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EXP07 **FILED**
KING COUNTY, WASHINGTON
NOV 16 2015
EXP07 DEPARTMENT OF
JUDICIAL ADMINISTRATION

**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

NO. *15-2-27623-9 SEA*
CONSENT DECREE

v.

EDUCATION MANAGEMENT
CORPORATION (EDMC), a Pennsylvania
corporation, and its subsidiaries: ARGOSY
UNIVERSITY OF CALIFORNIA LLC,
SOUTH UNIVERSITY LLC, BROWN
MACKIE EDUCATION II LLC, THE
ART INSTITUTES INTERNATIONAL II
LLC, EDUCATION MANAGEMENT II
LLC, THE ART INSTITUTE OF
PITTSBURGH LLC, ARGOSY
EDUCATION GROUP, INC., THE ART
INSTITUTE OF SEATTLE, INC.,

Defendants.

(Clerk's Action Required)

CONSENT DECREE

This Consent Decree is entered into between the State of Washington, by the Office of the Attorney General ("State"), and defendants Education Management Corporation, Argosy University of California LLC, South University, LLC, Brown Mackie Education II LLC, The Art Institutes International II LLC, Education Management II LLC, The Art Institute of Pittsburgh LLC, Argosy Education Group, Inc., The Art Institute of Seattle, Inc., including, except as otherwise provided herein, all of their respective subsidiaries, affiliates, successors,

1 and assigns (collectively, "EDMC" or "Defendants," and, together with the State, the
2 "Parties").

3 This Consent Decree resolves the State of Washington's concerns regarding EDMC's
4 compliance with the Washington Consumer Protection Act, RCW 19.86, and particularly with
5 respect to EDMC's recruitment and enrollment practices relating to its post-secondary
6 educational offering.

7 **I. PARTIES**

8 1. The State is acting as *parens patriae* through its Attorney General with its office
9 located at 800 5th Avenue, Suite 2000, Seattle, WA 98104.

10 2. Education Management Corporation is a Pennsylvania corporation with
11 corporate headquarters at Pittsburgh, Pennsylvania. Argosy University of California LLC, a
12 California limited liability company, South University, LLC, a Georgia limited liability
13 company, Brown Mackie Education II LLC, a Delaware limited liability company, The Art
14 Institutes International II LLC, a Pennsylvania limited liability company, Education
15 Management II LLC, a Delaware limited liability company, The Art Institute of Pittsburgh
16 LLC, a Pennsylvania limited liability company, Argosy Education Group, Inc., an Illinois
17 corporation, and The Art Institute of Seattle, Inc., a Washington corporation, are wholly-
18 owned, indirect subsidiaries of Education Management Corporation.

19 **II. COORDINATION WITH OTHER ACTIONS BY OTHER STATE**
20 **ATTORNEYS GENERAL**

21 3. The Parties acknowledge that this Consent Decree is being filed simultaneously
22 with similar judgments in the States of Alabama, Arizona, Arkansas, Colorado, Connecticut,
23 Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky,
24 Louisiana, Maine, Maryland, Mississippi, Missouri, Montana, Nebraska, New Jersey, New
25 Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island,
26 South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia and Wyoming and the

1 District of Columbia. The Parties intend to coordinate implementation of the terms of this
2 Consent Decree with those referenced above.

3 **III. DEFINITIONS**

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

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

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

11 6. **“Admissions Representative”** means any natural person employed by EDMC
12 who has substantial responsibility for encouraging Prospective Students to apply or enroll in a
13 Program of Study or recruiting Prospective Students, including, but not limited to, assisting
14 Prospective Students with the application process and informing Prospective Students about
15 Programs of Study at EDMC’s schools, including but not limited to employees with job titles
16 such as “student success advisors” and “admissions representatives.

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

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

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

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

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

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

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

21 13. **“Core Skills”** means skills that are necessary to receive a diploma or degree in a
22 Student’s field of study, such that failure to master these skills will result in no diploma or
23 degree being awarded. “Core Skills” are specific to the Program of Study and are not taught in
24 general education courses or generally taught across all fields of study, and are not the same as
25 basic skills, which are skills that are necessary for success in a Student’s field of study, but
26 which the Student should possess upon entry into a Program of Study. Core Skills do not

1 include generic skills such as “collaboration,” “team work,” and “communication,” and for
2 bachelor’s degree programs, Core Skills do not include skills taught in 100-level courses unless
3 the skill is refined and specifically identified in upper-level courses.

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

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

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

11 17. **“Electronic Financial Impact Platform”** means an interactive, internet-based
12 program that produces a personalized disclosure for a Prospective Student of the financial
13 impact of pursuing a particular Program of Study and incurring a specific amount of debt. The
14 platform shall permit Prospective Students to input and/or adjust fields to customize the
15 resulting disclosure, including but not limited to the fields that pertain to sources of funding
16 (*i.e.*, scholarships, grants, student contributions, federal loans, and private loans) and post-
17 graduation expenses, and shall generate a customized disclosure for the Prospective Student
18 that shows estimates of (a) the Prospective Student’s Anticipated Total Direct Costs in
19 pursuing the Program of Study, (b) the Prospective Student’s Cost of Attendance, including
20 each component thereof, (c) the Prospective Student’s total debt at the time of repayment and
21 the corresponding monthly loan payments over a term of years based on current interest rate
22 information, (d) the Prospective Student’s income if he/she successfully graduates from the
23 Program of Study, and (e) the Prospective Student’s post-graduation expenses, including
24 personal financial obligations such as rent or mortgage payments, car payments, child care
25 expenses, utilities, and the like. The Electronic Financial Impact Platform shall also provide
26

1 information about the Program of Study, including Program Completion Rates, Median Debt
2 for Completers, and Program Cohort Default Rate.

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

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

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

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

19 22. **“Graduate,”** only for purposes of calculating a Job Placement Rate in
20 accordance with this Consent Decree, means a Student who has accomplished all of the
21 requirements of graduation from a Program of Study, such as, for example, achieving the
22 necessary grade point average, successfully passing all required courses and meeting all
23 clinical, internship, and externship requirements, and satisfying all non-academic requirements.

24 23. **“Job Placement Rate”** means the job placement rate calculated in accordance
25 with this Consent Decree and is a numeric rate calculated by dividing the total number of
26 placed Graduate/Completers by the total number of Graduate/Completers who do not qualify

1 for exclusion from the calculation as set out below. EDMC shall count a Graduate/Completer
2 as placed or excluded for purposes of calculating a Job Placement Rate in accordance with this
3 Consent Decree only where EDMC is able to successfully contact a Graduate/Completer or
4 employer to verify employment or exclusion and possesses at the time it is calculating the Job
5 Placement Rate the documentation required below.

