enroll in DVU.

15 40. Since at least 2013, appointment setters, using an outline provided by  
16 Defendants, have told prospective students: “The DeVry University difference  
17 includes outstanding career outcomes—In 2012, 90% of DeVry University grads  
18 actively seeking employment had careers in their field within six months of  
19 graduation.”

20 41. If an appointment is made, prospective students then speak to a DVU  
21 Admissions Advisor. Defendants’ policy is that students go through an  
22 “interview” with an Admissions Advisor before enrolling in DVU. The  
23 “interview” typically takes place in person on a DVU campus, although sometimes  
24 the discussion takes place by telephone. Defendants have provided DVU’s  
25 Admissions Advisors with a PowerPoint slide presentation that they use during this  
26 “interview.” Defendants also have provided guidelines, including a training guide,  
27 that instructs the Admissions Advisors how to use the presentation. When the  
28 “interview” takes place by telephone, the prospective student is directed to a

1 website that allows the student to walk through the slide presentation with the  
2 Admissions Advisor.

3 42. DVU's Admissions Advisors represent during the "interviews" with  
4 prospective students that one of the benefits of obtaining a DVU degree is that, as a  
5 result of attaining that degree, 90% of DVU graduates obtain jobs in their field  
6 soon after graduating.

7 a. For example, the training guide instructs the Admissions Advisor,  
8 after showing a prospective student a slide touting DVU's Career  
9 Services department, to tell him or her that, "[a]s a result of these  
10 types of career assistance our graduates have shown excellent career  
11 results, let's take a look at those." The prospective student is then  
12 immediately shown a slide entitled "Excellent Employment Results."

13 (1) The following is a screen shot of a version of this slide that was  
14 used in 2013:



24 (2) This screen includes, but is not limited to, the following text:

25 In 2012, 90% of DeVry University graduates from all  
26 programs who actively sought employment had careers in  
27 their field of study within six months of graduation.  
28

1                   Within that same population: •83% of associate degree  
2                   graduates had careers in their field •92% of bachelor’s  
3                   degree grads had careers in their field.

4           c.       The guidelines that accompany the slide presentation advise the  
5           Admissions Advisor to “[r]ead the career statistics on the screen  
6           verbatim.” They then instruct the Admissions Advisor to access an  
7           “employment statistics” sheet by clicking on a link. In addition, if the  
8           “interview” is conducted face-to-face, the Admissions Advisor  
9           provides a paper copy of the employment statistics sheet to the  
10          prospective student. A copy of the “Employment Statistics” sheet that  
11          was used in 2014 is attached as Exhibit M.

12          d.       During the “interview,” if a prospective student asks the Admissions  
13          Advisor, “Will DeVry help me find a job when I graduate?”, the  
14          Admissions Advisor tells the prospective student that:

15                   DeVry offers career services that include assistance with  
16                   job searches, resume preparation, practice interviews, career  
17                   fairs, etc. **These services are very successful, as**  
18                   **evidenced by our employment statistics.** (Emphasis  
19                   added.)

20          43.       Defendants’ Admissions Advisors also make representations during  
21          the “interview” concerning the earnings of DVU graduates.

22          a.       The following is a screen shot of a version of a slide that was used in  
23          2013:





- b. This screen includes, but is not limited, to the following text:

One year after graduation, DeVry University grads report earning 15% more than the median earning reported by all other bachelor's degree graduates.
- c. While viewing this slide, Admissions Advisors also are instructed to ask prospects, "How do you think having a 15% higher median earning helped those students?"

***Defendants' Substantiation for 90% Claims***

44. To substantiate their 90% claims, Defendants have relied upon files maintained by DVU's Career Services department, which consists of information DVU obtained from students and graduates, information its Career Services department maintained concerning communications with students and graduates, related information obtained by Career Service department personnel, and analysis that DVU's staff conducted of those files. These records contain information about the students' majors, graduation dates, their employment, and DVU's classifications of their employment status. Defendants used these records to calculate the 90% figure that they use in their advertisements and sales pitches.

1           45. These student records, however, do not provide a reasonable basis that  
2 substantiates Defendants' 90% claims. Among other reasons, when calculating the  
3 90% claims, Defendants count a substantial number of DVU graduates who should  
4 not be counted and similarly exclude a substantial number of DVU graduates who  
5 should not be excluded. For example, Defendants count graduates who did not  
6 obtain a job as a result of obtaining a degree from DVU. In fact, Defendants  
7 include the substantial percentage of DVU graduates who, after graduation,  
8 continued with the same job they had when they enrolled in DVU. Defendants  
9 also count graduates who did not obtain jobs in their field of study. A significant  
10 percentage of the jobs that Defendants count as being in the graduate's field of  
11 study include jobs that employers, industry experts, graduates, and consumers  
12 would not reasonably consider to be in the graduate's field of study. Several  
13 examples of graduates from DVU's class of 2012 who did not believe they were  
14 employed in their field of study but whom Defendants nonetheless classified as "in  
15 field" include (but are not limited to):

