

employees, all of which claims, rights, and remedies are expressly preserved, nor shall the Agreement create any rights on behalf of persons not parties to the Agreement. The Agreement does not preclude any action that the OAG and/or ILOAG may take for acts, practices, or omissions not listed in the Findings section of the Agreement, even if such acts, practices, or omissions constitute a part of the Investigation.

D. Cooperation

27. CEC shall continue to cooperate fully and promptly with the OAG and the ILOAG with regard to the Investigation and any related proceedings and actions. CEC shall use its best efforts to ensure that all of its officers, directors, employees and agents also fully and promptly cooperate with the OAG and the ILOAG in the Investigation and any related proceedings and actions, subject to their individual rights and privileges.

28. Cooperation shall include without limitation:

- (a) Production, voluntarily and without service of subpoena, by CEC of any information and all documents or other tangible evidence related to education loan practices reasonably requested by the OAG and the ILOAG, and any compilations or summaries of information or data that the OAG and the ILOAG reasonably requests be prepared, subject to recognized privileges and protections for confidential information;
- (b) Using CEC's best efforts to cause CEC's officers, directors, employees and agents to attend any proceedings at which the presence of any such persons is requested by the OAG and the ILOAG and having such persons answer any and all inquiries that may be put by the OAG and the ILOAG to any of them at any proceedings or otherwise ("proceedings" include but are not limited to

any meetings, interviews, depositions, hearings, grand jury hearing, trial or other proceedings) voluntarily, and without service of a subpoena, subject to their individual rights and privileges; and

- (c) Fully, fairly and truthfully disclosing all information and producing all records and other evidence in its possession relevant to all inquiries made by the OAG and the ILOAG in connection with this Investigation concerning any alleged fraudulent or criminal conduct by anyone whatsoever about which CEC, its officers, trustees, directors, employees and agents may have any knowledge or information, subject to recognized privileges and protections for confidential information.

29. In the event any document otherwise required to be provided under the terms of the Agreement is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by CEC indicating: the type of document; the date of the document; the author and recipient of the document; the general subject matter of the document; the reason for withholding the document; and the Bates number or range of the withheld document. The OAG and/or the ILOAG may challenge such claim in any forum of its choice and may, without limitation, rely on all documents or communications theretofore produced or the contents of which have been described by CEC, its officers, directors, employees, or agents.

30. CEC shall not jeopardize the confidentiality of any aspect of the Investigation, including sharing or disclosing evidence, documents, or other information with others during the course of the investigation without the consent of the OAG and the ILOAG. Nothing herein

shall prevent CEC from conferring with counsel or consultants, issuing public statements, from providing such evidence or information to other regulators or as otherwise required by law.

E. Miscellaneous Provisions

31. Pursuant to Executive Law § 63(15) and the Illinois Consumer Fraud Act, the Agreement serves as an assurance of discontinuance. As such, evidence of a violation of the Agreement by CEC shall constitute prima facie proof of a violation of Executive Law § 63(12) and General Business Law §§ 349 and 350 and the Illinois Consumer Fraud Act, 815 ILCS 505/1 *et seq.* in any civil action or proceeding subsequently commenced by the OAG or the ILOAG.

32. If CEC breaches any of the obligations described herein, the OAG and/or the ILOAG may in its sole discretion terminate the Agreement upon written notice to CEC. In such event, any statute of limitations or other time-related defense applicable to the subject of the Agreement and any claims arising from or relating thereto are tolled from and after the last execution date of the Agreement and the Agreement shall in no way bar or otherwise preclude the OAG and/or the ILOAG from commencing, conducting or prosecuting any investigation, action or proceeding, however denominated, related to the Investigation, against CEC or from using in any way any statements, documents or other materials produced or provided by CEC after commencement of the Investigation, including, without limitation, any statements, documents or other materials provided for purposes of settlement negotiations.

33. The Agreement and any dispute related thereto shall be governed by the laws of the State of New York and the State of Illinois without regard to any conflicts of laws principles.

34. No failure or delay by the OAG and the ILOAG in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise

thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative.

35. CEC enters into the Agreement voluntarily and represents that no threats, offers, promises or inducements of any kind have been made by the OAG and the ILOAG or any member, officer, employee, agent or representative of the OAG or the ILOAG to induce CEC to enter into the Agreement other than as described herein.

36. The Agreement may be changed, amended or modified only by a writing signed by all parties hereto.

37. The Agreement constitutes the entire agreement between the OAG, the ILOAG and CEC and supersedes any prior communication, understanding or agreement, whether written or oral, concerning the subject matter of the Agreement.

38. The Agreement shall be binding upon CEC and its successors, assigns, and/or purchasers of all or substantially all its assets.