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

10 (b) In calculating Job Placement Rates in accordance with this Consent
11 Decree, EDMC shall assess whether the Student has been placed within six (6) months
12 of the later of (i) the end of the month in which the Student becomes a
13 Graduate/Completer or (ii) if a license or certification is required for the relevant
14 occupation, the date on which the results of the first licensing or certification exam for
15 which the Graduate/Completer was eligible to sit become available; *provided, however,*
16 that such six (6) month period shall be extended for up to sixty (60) days to permit
17 Students who accepted employment prior to the expiration of such six (6) month period
18 to satisfy the minimum employment threshold set forth in paragraph 69(a)(5) and
19 (a)(6), in which case the Graduate/Completer shall be excluded from the current
20 reporting cohort and included in the next reporting cohort.

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

25 (i) has a medical condition or disability that results in the
26 Graduate/Completer's inability to work or the Graduate/Completer is not

1 available for employment because the Graduate/Completer has a parent,
2 child, or spouse who has a medical condition that requires the care of the
3 Graduate/Completer;

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

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

7 (iv) is deceased;

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

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

12 (vii) is incarcerated; or

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

23 (d) Where EDMC excludes a Graduate/Completer from the total number of
24 Graduate/Completers for the purposes of calculating the Job Placement Rate, EDMC
25 shall not count that Graduate/Completer as "placed."
26

1 24. “**Median Earnings for Completers**” means the earnings calculated according
2 to the definitions and method provided by the U.S. Department of Education in 34 CFR
3 668.413(b)(8) and as that regulation may be amended or recodified.

4 25. “**Median Debt for Completers**” includes Title IV loans, institutional loans,
5 private loans, credit, or unpaid balances extended by or on behalf of the EDMC school to
6 Students, as provided in 34 CFR 668.404(d)(1). Median Debt for Completers is the median
7 debt for Students who completed the program during the most recent award year and is
8 determined according to the definitions and method provided in 34 CFR 668.413(b)(4) and as
9 that regulation may be amended or recodified. Until such time as the U.S. Department of
10 Education commences calculation of the median debt according to such definitions and
11 methodology, EDMC itself shall make a good faith effort to calculate the Median Debt for
12 Completers according to the definitions and methodology provided in 34 CFR 668.413(b)(4).

13 26. “**Program Cohort Default Rate**” means the program cohort default rate
14 determined according to 34 CFR 668.413(b)(13) and as that regulation may be amended or
15 recodified. Until such time as the U.S. Department of Education commences calculation of the
16 program cohort default rate as provided in 34 CFR 668.413(b)(13), EDMC shall make a good
17 faith effort to determine the Program Cohort Default Rate using the methodology required by
18 34 CFR 668.413(b)(13).

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

1 28. “**Program of Study**” shall mean a series of courses, seminar, or other
2 educational program offered at an EDMC school in the United States, for which EDMC
3 charges tuition and/or fees, which is designed to lead toward a degree, certificate, diploma, or
4 other indication of completion, and which (a) is eligible for Title IV funding, (b) involves more
5 than 25 contact hours in a credit bearing course, (c) is designed to make a Student eligible to sit
6 for any state or national certification or licensing examination, or (d) is designed to prepare a
7 Student for another series of courses, seminar, or other educational program that is eligible for
8 Title IV funding. Notwithstanding anything in the foregoing sentence to the contrary, non-
9 credit courses or programs offered for personal enrichment, *i.e.*, hobby courses, that are not
10 Title-IV eligible, courses that are not taken for the purpose of ultimately obtaining a degree,
11 certificate, diploma, or other indication of completion, and review courses that are designed to
12 assist with a Student’s preparation for a state or national certification or licensing exam for
13 which the Student is already eligible to sit, shall not be Programs of Study.

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

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

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

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

24 33. “**Transferability of Credits Disclosure**” means a disclosure with respect to the
25 transferability of credits earned at EDMC schools. For regionally accredited schools, each
26 such disclosure shall state: “Course credits are not guaranteed to transfer to other schools.”

1 For all other schools, each such disclosure shall state: "Course credits will likely not transfer
2 to other schools. Degrees will likely not be honored by other schools." EDMC shall be
3 permitted to make such reasonable changes to the Transferability of Credits Disclosure that are
4 approved by the Administrator in consultation with the Attorneys General.

5 **IV. ENJOINED CONDUCT**

6 Pursuant to RCW 19.86.080, EDMC is hereby enjoined as follows:

7 **ADMINISTRATOR PROVISIONS**

8 **Appointment of an Administrator**

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

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

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

24 37. The Administrator may be dismissed for any reason by agreement of the Parties.
25 In the event the Parties do not agree to the dismissal of the Administrator, either the Attorneys
26 General or EDMC may submit the question of the Administrator's dismissal to the Iowa

1 Attorney General, with the issue to be resolved in accordance with the provisions of EDMC's
2 consent judgment with the State of Iowa.

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

7 **Costs of the Administrator**

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

12 **Powers and Duties of the Administrator**

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

18 (a) observe Admissions Representative and Student Financial Services
19 Representative training sessions;

20 (b) monitor telephone calls and meetings between Admissions
21 Representatives or Student Financial Services Representatives, on the one hand, and
22 Students or Prospective Students, on the other; the Administrator shall not be permitted
23 to participate in such calls or attend such meetings, but it is expressly understood that
24 the Administrator may utilize "mystery shoppers"; a "mystery shopper" is a person
25 hired to pose as a Prospective Student and collect information regarding an Admissions
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1 Representative's or Student Financial Service Representative's compliance with this
2 Consent Decree;

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

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

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

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

19 (g) review EDMC's advertisements, marketing materials, websites,
20 catalogs, enrollment agreements, disclosures, and other public-facing media to verify
21 compliance with this Consent Decree;

22 (h) review documents, data, and information related to EDMC's calculation
23 of any job placement rate;

24 (i) monitor EDMC's compliance practices with respect to the conduct of
25 Third-Party Lead Vendors;

26

1 (j) review documents in the possession of EDMC or reasonably accessible
2 to EDMC related to the conduct of Third-Party Lead Vendors;

3 (k) review communications with Students and Prospective Students in the
4 possession of EDMC or reasonably accessible to EDMC related to Student recruitment,
5 admissions, financial aid, or career services;

6 (l) monitor EDMC's compliance with its refund policy;

7 (m) monitor EDMC's compliance with data reporting requirements imposed
8 by this Consent Decree;

9 (n) monitor EDMC's complaint resolution practices;

10 (o) review reports related to EDMC's audit of Third-Party Lead Vendors;

11 (p) review EDMC's institutional and programmatic accreditation status to
12 verify compliance with this Consent Decree;

13 (q) review EDMC's records to verify EDMC's compliance with its
14 obligation to forgo efforts to collect outstanding debt from certain Students pursuant to
15 paragraphs 120 and 121 of this Consent Decree;