- 16           a. graduates with degrees in technical management who were working  
17 as: a rural mail carrier (human resources specialization); a yard  
18 salesman at a nursery (business information systems specialization); a  
19 sales associate at Macy's (general technical specialization); a driver  
20 delivering rain gutters for a construction services company; a data  
21 entry specialist for a radio station (human resources specialization);  
22 and unpaid volunteers at medical centers (human resources  
23 management and health services management specializations);
- 24           b. a graduate with a degree in business administration (health services  
25 management specialization) working as a server at the Cheesecake  
26 Factory;
- 27           c. a graduate with a degree in business administration (health care  
28 management specialization) working as a car salesman;

- 1 d. a graduate with a degree in business administration (accounting
- 2 specialization) working as a secretary at a prison;
- 3 e. graduates with various degrees working as customer service
- 4 representatives.

5 46. Defendants also exclude certain students from the calculation who in  
6 fact were actively seeking employment. For example, in June 2013, Defendants  
7 excluded one 2012 graduate who, prior to being classified as inactive: viewed 177  
8 jobs leads in DVU's jobs database; had at least six job interviews in the previous  
9 two months (including two interviews eleven days before DVU classified him as  
10 inactive); sent an email to DVU's Career Services department, two weeks before  
11 being classified as inactive, in which he stated that he "wanted to let you know I've  
12 been getting more response now that I am much more actively applying to  
13 positions," and that he "had two face to face interviews a while back and now 2  
14 Skype interviews"; attended a DVU "Career Fair" the following day; and then sent  
15 the Career Services department an email informing them that, after attending the  
16 career fair, he sent three thank you notes to companies whose representatives he  
17 had spoken to at the fair.

18 47. The actual percentage of DVU graduates who, at or near the time they  
19 graduated, found jobs that could be reasonably considered "in their field" is  
20 significantly smaller than 90%.

21 ***Defendants' Substantiation for Higher-Income Claim***

22 48. To substantiate Defendants' higher-income claim, Defendants have  
23 relied upon a report and summary information ("income report") that Defendants  
24 received from a third-party company in 2012. This income report, relating to  
25 income data the company had received from people who had graduated from DVU  
26 and other schools in 2010, does not provide a reasonable basis to substantiate  
27 Defendants' higher-income claim. Among other reasons, the income report is  
28



1 insufficient because DVU had good cause to question, and did question, the  
2 reliability of the conclusions and information contained in the income report.

3 49. The sampling methods and methodology of the survey that underlay  
4 the income report all gave or should have given Defendants reason to question the  
5 reliability of the conclusions and information contained in the report. In fact, DVU  
6 personnel expressed concerns over whether the data sufficiently supported the  
7 higher-income claim. Among other problems, the comparison of the incomes of  
8 DVU graduates with incomes of graduates from other schools did not account or  
9 adjust for significant salary drivers such as age, experience, and degree field. In  
10 addition, statistics that DVU had directly collected from thousands of its graduates  
11 each year about their incomes differed significantly from the third party's statistics,  
12 which consisted of information from only several hundred individuals per  
13 graduation year.

14 50. Defendants not only had extensive information in their own files  
15 about the income of DVU graduates, but they also had ready access to publicly  
16 available data reflecting the incomes of graduates of schools throughout the United  
17 States, by school and by field. Comparing the information in Defendants' own  
18 files with publicly available income data shows that DVU graduates a year after  
19 graduating do not in fact earn significantly more than graduates from all other  
20 schools combined, casting doubt on Defendants' higher-income claim.  
21 Defendants' reliance on the third-party data for its higher-income claim was  
22 therefore unreasonable.

### 23 **VIOLATIONS OF THE FTC ACT**

24 51. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or  
25 deceptive acts or practices in or affecting commerce."

26 52. Misrepresentations or deceptive omissions of material fact constitute  
27 deceptive acts or practices prohibited by Section 5(a) of the FTC Act.  
28

**Count I**

53. Through the means described in Paragraphs 14 through 42, Defendants have represented, expressly or by implication, that:

- a. As a result of obtaining a DVU degree, 90% of DVU graduates from a specific year (e.g., graduates from 2012) who were actively seeking employment landed or obtained new jobs in their field of study within six months of graduation.
- b. As a result of obtaining a DVU degree, for at least the last 30 years, 90% of DVU graduates who were actively seeking employment landed or obtained new jobs in their field of study within six months of graduation.

54. Each representation set forth in Paragraph 53 is false or misleading or was not substantiated at the time the representation was made.