39. The Agreement and its provisions shall be effective on the date that it is signed by an authorized representative of the OAG and the ILOAG, except for the provisions contained in sections II(A)(iv) and II(A)(vi) which shall become effective on June 1, 2007.

40. The Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one instrument.

41. Nothing contained herein shall be construed as relieving CEC of its obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of the Agreement be deemed permission to engage in any act or practice prohibited by such laws, regulations or rules.

42. The acceptance of the Agreement by the OAG and the ILOAG shall not be deemed approval by the Attorney Generals of any of CEC's business practices, and CEC shall make no representation to the contrary. CEC's execution of the Agreement is not an admission of liability.

43. Unless otherwise provided, all notices as required by the Agreement shall be provided as follows:

To the OAG:

Melvin Goldberg, Assistant Attorney General
Office of the New York State Attorney General
Bureau of Consumer Frauds & Protection
120 Broadway, 3rd Floor
New York, New York 10271
tel. (212) 416-8296
fax. (212) 416-6003

To the ILOAG:

Deborah Hagan, Consumer Protection Division Chief
Office of the Illinois Attorney General
Consumer Fraud Bureau
500 South Second Street
Springfield, IL 62706

To CEC:

Career Education Corporation
Office of General Counsel
2895 Greenspoint Parkway, Suite 600
Hoffman Estates, Illinois 60169
Tel (847) 585-2600
Fax (847) 585-2640

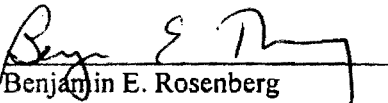
44. Nothing in the Agreement shall be construed to prevent any individual from pursuing any right or remedy at law which any consumer may have against CEC.

45. CEC shall submit to the Attorney Generals, on or before August 15, 2007, an affidavit, subscribed to by an officer of CEC authorized to bind CEC, setting forth its compliance with the provisions of the Agreement.

WHEREFORE, the signatures evidencing assent to this agreement have been affixed hereto on the dates set forth below.

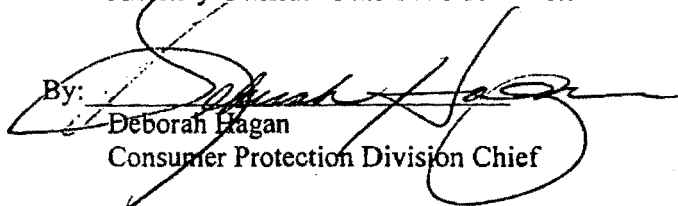
ANDREW M. CUOMO
Attorney General of the State of New York

Dated: April 16, 2007


By: 
Benjamin E. Rosenberg
Chief Trial Counsel

LISA MADIGAN
Attorney General of the State of Illinois

Dated: April 16, 2007

By: 
Deborah Hagan
Consumer Protection Division Chief
Career Education Corporation

Dated: April 13 2007

By: 
Jeremy Wheaton
Senior Vice President of Operations,
Shared Services

ACKNOWLEDGMENT

STATE OF Illinois)
COUNTY OF Cook) :s.s.

On this the ___ day of April, 2007, before me personally came Jeremy Wheaton, known to me, who, being duly sworn by me, did depose and say that she/he is Senior Vice President Operations, Shared Services of Career Education Corporation and is duly authorized to execute this document on behalf of Career Education Corporation, and that she/he signed her/his name by like authorization.

Sherrin M. Weissman
Notary Public



ILLINOIS ATTORNEY GENERAL LISA MADIGAN



PRESS RELEASE

www.IllinoisAttorneyGeneral.gov

For Immediate Release
April 23, 2007

Contact: Robyn Ziegler
 312-814-3118
 877-844-5461 (TTY)
rziegler@atg.state.il.us

**MADIGAN ANNOUNCES STUDENT LOAN AGREEMENTS –
 SCHOOLS TO ADOPT NEW COLLEGE CODE OF CONDUCT**

Chicago—Attorney General Lisa Madigan announced that she and the New York Attorney General's Office have reached settlements with Illinois-based DeVry University and Career Education Corporation concerning student loan practices involving the schools and lenders. The settlements require the schools to adopt a College Code of Conduct and to return the money paid by lenders to schools.

"Illinois students are entitled to full disclosure of the criteria used to place lenders on the schools' preferred lender lists and should have access to all of the information necessary to ensure that they are able to choose the loan that is best for them," said Madigan. "We acknowledge DeVry University and Career Education Corporation for promptly adopting the College Code of Conduct. We will continue to review the school loan lending practices of all the schools in Illinois."

DeVry University and Career Education Corporation agreed to adopt the College Code of Conduct which outlines requirements for the lender-school relationship.