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

18 (s) have reasonable access to employees and Former Employees of EDMC
19 as the Administrator deems necessary to insure implementation of and compliance with
20 this Consent Decree; reasonable access for purposes of this subparagraph includes
21 disclosing the identity of any current employee or Former Employee if the identity is
22 requested by the Administrator and can be determined by EDMC; reasonable access to
23 current employees shall include providing appropriate times and locations for staff
24 interviews; and reasonable access to Former Employees shall include providing the
25 most recent contact information available;
26

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

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

7 42. The Administrator shall make a good faith effort to perform his or her duties in
8 a manner designed to cause minimal disruption to EDMC's activities. In this regard, EDMC
9 shall designate senior officials within the Office of the Chief Compliance Officer (or any office
10 subsequently organized to succeed to the duties of the foregoing office) to serve as the primary
11 points of contact for the Administrator in order to facilitate the Administrator's access to
12 documents, materials, or staff necessary to review EDMC's compliance with this Consent
13 Decree. The Administrator shall communicate any request for documents, materials, or access
14 to staff to the designated contacts, unless otherwise instructed. For the avoidance of doubt,
15 nothing in this paragraph shall be interpreted to prohibit the Administrator from speaking with
16 a current or Former Employee of EDMC.

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

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

26 ///

1 **Oversight and Compliance**

2 45. The Administrator and the designated EDMC officials referenced in paragraph
3 42 shall meet on a quarterly basis, or more frequently if the Administrator deems reasonably
4 necessary, in order to discuss any facts, matters, issues, or concerns that may arise in the
5 administration of this Consent Decree or that may come to the attention of the Administrator.
6 The purpose of these meetings is to permit EDMC to confer with the Administrator and
7 address issues and concerns as they arise. In addition, the Administrator may in his discretion
8 and on reasonable advance notice invite the EDMC officials referenced in paragraph 42 and
9 the Attorneys General to meet and confer to the extent he deems it reasonably necessary for the
10 administration of this Consent Decree.

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

21 47. The Annual Report shall include:

- 22 (a) a description of the methodology and review procedures used;
- 23 (b) an evaluation of whether EDMC is in compliance with the provisions of
24 this Consent Decree, together with a description of the underlying basis for that
25 evaluation; and
26

1 (c) a description of any practice which the Administrator believes may
2 constitute a deceptive or unfair practice (as those terms are commonly understood in
3 the context of consumer protection laws).

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

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

16 **Use of the Administrator's Reports**

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

1 proceeding other than an action or proceeding described in the preceding sentences. No action
2 or lack of action by the Attorneys General regarding information received from the
3 Administrator regarding EDMC's conduct shall be considered affirmation, acceptance, or
4 ratification of that conduct by the Attorneys General, and the Attorneys General reserve the
5 right to act at any time regarding information provided to them by the Administrator.

6 **Confidentiality**

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

12 52. It is understood that any document, information, or report shared with the
13 Attorneys General pursuant to this Consent Decree (including reports created by the
14 Administrator pursuant to paragraphs 46 and 116) is subject to the Washington Public Records
15 Act, RCW 42.56. Nevertheless, the Attorneys General recognize that some or all of such
16 documents, information, or reports may be confidential pursuant to the Washington Public
17 Records Act or other applicable state or federal laws. In the event that the Attorneys General
18 (or any of them) receive a request to disclose a document, information, or report, and the
19 Attorneys General (or any of them) determine that the requested document, information, or
20 report is not confidential pursuant to applicable law and is subject to disclosure, or if the
21 Attorneys General (or any of them) are compelled to produce the material pursuant to a court
22 or administrative order, the relevant Attorney(s) General shall provide notice to EDMC ten
23 (10) business days prior to disclosing the document, information, or report to any third party,
24 or any lesser period required under state law. Notwithstanding the above requirements, the
25 Attorneys General may share any document, information, or report subject to this paragraph
26 with any other local, state, or federal agency empowered to investigate or prosecute any laws,

1 regulations, or rules. Subject to the foregoing, unless required under applicable state law, the
2 Attorneys General shall not release to the public any confidential document or information
3 provided by EDMC pursuant to this Consent Decree.

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

8 **Miscellaneous Administrator Provisions**

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

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

18 **REQUIRED DISCLOSURES**

19 **General Disclosures**

20 56. Before obtaining signed Enrollment Agreements, EDMC shall Clearly and
21 Conspicuously disclose to Prospective Students a "Single-Page Disclosure Sheet" that
22 conforms as to form to the sample disclosure sheet attached as Exhibit B hereto and contains
23 the following information:

- 24 (a) the Anticipated Total Direct Cost for the Program of Study at the
25 prospective campus; *provided, however*, that this provision shall not be interpreted to
26 restrict EDMC's ability to change tuition, fees, or expenses;

1 (b) the Median Debt for Completers for the Program of Study for the most
2 recent reporting period;

3 (c) the Program Cohort Default Rate for the most recent reporting period;

4 (d) the Program Completion Rate for the most recent reporting period;

5 (e) the Transferability of Credits Disclosure;

6 (f) the Median Earnings for Completers for the Program of Study for the
7 most recent reporting period, if available; and

8 (g) the Job Placement Rate Disclosure for the Program of Study at the
9 prospective campus for the most recent reporting period, if available.

10 57. Specifically, EDMC shall Clearly and Conspicuously disclose the Single-Page
11 Disclosure Sheet for the Program of Study in which the Prospective Student is seeking to
12 enroll prior to a Prospective Student's execution of the Enrollment Agreement in the following
13 ways: (1) by Clearly and Conspicuously disclosing the Single-Page Disclosure Sheet during
14 the application process, prior to the Prospective Student's submission of a completed
15 application; and (2) by Clearly and Conspicuously disclosing and discussing with the
16 Prospective Student the Single-Page Disclosure Sheet when a representative of an EDMC
17 school reviews or discusses with a Prospective Student a completed FAFSA and/or financial
18 plan. When the requirements of subparagraphs (1) and/or (2) are performed at an in-person
19 meeting with the Prospective Student, in addition to any other method of Clear and
20 Conspicuous disclosure, EDMC shall also provide the Prospective Student with a printed copy
21 of the Single-Page Disclosure Sheet; *provided, however*, that EDMC shall not be required to
22 provide multiple printed copies of the Single-Page Disclosure Sheet to a Prospective Student
23 who attends more than one in-person meeting. Additionally, except where the Prospective
24 Student has not provided EDMC with an email address, EDMC shall also email the Single-
25 Page Disclosure Sheet to the Prospective Student prior to the execution of the Enrollment
26 Agreement.