55. Therefore, the making of each representation as set forth in Paragraph 53 of this Complaint constitutes a deceptive act or practice, in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**Count II**

56. Through the means described in Paragraphs 14 through 18, 25 through 26, 36, 39, 41 and 43, Defendants have represented, expressly or by implication, that:

- a. one year after graduation, the average or median earnings of DVU graduates with bachelor's degrees were 15% higher than the average or median earnings of graduates with bachelor's degrees from all other colleges and universities; and
- b. DVU bachelor's degree graduates earn 15% more than graduates from other colleges and universities, as described in part "a" above, as a result of obtaining a bachelor's degree from DVU.



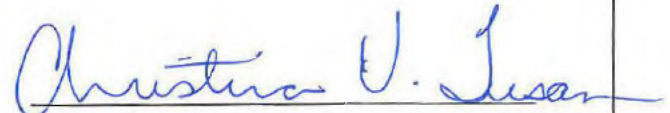
1 B. Award such relief as the Court finds necessary to redress injury to  
2 consumers resulting from Defendants' violations of the FTC Act, including but not  
3 limited to, rescission or reformation of contracts, restitution, the refund of monies  
4 paid, and the disgorgement of ill-gotten monies; and

5 C. Award Plaintiff the costs of bringing this action, as well as such other  
6 and additional relief as the Court may determine to be just and proper.

7  
8 Respectfully submitted,

9  
10 Jonathan E. Nuechterlein  
11 General Counsel

12  
13 Dated: 1-27-16

14 

15 Christina V. Tusan  
16 John D. Jacobs  
17 Thomas J. Syta  
18 Barbara Chun  
19 Faye Chen Barnouw  
20 Yan Fang  
21 Sarah E. Schroeder  
22 Attorneys for Plaintiff  
23 FEDERAL TRADE COMMISSION  
24  
25  
26  
27  
28

## EXHIBIT B

**Subject:** FW: Fw: Borrower defense discharge ineligibility information for you [ ref: [REDACTED] ]

----- Forwarded message -----

**From:** Ben Thompson [REDACTED]  
**Date:** Sun, Jun 28, 2020 at 9:51 PM  
**Subject:** Fw: Borrower defense discharge ineligibility information for you [ [REDACTED] ]  
**To:** [REDACTED] <[REDACTED]>

---

**From:** Borrower Defense <[borrowerdefense@ed.gov](mailto:borrowerdefense@ed.gov)>  
**Sent:** Thursday, June 25, 2020 1:20 PM  
**To:** [REDACTED]  
**Subject:** Borrower defense discharge ineligibility information for you [ [REDACTED] ]



---

6/25/2020

Borrower Defense Application #: [REDACTED]

Dear Benjamin Thompson:

The U.S. Department of Education (ED) has completed its review of your application under the applicable Borrower Defense to Repayment regulations for discharge of your William D. Ford Federal Direct Loans (Direct Loans) made in connection with your or your child's enrollment at DeVry University. "You" as used here should be read to include your child if you are a Direct PLUS Loan borrower who requested a discharge for loans taken out to pay for a child's enrollment at DeVry University. ED has determined that your application is ineligible for relief based on review of the facts of your claim and the regulatory criteria for relief; this decision means that your Direct Loans will not be discharged. ED explains the reasons below.

**Applicable Law**

For Direct Loans first disbursed prior to July 1, 2017, a borrower may be eligible for a discharge (forgiveness) of part or all of one or more Direct Loans if the borrower's school engaged in acts or omissions that would give rise to a cause of action against the school under applicable state law. See § 455(h) of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1087e(h), and 34 C.F.R. § 685.206(c) and 685.222 (the Borrower Defense regulations). ED recognizes a borrower's defense to repayment of a Direct Loan only if the cause of action directly relates to the Direct Loan or to the school's provision of educational services for which the Direct Loan was provided. 34 C.F.R. §§685.206(c)(1), 685.222(a)(5); U.S. Department of Education, Notice of Interpretation, 60 Fed. Reg. 37,769 (Jul. 21, 1995).

**Why was my application determined to be ineligible?**

ED reviewed your borrower defense claims based on any evidence submitted by you in support of your application, your loan data from National Student Loan Data System (NSLDS®), and evidence provided by other borrowers.

Allegation 1: Other

You allege that DeVry University engaged in misconduct related to Other. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

Allegation 2: Job Placement Rate

You allege that DeVry University engaged in misconduct related to Job Placement Rate. This allegation fails for the following reason(s): Failure to State a Legal Claim.

Your claim for relief on this basis therefore is denied.

**What evidence was considered in determining my application's ineligibility?**

We reviewed evidence provided by you and other borrowers who attended your school. Additionally, we considered evidence gathered from the following sources:

Evidence obtained by the Department in conjunction with its regular oversight activities.