The Code of Conduct requires:

- On all preferred lender lists the College must clearly disclose the criteria and process used to select preferred lenders. Students must also be told that they have the right to select the lender of their choice regardless of the preferred lender list.
- College preferred lender lists must be based solely on the best interests of the students or parents who may use the list without regard to financial interests of the College.
- Colleges are prohibited from receiving anything of value from any lending institution in exchange for any advantage sought by the lending institution. This specifically prohibits "revenue sharing" arrangements.
- College employees are prohibited from taking anything of more than nominal value from any lending institution. This includes a prohibition

on trips to seminars for financial aid officers and other college officials paid for by lenders.

- College employees are prohibited from receiving anything of value for serving on the advisory board of any lending institution.
- Colleges must ensure that employees of lenders do not staff university financial aid offices or identify themselves as employees of the College.

In addition to abiding by the Code of Conduct, both schools have agreed to return money received from lenders.

DeVry will return to students the \$88,122 that it received in the form of revenue-sharing payments from Citibank for listing its private loan product among the University's preferred lender list. This money will be distributed to individual students and parents who took out loans in 2004-2005 on a pro rata basis depending upon the amount of the loan and the interest rate.

DeVry no longer maintains a relationship with Citibank as a preferred lender. DeVry's preferred lenders have also hosted or sponsored national business meetings, meals and training seminars for the university's campus and corporate student finance officers. The Code of Conduct, as well as the settlement agreement, prohibits DeVry from continuing to accept these gifts or promotions.

Career Education Corporation received donations in an aggregate amount of \$21,200 from Wachovia and Sallie Mae, two lending institutions on its preferred lender list. Career Education Corporation directed this money to the Career Education Scholarship Fund, a non-profit, tax exempt entity. Career Education Corporation will contribute \$21,200 to a nationwide consumer education fund to be used to inform high school students and parents about student loans.

DeVry University is based in Oakbrook Terrace, Illinois. More than 52,000 students are enrolled at its 84 locations in 24 states and Canada, as well as through DeVry University Online. DeVry University offers undergraduate degrees in technology, business, and healthcare technology and graduate degrees in management through the Keller Graduate School of Management.

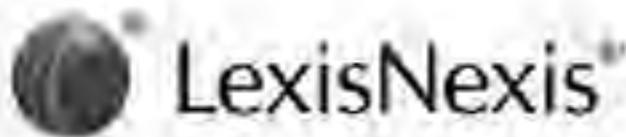
Career Education Corporation is based in Hoffman Estates, Illinois. Career Education Corporation operates 71 schools and universities nationwide with the following five schools located in Illinois: American InterContinental University Online in Hoffman Estates, International Academy of Design & Technology in Chicago, Sanford-Brown University in Collinsville, The Cooking and Hospitality Institute of Chicago in Chicago, and Harrington College of Design in Chicago.

The Special Litigation and Consumer Fraud Bureaus in Attorney General Madigan's Office are continuing this ongoing investigation of student loan practices in Illinois.

[DeVry University Settlement Agreement](#) 

[Career Education Corp Settlement Agreement](#) 

[Return to April 2007 Press Releases](#)



1 of 2 DOCUMENTS

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February 20, 2008 Wednesday 2:57 PM GMT

LENGTH: 788 words

HEADLINE: PA Attorney General Corbett Announces \$200,000 Settlement in Lehigh Valley College Probe; Funds Will Support New Statewide Education Program for Consumer Credit Issues

DATELINE: HARRISBURG, Pa. Feb. 20

BODY:

HARRISBURG, Pa., Feb. 20 /PRNewswire-USNewswire/ -- Attorney General Tom Corbett today announced that the Attorney General's Bureau of Consumer Protection has reached a \$200,000 settlement with the two parent companies for Lehigh Valley College, located near Allentown, resolving allegations that the school misrepresented information about student loans, job-placement and the ability to transfer credits to other institutions.

"This consumer settlement will ensure that students receive accurate information and full disclosure about financial aid, the ability to transfer credits to other schools and the likelihood of finding work following graduation -- all key issues in a student's selection of a school," Corbett said. "Additionally, the civil penalties and costs included in this settlement will be used to help launch a new statewide education program about consumer credit, helping every Pennsylvania family make wise choices about college financing, credit cards, home loans and other financial issues."

Corbett said the Assurance of Voluntary Compliance (AVC) covering the conduct at Lehigh Valley College was reached with Allentown Business School Ltd. and Illinois-based Career Education Corporation, which owns Lehigh Valley College and numerous other for-profit schools across the country; including the Katherine Gibbs School, in Norristown, Montgomery County.

Corbett said the consumer settlement resolves allegations that Lehigh Valley College rushed students through the loan financing process, failed to disclose terms of student loans, made inflated claims about its ability to place students in jobs following graduation and misrepresented the ability of students to transfer credits to other schools.