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

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

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

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

20 **Job Placement Rate Disclosures**

21 62. For any Program of Study at an EDMC school that is required to calculate or
22 provide a job placement rate by any accreditor or any federal, state, or local law, rule, or
23 judgment, EDMC shall calculate a Job Placement Rate for such Program of Study in
24 accordance with this Consent Decree, and such rate shall be disclosed on the Single-Page
25 Disclosure Sheet described in paragraph 56. If an EDMC school voluntarily calculates a job
26 placement rate for any Program of Study offered at an EDMC campus, it must calculate the

1 Job Placement Rate in accordance with this Consent Decree for that Program of Study and also
2 calculate a Job Placement Rate in accordance with this Consent Decree for all Programs of
3 Study that are offered at that same EDMC campus, and such rates shall be disclosed on the
4 Single-Page Disclosure Sheet described in paragraph 56. For purposes of this paragraph, all
5 online offerings of each one of EDMC's schools shall be considered a "campus."

6 Notwithstanding the foregoing, EDMC shall not be required to calculate Job Placement Rates
7 for (a) any Program of Study that EDMC is teaching out (*i.e.*, that is not accepting new
8 Students) or (b) Graduates/Completers of Western State College of Law.

9 63. If EDMC does not calculate a job placement rate for a Program of Study, and it
10 is not required to calculate a Job Placement Rate by this Consent Decree, then EDMC shall
11 disclose to Prospective Students on the Single Page Disclosure Sheet that: "[EDMC school]
12 does not calculate a job placement rate for students who completed this program."

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

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

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

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

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

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

23 (a) Employed. The individual shall be deemed "employed" if each of the
24 following six (6) requirements are met:
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(1) The position is in the field of study or a related field of study. The position shall be considered to be in the field of study or a related field of study if it meets one of the following criteria:

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

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

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Graduate/Completer provided a benefit or advantage to the Graduate/Completer in obtaining the position.

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

(3) The position is a paid position;

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

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

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

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

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

(i) the position is included on the list of job titles for the Graduate's/Completer's Program of Study published by the school and is included in the most recent CIP to SOC Crosswalk for the applicable CIP Code; *provided, however*, that it is understood that in an instance where a Graduate/Completer's actual job title is not listed on the CIP to

1 SOC Crosswalk, EDMC may include the job as a placement under this
2 provision if the job title the Graduate/Completer obtained is listed as a
3 “Lay Title” on the O*Net Code Connector for an SOC job title that is
4 linked to the Graduate/Completer’s Program CIP per the CIP to SOC
5 Crosswalk and the job description by the employer for the job title the
6 Graduate/Completer obtained matches the job description, tasks, and
7 work activities for the SOC job title that is linked to the CIP for the
8 Graduate/Completer’s program; or

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

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

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

22 (4) EDMC has verified the self-employment and the
23 Graduate/Completer has either (a) completed at least 135 hours of work
24 (including, for example, time devoted to marketing or other unpaid preparatory
25 or developmental work) in connection with the Graduate/Completer’s self-
26 employment or (b) received no less than \$4,500.00 in compensation, over a

1 period of no more than ninety (90) days, in return for services provided in
2 connection with the self-employment, provided that EDMC has obtained written
3 verification directly from the Graduate/Completer that includes: (i) an
4 attestation that s/he is self-employed with a description of the nature of the self-
5 employment and (ii) the number of hours worked and/or amount of
6 compensation earned.

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

9 (d) Continuing Employment.

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

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

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

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

3 (e) EDMC's first calculation of the Job Placement Rate in accordance with
4 the provisions of this Consent Decree will be for the cohort of Graduates and
5 Completers from July 1, 2015 through June 30, 2016. EDMC has represented that prior
6 to the execution of this Consent Decree it collected job placement information for some
7 or all of the Graduates/Completers in the July 1, 2013 through June 30, 2014 and July
8 1, 2014 through June 30, 2015 cohorts (for purposes of this subparagraph, the "Interim
9 Cohorts"). It is understood that any job placement rate calculation made by EDMC
10 with respect to the Interim Cohorts shall comply with the conditions and limitations
11 provided in paragraph 23(c) and (d), except for job placement rates required by a
12 government entity or accreditor. Additionally, whenever disclosing a job placement
13 rate with respect to the Interim Cohorts that was calculated pursuant to EDMC's own
14 methodology, EDMC shall Clearly and Conspicuously disclose, if applicable, that the
15 rate calculated pursuant to EDMC's methodology includes as placements employment
16 positions that Graduates/Completers had obtained prior to enrolling in the Program of
17 Study. EDMC shall not calculate and disclose any job placement rates with respect to
18 the Interim Cohorts except in accordance with this subparagraph or as may be required
19 by any accreditor or government entity.

20 70. EDMC shall implement a protocol for performance checks of those employees
21 responsible for verifying, calculating, and/or disclosing job placement rates. Such performance
22 checks shall be designed to provide a reliable assessment of the accuracy of disclosed job
23 placement rates and compliance by EDMC's employees, agents, and/or contractors with the
24 verification, calculation, and disclosure of job placement rates. The performance checks shall
25 be carried out regularly by EDMC's compliance department or an independent third party, if
26 used. If the school obtains placement data by contacting employers and Completer/Graduates,

1 the information should be documented in writing, including, to the extent practicable, the name
2 of the employer, name of the Student, address and telephone number of Student and employer,
3 title of employment, duties of employment, length of employment, hours worked, the name
4 and title of the person(s) providing the information to EDMC, the name and title of the
5 person(s) at EDMC who received and recorded the information, and the date the information
6 was provided. EDMC shall maintain a copy of the above information for a period no less than
7 three (3) years.

8 **Electronic Financial Impact Platform Disclosures**

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

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

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

1 to the content, operation, or presentation of the Electronic Financial Impact Platform to the
2 Administrator, in consultation with the Attorneys General, for approval prior to use.

3 **MISREPRESENTATIONS, PROHIBITIONS, AND REQUIRED CONDUCT**

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

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

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

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

26 76. In connection with any communication with Students or Prospective Students,

1 Defendants shall not make any false, deceptive, or misleading statements or guarantees
2 concerning Student outcomes by:

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

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

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

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

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

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

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

21 Notwithstanding the prohibitions contained in subparagraphs (a) through (c), EDMC and its
22 representatives are permitted to provide good-faith estimates to Students and Prospective
23 Students about the amount of financial aid they may be expected to receive.

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

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

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

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

5 (d) the annual starting salary of Graduates.

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

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

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

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

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

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

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

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

25 81. Defendants shall not make express or implied false, deceptive, or misleading
26 claims to Prospective Students with regard to the academic standing of its programs and

1 faculty including, but not limited to misrepresenting:

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

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

7 (c) the Student/faculty ratio;

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

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

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

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

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

17 (a) the Cost of Attendance;

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

20 (c) the Program Cohort Default Rate; and

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

22 83. EDMC shall provide all Admissions Representatives and Student Financial
23 Services Representatives with the information reasonably necessary to inform Prospective
24 Students about EDMC and its Programs of Study, including but not limited to the Single-Page
25 Disclosure Sheet, and if a representative of EDMC truthfully advises a Student or Prospective
26 Student that he or she does not have the information requested by the Student or Prospective

1 Student at hand, then EDMC shall subsequently, to the extent such information is reasonably
2 ascertainable prior to the expiration of the applicable refund period established by paragraph
3 104 (or, if no such refund period applies, prior to the first day of the Student's semester,
4 quarter, or payment term), provide such information.