Federal Trade Commission (FTC)

### **What if I do not agree with this decision?**

If you disagree with this decision, you may ask ED to reconsider your application. To submit a request for reconsideration, please send an email with the subject line "Request for Reconsideration [r f: ██████████]" to [BorrowerDefense@ed.gov](mailto:BorrowerDefense@ed.gov) or mail your request to U.S. Department of Education, P.O. Box 1854, Monticello, KY 42633. In your Request for Reconsideration, please provide the following information:

1. Which allegation(s) you believe that ED incorrectly decided;
2. Why you believe that ED incorrectly decided your borrower defense to repayment application; and
3. Identify and provide any evidence that demonstrates why ED should approve your borrower defense to repayment claim under the applicable law set forth above.

ED will not accept any Request for Reconsideration that includes new allegations. If you wish to assert allegations that were not included in your application, please see the following section. Additionally, your loans will not be placed into forbearance unless your request for reconsideration is accepted and your case is reopened. Failure to begin or resume repayment will result in collection activity, including administrative wage garnishment, offset of state and federal payments you may be owed, and litigation. For more information about the reconsideration process, please contact our borrower defense hotline at 1-855-279-6207 from 8 a.m. to 8 p.m. Eastern time (ET) on Monday through Friday.

### **Can I apply for borrower defense if I have additional claims?**

If you wish to file a new application regarding acts or omissions by the school other than those described in borrower defense application ██████████, please submit an application at [StudentAid.gov/borrower-defense](http://StudentAid.gov/borrower-defense). In the new application, you should explain in the relevant section(s) the basis for any new borrower defense claim(s) and submit all supporting evidence.

### **What should I do now?**

Because your borrower defense to repayment application was found to be ineligible, you are responsible for repayment of your loans. ED will notify your servicer(s) of the decision on your borrower defense to repayment application within the next 15 calendar days, and your servicer will contact you within the next 30 to 60 calendar days to inform you of your loan balance. Further, if any loan balance remains, the loans will return to their status prior to the submission of your application. If your loans were in forbearance as a result of your borrower defense to repayment application, the servicer will remove those loans from forbearance. **\*See COVID-19 Note below.**

If your loans are in default and are currently in stopped collections, your loans will be removed from stopped collections. Failure to begin or resume repayment could result in collection activity such as administrative wage garnishment, offset of state and federal payments that you may be owed, and litigation. **\*See COVID-19 Note below.**

While normally interest would not be waived for unsuccessful borrower defense applications, given the extended period of time it took ED to complete the review of this application, the Secretary is waiving any interest that accrued on your Direct Loans from the date of the filing of your borrower defense application to the date of this notification. Your servicer will provide additional information in the coming months regarding the specific amount of interest adjusted. **\*See COVID-19 Note below.**

**\*COVID-19 Note:** On March 27, 2020, the president signed the *CARES Act*, which, among other things, provides broad relief in response to the coronavirus disease 2019 (COVID-19) for federal student loan borrowers whose loans are owned by ED. For the period March 13, 2020, through September 30, 2020, the interest rate on the loans will be 0% and no payments will be required. During this same period for defaulted borrowers, all proactive collection activities, wage garnishments, and Treasury offsets will be stopped. Your federal loan servicer will answer any questions you have about your specific situation. In addition, Federal Student Aid's COVID-19 information page for students, borrowers, and parents is located at [StudentAid.gov/coronavirus](https://studentaid.gov/coronavirus). Please visit the page regularly for updates.

### **What if I have another pending borrower defense application?**

If you have additional pending borrower defense to repayment applications, this information applies to you:

- If your loans associated with an additional borrower defense to repayment application that is still pending are in forbearance or another status that does not require you to make payments, your loans will remain in forbearance or that other status. Similarly, if your loans associated with that borrower defense application are in default and you are currently in stopped collections, those loans will remain in stopped collections.
- If you are unsure if you have additional pending applications, or if you would like to check on the status of your loans associated with an additional application, contact our borrower defense hotline at 1-855-279-6207 from 8 a.m. to 8 p.m. ET on Monday through Friday.

ED offers a variety of loan repayment options, including the standard 10-year repayment plan, as well as extended repayment, graduated repayment, and income-driven repayment plans. For more information about student loan repayment options, visit [StudentAid.gov/plans](https://StudentAid.gov/plans). If you have questions about the status of your loans or questions about repayment options, please contact your servicer(s). If you do not know the name of your federal loan servicer, you may go to [StudentAid.gov](https://StudentAid.gov) to find your servicer and view your federal loan information.

Sincerely,

U.S. Department of Education  
Federal Student Aid

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

830 First Street, NE, Washington, D.C. 20202  
[StudentAid.gov/borrower-defense](https://StudentAid.gov/borrower-defense)



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