According to the AVC, the owners of Lehigh Valley College are required to pay \$50,000 in civil penalties for alleged wrong doing. They are also required to take the following steps to ensure that students receive accurate information:

- No false or misleading statements about future employment opportunities.
- No false or misleading statements about the ability to transfer credits to other schools.

PA Attorney General Corbett Announces \$200,000 Settlement in Lehigh Valley College Probe; Funds Will Support New Statewide Education Program for Consumer Credit Issues PR Newswire February 20, 2008 We

- Clear and detailed disclosures about student loans and student financial aid.
- Clear disclosures about the selection of lenders for any "preferred lender lists."
- Fully comply with Pennsylvania's Consumer Protection Law.

"This case sends a clear message that we will vigorously investigate any allegations of deceptive marketing or unfair trade practices involving schools and colleges operating in Pennsylvania," Corbett said. "Additionally, this settlement will benefit every college-bound student, every family and every consumer in Pennsylvania -- helping to better educate and inform all state residents about essential financial issues."

Corbett said that the settlement includes \$150,000 in costs, which will be used to create a statewide consumer education program about financial issues, including a new "Your Money" section of the Attorney General's website (<http://www.attorneygeneral.gov/>). The education program and interactive website will include information on college financial aid, mortgage lending and refinancing, credit cards, predatory lending, debt collection and other common topics of financial complaints.

The new consumer financial education program and interactive financial website are expected to be launched in June 2008.

Corbett noted that credit issues impact every Pennsylvania household and generate a regular flow of complaints to the Attorney General's Office.

"Every year, consumer credit issues are typically the number one topic for complaints to the Attorney General's Bureau of Consumer Protection," Corbett said. "Last year alone, we received more than 7,500 complaints, spanning a wide range of credit problems -- from disputes over loans and credit cards to difficulties with credit ratings and debt collectors."

The Assurance of Voluntary Compliance was filed on Tuesday, February 19, 2008, in Lehigh County Court of Common Pleas by Senior Deputy Attorney General William A. Slotter, of the Attorney General's Bureau of Consumer Protection.

(The Signing of an Assurance of Voluntary Compliance is not considered an admission of violation of the Consumer Protection Law.)

Editors' Note: A copy of the Assurance of Voluntary Compliance is available by contacting the Attorney General's Press Office at 717-787-5211.

CONTACT: Nils Hagen-Frederiksen
Deputy Press Secretary
717-787-5211
nhf@attorneygeneral.gov

CONTACT: Nils Hagen-Frederiksen, Deputy Press Secretary for Pennsylvania Attorney General Corbett, +1-717-787-5211, or cell, +1-717-319-2252, nhf@attorneygeneral.gov

Web Site: <http://www.attorneygeneral.gov/>

SOURCE Pennsylvania Office of Attorney General

PA Attorney General Corbett Announces \$200,000 Settlement in Lehigh Valley College Probe; Funds Will Support
New Statewide Education Program for Consumer Credit Issues PR Newswire February 20, 2008 We

URL: <http://www.prnewswire.com>

LOAD-DATE: February 21, 2008

EXHIBIT B

From: Yvette Colon
To: [REDACTED]
Subject: Fwd: Borrower defense discharge ineligibility information for you [ref: [REDACTED]]
Date: Thursday, July 2, 2020 7:38:43 PM

[REDACTED]

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

From: Borrower Defense <borrowerdefense@ed.gov>
Date: Thu, Jul 2, 2020 at 4:36 PM
Subject: Borrower defense discharge ineligibility information for you [ref: [REDACTED]]
To: [REDACTED] <[REDACTED]>



7/2/2020

Borrower Defense Application #: [REDACTED]

Dear Yvette Colon:

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 Sanford-Brown College. "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 Sanford-Brown College. 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: Educational Services

You allege that Sanford-Brown College engaged in misconduct related to Educational Services. This allegation fails for the following reason(s): Insufficient Evidence.

Your claim for relief on this basis therefore is denied.

Allegation 2: Other

You allege that Sanford-Brown College engaged in misconduct related to Other. This allegation fails for the following reason(s): Insufficient Evidence.

Your claim for relief on this basis therefore is denied.

Allegation 3: Transferring Credits

You allege that Sanford-Brown College engaged in misconduct related to

Transferring Credits. This allegation fails for the following reason(s): Insufficient Evidence.

Your claim for relief on this basis therefore is denied.

Allegation 4: Employment Prospects

You allege that Sanford-Brown College 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:

NY Attorney General's Office
PA Attorney General's Office
Evidence obtained by the Department in conjunction with its regular oversight activities
Publicly available securities filings made by Career Education Corporation (now known as Perdoceo Education Corporation)
Multi-State Attorney General Assurance of Voluntary Compliance (effective January 2, 2019)

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: XXXXXXXXXX]" to 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 [Case Number], please submit an application at 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



CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.