5 84. Except in circumstances in which paragraph 86 applies, if a Prospective Student
6 expresses an interest in pursuing a career as a medical assistant, psychologist, surgical
7 technician, surgical technologist, or surgical assistant following graduation from a Program of
8 Study, the following shall apply:

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

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

1 relevant state(s).

2 (c) If the Prospective Student has expressed an interest in pursuing a career
3 as a surgical technician, surgical technologist, or surgical assistant, and the Prospective
4 Student is considering enrolling in a Program of Study that is not accredited by
5 CAAHEP or ABHES, EDMC shall inform the Prospective Student that employers may
6 prefer to hire surgical technicians, surgical technologists, and surgical assistants who
7 have obtained certification as Certified Surgical Technologists (“CST”), and shall
8 further inform the Prospective Student that because the Program of Study lacks
9 CAAHEP or ABHES accreditation, the Prospective Student will not be eligible to
10 become a CST.

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

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

23 86. Except as set forth in paragraph 87, for Programs of Study that prepare Students
24 for employment in fields that require Students to obtain state licensure or authorization for
25 such employment, Defendants shall not enroll Students in the Program of Study if graduation
26 from the Program of Study would not qualify such Students for state licensure or authorization

1 or to take the exams required for such licensure or authorization in the state in which:

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

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

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

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

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

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

24 c) the Prospective Student has already completed some of the coursework
25 necessary to complete the Program of Study and is seeking re-enrollment, and EDMC
26 advises the Prospective Student Clearly and Conspicuously in writing prior to re-

1 enrollment that completion of the Program of Study is not expected to qualify the
2 Student for state licensure or authorization or to take exams required for such licensure
3 or authorization; or

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

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

14 89. EDMC shall not knowingly enroll a Student in a Program of Study that does not
15 possess the accreditation typically required by employers in the Student's locality for
16 employment. "Typically" shall mean 75% or more of job opportunities in a particular
17 occupation are open only to graduates of a school with certain accreditation(s) and/or an
18 academic program with certain programmatic accreditation(s). EDMC shall make reasonable
19 efforts to assess local employer requirements in localities where they enroll Students.

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

1 Conspicuously disclose that a criminal record will be disqualifying and (b) require the
2 Student's acknowledgment of such disclosure in writing at or before the time of enrollment.

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

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

21 EDMC RECRUITING PRACTICES

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

26 94. EDMC shall not use Abusive Recruitment Methods when communicating with

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

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

26 96. Notwithstanding anything to the contrary in this Consent Decree, EDMC shall

1 not be required to record a telephone conversation if the Student or Prospective Student, after
2 receiving the disclosure required by paragraph 98, objects to the conversation being recorded,
3 nor shall EDMC be prohibited from continuing a telephone conversation with a Student or
4 Prospective Student on an unrecorded line once such an objection has been made; *provided*,
5 *however*, that EDMC shall be prohibited from encouraging Students or Prospective Students to
6 object to recording the conversation.

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

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

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

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

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

26 102. EDMC shall invite Prospective Students under the age of eighteen (18) to bring

1 an adult with them to any interview/meeting on campus prior to enrollment.

2 **REQUIRED ORIENTATION AND REFUND PROVISIONS**

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

12 104. All Students who are newly enrolled in any fully online Program of Study at an
13 EDMC school (other than graduate Students and Students who have already obtained twenty-
14 four (24) or more online credits at the post-secondary education level) shall be permitted to
15 withdraw within twenty-one (21) days of the first day of the Student's semester, quarter, or
16 (with respect to students enrolled in a non-term program) payment term at the EDMC school in
17 which the Student enrolled. All Students who are newly enrolled in any on-ground Program of
18 Study at an EDMC school (other than graduate Students) shall be permitted to withdraw within
19 seven (7) days of the first day of the Student's first term or first scheduled day of class,
20 whichever is latest in time, at the EDMC school in which the Student enrolled. EDMC shall
21 Clearly and Conspicuously disclose the availability of the refund periods described in this
22 paragraph in the Enrollment Agreement. EDMC shall not hold a qualifying Student who
23 withdraws in accordance with this paragraph liable for any tuition and fees associated with
24 attending classes and shall return to grantors or lenders any grants and financial aid received
25 for or on behalf of the Student. Under no circumstances shall the time of a Student's
26 attendance in the orientation program required pursuant to paragraph 103 be included in the

1 refund periods required pursuant to this paragraph.

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

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

22 **THIRD-PARTY LEAD VENDOR REQUIREMENTS**

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

- 25 (a) a provision requiring that the Third-Party Lead Vendor comply with:
26 (i) EDMC's Administrator-approved Online Vendor Compliance

1 Guide in effect at the time of contracting or as may be modified subsequently,
2 subject to approval by the Administrator;

3 (ii) all applicable state and federal consumer protection laws;

4 (iii) all provisions in the Code of Conduct referenced in paragraph
5 108, when applicable; and

6 (iv) all provisions of the Telephone Consumer Protection Act, 47
7 U.S.C. § 227.

8 (b) a prohibition on attracting Students or obtaining leads by misleading
9 advertising suggesting available employment opportunities rather than educational
10 opportunities;

11 (c) a prohibition on representing that a Student or Prospective Student is
12 guaranteed to receive "free" financing from the federal or a state government; *provided,*
13 *however,* that EDMC may permit its Third-Party Lead Vendors to represent that grants
14 and scholarships may be available and would not need to be repaid;

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

17 (e) a provision prohibiting Third-Party Lead Vendors from transferring a
18 consumer inquiry to an EDMC school unless the consumer has expressly informed the
19 Third-Party Lead Vendor that he or she is interested in educational opportunities. Prior
20 to directing a consumer to an EDMC school, Third-Party Lead Vendors shall be
21 required to ask the consumer if they are interested in educational opportunities. Should
22 the consumer say "no," or otherwise provide a clear negative response as to their
23 interest in pursuing educational opportunities, the consumer cannot be directed to an
24 EDMC school. Should the consumer say "I'm not sure," or otherwise provide an
25 equivocal response as to their interest in pursuing educational opportunities as opposed
26 to job opportunities, the Third-Party Lead Vendor shall be permitted to describe the

1 advantages an education may provide in creating additional job opportunities, but in so
2 doing, the Third-Party Lead Vendor shall be prohibited from referencing any specific
3 salary amounts. The Third-Party Lead Vendor shall then again ask the consumer if
4 they are interested in educational opportunities. Should the consumer respond by
5 providing a clear and affirmative indication that they are interested in educational
6 opportunities, the Third-Party Lead Vendor shall be permitted to continue directing the
7 consumer to an EDMC school; otherwise, the consumer cannot be directed to an
8 EDMC school. In all events, prior to transferring any consumer to a representative of
9 any EDMC school, Third-Party Lead Vendors shall be required to reconfirm the
10 consumer's interest in pursuing educational opportunities; and

11 (f) a requirement that all Third-Party Lead Vendors begin calls made on
12 behalf of EDMC with the following statement immediately after the consumer answers
13 the phone, "This is [insert name] from [insert company], this call may be recorded for
14 quality assurance and training purposes," or words to that effect. Should the consumer
15 that answers the phone transfer the call to another consumer, the preceding statement
16 must be repeated for this consumer and any other consumer that may be later connected
17 to the call. Additionally, the Third-Party Lead Vendor will clearly state that "this call
18 may be recorded for quality assurance and training purposes" before transferring a call
19 to EDMC.

20 108. In addition, EDMC shall negotiate in good faith with the Attorneys General and
21 other industry participants with the goal of codifying a Code of Conduct for the recruitment of
22 Students through Third-Party Lead Vendors. The Code of Conduct shall include provisions to
23 help ensure that Third-Party Lead Vendors do not make misleading claims or use misleading
24 solicitation strategies when generating leads for the industry participants. EDMC shall be
25 bound to abide by the provisions of the Code of Conduct that the industry participants agree to
26 follow and implement as long as those provisions do not conflict with any other requirement of

1 this Consent Decree. EDMC shall not be obligated to abide by the Code of Conduct provisions
2 unless and until the Code of Conduct becomes effective as to industry participants representing
3 (together with EDMC) at least 50% of students enrolled in for-profit schools, with such
4 percentage to be calculated using the most recent available data from The Integrated
5 Postsecondary Education Data System regarding student enrollments at four-year and two-year
6 for-profit institutions that award degrees at the associate's degree level or above.

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

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

- 23 (a) First violation within any rolling 12-month period: EDMC shall notify
24 the Third-Party Lead Vendor of the violation and the steps it must take to correct the
25 violation. If, within five (5) business days, the Third-Party Lead Vendor does not
26 document that it is actively engaged in making the required changes, the violation shall

1 be escalated to EDMC's Chief Marketing Officer who shall inform the Third-Party
2 Lead Vendor and pause the campaign until the violation is corrected;

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

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

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

20 111. Termination Violations.

21 (a) For purposes of this paragraph, a "Termination Violation" means any
22 one of the following occurrences:

23 (1) a Third-Party Lead Vendor's webpage, electronic solicitation, or
24 other online advertisement references both a post-secondary educational
25 opportunity and an employment opportunity, and the webpage, electronic
26 solicitation, or online advertisement (i) uses a substantially smaller font size to

1 present the educational opportunity as compared with the employment
2 opportunity or (ii) represents the educational opportunity as a "want ad" or
3 employment application;

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

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

15 (b) Notwithstanding anything in paragraph 110 to the contrary, in the event
16 that a Third-Party Lead Vendor incurs three Termination Violations within a 180-day
17 period, EDMC shall, within thirty (30) days of discovering the third such Termination
18 Violation, terminate any outstanding insertion orders to the segment of the Third-Party
19 Lead Vendor's business in which the Termination Violations occurred and not issue
20 any new insertion orders to that business segment for at least ninety (90) days;
21 *provided, however,* that the requirements of this subparagraph shall not apply if the
22 EDMC and/or the Third-Party Lead Vendor document to the reasonable satisfaction of
23 the Administrator that the three Termination Violations that would otherwise have
24 triggered the requirements of this subparagraph represented, in the aggregate, no more
25 than 1% of the total Prospective Student leads from the Third-Party Lead Vendor
26 during the relevant period.

1 and related instances of individual violations, and shall work in conjunction with
2 EDMC to devise a corrective action plan to remedy such practice or pattern of non-
3 compliance, including a reasonable period for corrective action and implementation of
4 such plan. To the extent that the Administrator and EDMC are unable to agree to a
5 corrective action plan, the Attorneys General may take whatever action they deem
6 necessary, including but not limited to bringing an action to enforce this Consent
7 Decree, filing a new original action, conducting further investigation, or attempting to
8 negotiate a corrective action plan directly with EDMC. Should the Attorneys General
9 choose to file a new original action, nothing referred to in this paragraph shall affect the
10 release in paragraph 129.

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

13 (1) a description of the practice or pattern of non-compliance and
14 related instances of individual violations of the Consent Decree (including the
15 relevant facts);

16 (2) a description of the corrective action plan;

17 (3) findings by the Administrator as to whether the Administrator
18 deems it reasonably likely that EDMC is in substantial compliance with the
19 terms of the Consent Decree, including but not limited to whether EDMC has
20 ceased to engage in a practice or pattern of non-compliance; and

21 (4) a description of EDMC's views as to the foregoing matters.

22 (c) The Attorneys General agree that they will meet and confer with EDMC
23 concerning the subject of the action before filing any action related to this Consent
24 Decree, so long as EDMC makes necessary representatives available to meet and
25 confer in a timely manner. However, an Attorney General may take any action where
26 the Attorney General concludes that, because of a specific practice, a threat to the

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

3 (d) The Attorneys General agree that no action may be filed to enforce the
4 terms of this Consent Decree unless they have proceeded as set forth in this paragraph.
5 However, an Attorney General may take any action where the Attorney General
6 concludes that, because of a specific practice, a threat to the health, safety, or welfare of
7 the citizens of the State exists, or the practice creates a public emergency requiring
8 immediate action.

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

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

22 (b) EDMC shall provide the Attorneys General reasonable access to inspect
23 and copy relevant, non-privileged records and documents in the possession, custody, or
24 control of EDMC that relate to EDMC's compliance with each provision of this
25 Consent Decree pursuant to that State's CID or investigative subpoena authority. If the
26 Attorneys General make or request copies of any documents during the course of that

1 inspection, the Attorneys General will provide a list of those documents to EDMC.
2 This provision does not limit the Attorneys General's rights to otherwise serve
3 subpoenas or CIDs on EDMC or to enforce them.

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

12 118. The Attorneys General agree to make good faith efforts to coordinate any future
13 efforts to enforce violations of the injunctive relief herein, to the extent they are reasonably
14 able and willing to do so. To that end, each Attorney General agrees to provide notice to the
15 Executive Committee at least ten (10) business days prior to the filing of any action to enforce
16 this Consent Decree against any of the parties released from liability pursuant to paragraph
17 129. However, nothing in this paragraph shall be construed so as to limit the right of a state to
18 enforce any law in any action by that state. In addition, the notice requirement stated herein
19 shall not apply to the extent that the relevant Attorney General concludes that further delay in
20 acting constitutes a threat to public health, safety, or welfare, or that the action intended to be
21 taken addresses a public emergency requiring immediate action. For the avoidance of doubt,
22 nothing in this paragraph shall relieve the Attorneys General of the requirements of paragraphs
23 116 and 117 of this Consent Decree, which must be satisfied before any Attorney General may
24 provide the notices required by this paragraph.

25 119. Subject to the release set forth in paragraph 129, nothing in this Consent Decree
26 limits the right of the Attorneys General to conduct investigations or examinations or file suit

1 for any violation of applicable law, nor shall anything in the Consent Decree be construed to
2 limit the remedies available to the Attorneys General for any violation of applicable law that is
3 not released by this Consent Decree. For the avoidance of doubt, nothing in this paragraph
4 shall be construed to modify the procedures to be followed prior to the filing of an action to
5 enforce the terms of this Consent Decree, as set forth in paragraphs 116 through 118.

6 **VI. INSTITUTIONAL DEBT**

7 120. For purposes of this paragraph and paragraph 121, a "Qualifying Former
8 Student" means any former student who meets the following criteria: (a) enrolled in a Program
9 of Study with fewer than twenty-four (24) hours of transfer credit, (b) withdrew from the
10 Program of Study within forty-five (45) days of the first day of their first term, and (c) whose
11 final day of attendance at an EDMC school was between January 1, 2006, and December 31,
12 2014. As partial consideration for the release set forth in paragraph 129, without any
13 admission of wrongdoing, Defendants agree to forgo efforts to collect all amounts that
14 Defendants claim is owed to EDMC by Qualifying Former Students (hereinafter "Institutional
15 Debt"), which amounts totaled, as of September 11, 2015, approximately \$102,800,000.00.
16 For the avoidance of doubt, Institutional Debt shall not include debts that are owed to non-
17 EDMC entities, such as, for example, federal student loans owed to the United States
18 government. In the event that a Qualifying Former Student or a co-signer for a Qualifying
19 Former Student attempts to make a payment to EDMC subsequent to the Effective Date that
20 relates to Institutional Debt, EDMC shall use its reasonable best efforts to refuse such payment
21 and return the payment. Defendants shall request that any and all trade line information related
22 to amounts covered by this paragraph be deleted from Qualifying Former Students' credit
23 reports, to the extent that such trade line information exists, at Defendants' own expense.

24 121. Within ninety (90) days of the Effective Date, Defendants shall send a letter by
25 U.S. mail to each Qualifying Former Student at his or her last known mailing address notifying
26 such former students that Defendants are foregoing collection on their Institutional Debt,

1 including all interest and fees. The notice shall state that due to a recent settlement with the
2 Attorneys General the student's account balance owing to EDMC is \$0 and shall encourage the
3 student to advise any and all co-signers that the student's account balance owing to EDMC has
4 been reduced to \$0. The notice shall also inform the student that Defendants will send a copy
5 of the notice to each of the credit reporting agencies (*i.e.*, TransUnion, Equifax, and Experian).
6 The notice shall further inform the student that if the student finds that the amounts owed to
7 Defendants by the student are still erroneously appearing on the student's credit report after
8 one hundred and twenty (120) days and notifies Defendants, then Defendants, at their own
9 expense, shall promptly and properly notify the appropriate credit reporting agency, whether
10 directly or indirectly, of any change(s) to be made to the credit reporting resulting from the
11 application of the terms of this Consent Decree. The notice shall provide Defendants' contact
12 information for making a request to correct a credit report and for any additional inquiries
13 about the student's account.

14 **VII. TIME TO IMPLEMENT AND DURATION**

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

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

20 124. Except as otherwise provided in paragraphs 38, 49, and 95, EDMC shall be
21 relieved of its obligations under this Consent Decree on the twentieth anniversary of the
22 Effective Date; *provided, however*, that EDMC's obligations under paragraphs 74 through 83,
23 85, 93, 94 (first sentence only), 131, 135 through 138, and 141 of the Consent Decree shall
24 remain in effect unless and until the Consent Decree is vacated or modified by the Court.

25 125. Beginning on the fourth anniversary of the Effective Date, EDMC shall have
26 the right to petition the Executive Committee to be relieved of its obligations under specific

1 identified paragraphs of the Consent Decree that EDMC believes have become overly
2 burdensome or unnecessary. EDMC shall set forth in writing the reasons why it believes it
3 should be relieved from such obligations and any additional factors that it would like the
4 Executive Committee to consider. Moreover, if the U.S. Department of Education adopts
5 regulations that establish a uniform approach for the calculation and disclosure of job
6 placement rates that is applicable to EDMC schools, then EDMC may petition the Executive
7 Committee to be relieved of its obligations under paragraph 23 and paragraphs 62 through 70
8 on the date when such regulations become effective. The Executive Committee shall consider
9 any petitions made by EDMC in good faith and, in each case, the Executive Committee shall
10 be obligated to meet and confer with EDMC within sixty (60) days of the request being sent
11 and to make a recommendation about the petition to the Attorneys General within sixty (60)
12 days thereafter. In the event that EDMC sells or otherwise transfers control of one or more of
13 its schools to a third-party acquirer (the "Acquiring Company"), and the Acquiring Company
14 becomes subject to the terms of this Consent Decree as a successor to EDMC, the Acquiring
15 Company shall assume EDMC's rights to petition under this paragraph with respect to the
16 schools sold or transferred by EDMC.

17 **VIII. MISCELLANEOUS PROVISIONS**

18 126. If the position of the Administrator is vacant or the Administrator's term has
19 expired, then, to the extent that this Consent Decree or the work plan referenced in paragraph
20 35 requires the Administrator's approval or consent for EDMC to take a particular action, then
21 EDMC shall be entitled to take that action if it notifies the Attorneys General of its intent to act
22 and the Attorneys General fail to object with particularity within thirty (30) days. If the
23 Attorneys General object and particularize the bases for the objection within the thirty (30) day
24 period, then the Parties shall promptly meet and confer, following which EDMC shall be
25 entitled to seek judicial review with regard to the objection if necessary.

26 127. Either the Attorneys General or EDMC may request to meet and confer with

1 respect to any aspect of this Consent Decree or its implementation by notifying the other party.
2 The notice shall state the subjects proposed to be discussed. The recipient of the notice shall in
3 good faith make itself and/or its representatives available to meet and confer at a mutually
4 convenient time within thirty (30) days of the notice being sent.

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

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

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

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

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

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

16 134. EDMC shall be permitted, without the provisions of this Consent Decree
17 applying, to complete transactions in which it sells or otherwise transfers control of one or
18 more of its schools representing in the aggregate less than 3% of (a) EDMC's net revenues for
19 the fiscal year ended June 30, 2015, or (b) the average starting student body at EDMC's post-
20 secondary institutions during the fiscal year ended June 30, 2015, to an Acquiring Company,
21 and neither the transferred schools shall remain nor the Acquiring Company shall become
22 subject to the terms of this Consent Decree, as successors to EDMC or otherwise (an
23 "Exempted Transaction"); *provided, however*, that in no event may the aggregate of all
24 Exempted Transactions ever exceed 10% of either (a) EDMC's net revenues for the fiscal year
25 ended June 30, 2015, or (b) the average starting student body at EDMC's post-secondary
26 institutions during the fiscal year ended June 30, 2015. Notwithstanding the foregoing, in no

1 event will the sale or transfer of a school by EDMC qualify as an Exempted Transaction if (a)
2 the school was among the largest 11% of school locations at EDMC (excluding the impact of
3 students attending fully online programs) based on the average starting student body during the
4 fiscal year ended June 30, 2015, or (b) the Acquiring Company is owned or controlled by any
5 person or entity affiliated with EDMC or any EDMC board member or officer.

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

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

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

18 138. In the event that any statute, rule, or regulation pertaining to the subject matter
19 of this Judgment is enacted, promulgated, modified, or interpreted by any federal or state
20 government or agency, or a court of competent jurisdiction holds that such statute, rule, or
21 regulation is in conflict with any provision of the Consent Decree, and compliance with the
22 Consent Decree and the subject statute, rule or regulation is impossible, Defendants may
23 comply with such statute, rule or regulation and such action in the affected jurisdiction shall
24 not constitute a violation of this Consent Decree. Defendants shall provide written notices to
25 the Attorneys General and the Administrator, if applicable, that it is impossible to comply with
26 the Consent Decree and the subject law and shall explain in detail the basis for claimed

1 impossibility, with specific reference to any applicable statutes, regulations, rules, and court
2 opinions. Such notice shall be provided immediately upon EDMC learning of the potential
3 impossibility and at least thirty (30) days in advance of any act or omission which is not in
4 compliance with the Consent Decree. Nothing in this paragraph shall limit the right of the
5 Attorney General to disagree with EDMC as to the impossibility of compliance and to seek to
6 enforce the Consent Decree accordingly.

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

9 For EDMC:

10
11 J. Devitt Kramer
12 Senior Vice President, General Counsel and Secretary
13 Education Management Corporation
210 Sixth Avenue, 33rd Floor
Pittsburgh, Pennsylvania 15222
devitt.kramer@edmc.edu

14 and

15
16 Bradley R. Wilson
17 Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
18 New York, New York 10019
brwilson@wlrk.com

19
20 For the State of Washington:

21 Patricio A. Marquez
22 Assistant Attorney General
800 5th Avenue, Suite 2000
23 Seattle, WA 98104

24 140. Defendants shall be liable for all court costs.

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

142. This Consent Decree may be executed in counterparts, and a facsimile signature shall be deemed an original for purposes of execution by the parties.

143. This Consent Decree is approved and hereby entered pursuant to RCW 19.86.080. Except as provided above, this proceeding, in all other respects, is dismissed as to Defendants.

It is so ORDERED this 16 day of November, 2015.



JUDGE/COURT COMMISSIONER

HENRY H. JUDSON

NOV 16 2015

COURT COMMISSIONER

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APPROVED:
FOR DEFENDANTS

EDUCATION MANAGEMENT CORPORATION

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

ARGOSY UNIVERSITY OF CALIFORNIA, LLC

By: Cynthia G. Baum
Its: President

SOUTH UNIVERSITY, LLC

By: John T. South, III
Its: President

BROWN MACKIE EDUCATION II, LLC

By: Danny D. Finuf
Its: President

THE ART INSTITUTES INTERNATIONAL II LLC

By: Timothy P. Moscato
Its: Chief Operating Officer

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Its: Secretary

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COUNSEL FOR DEFENDANTS

By: Carol DiBattiste
EVP, Chief Legal, Privacy, Security and Administrative Officer
Education Management Corporation

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

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

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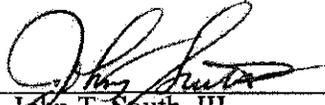
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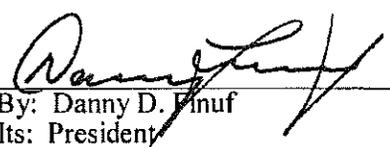
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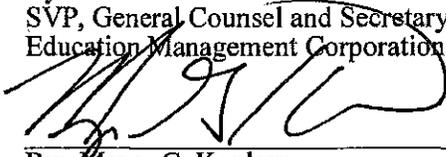
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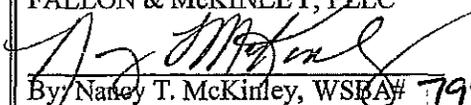
By: J. Devitt Kramer
SVP, General Counsel and Secretary
Education Management Corporation



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

1 Approved for entry, notice of presentation
waived:

2 FALLON & MCKINLEY, PLLC

3 
4 By ~~Nancy T. McKinley, WSB# 7992~~

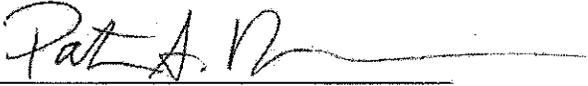
5 Counsel for Defendants Education
6 Management Corporation, Argosy
7 University of California LLC, South
8 University, LLC, Brown Mackie Education
9 II LLC, The Art Institutes International II
10 LLC, Education Management II LLC, The
11 Art Institute of Pittsburgh LLC, Argosy
12 Education Group, Inc., The Art Institute of
13 Seattle, Inc.

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1 FOR PLAINTIFF

2 Presented by:

3 ROBERT W. FERGUSON
4 Attorney General

5 

6 PATRICIO A. MARQUEZ, WSBA #47693,
7 Assistant Attorney General
8 Attorneys for Plaintiff
9 State of Washington
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EXHIBIT A

Exhibit A – Implementation Schedule

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

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

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

EXHIBIT B

Argosy University

Forensic Psychology (Online) Associates Degree

Facts you should know about this program

Time and Cost Estimates

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

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

Transfer of Credits and Degrees

Course credits are not guaranteed to transfer to other schools

Success of Students who Enroll

20% complete the program



2 complete 8 do not complete

40% default on their federal student loans



6 are not in default 4 are in default

Outcomes for Students who Complete

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

\$37,446 Median earnings for graduates

\$43,714 Median student loan debt for graduates

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

Art Institute

Graphic Design (Online) Associates Degree

Facts you should know about this program

Time and Cost Estimates

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

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

Transfer of Credits and Degrees

Course credits will likely not transfer to other schools

Degrees will likely not be honored by other schools

Success of Students who Enroll

20% complete the program



40% default on their federal student loans



Outcomes for Students who Complete

60% are able to get a job in this field



\$37,446 Median earnings for graduates

\$43,714 Median student loan debt for graduates

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

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