

# ACICS

## Accrediting Council for Independent Colleges and Schools

Response to the Council's June 20, 2014 Letter  
7/22/2014

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July 22, 2014

Albert C. Gray, Ph.D.  
President and Chief Executive Officer  
Accrediting Council for Independent Colleges and Schools  
750 First Street, NE, Suite 980  
Washington, D.C. 20002-4223

Dear Dr. Gray:

We write in response to the Council's June 20, 2014, letter to Corinthian Colleges ("the School" or "CCI"), and attached as Exhibit I, requesting information relating to the School's agreement with the Department of Education. We appreciate the opportunity to provide this information to the Council and to resolve any concerns the Council may have.

As the Council is aware, the U.S. Department of Education ("ED") required CCI to submit teach-out plans for all of our U.S. campuses by July 22, 2014. We have worked in close collaboration with you and members of your staff, other accreditors, state regulatory agencies and ED to develop a standardized teach-out plan template that meets the requirements of all of the accrediting agencies. This template was approved by ED and incorporated into the School's July 3, 2014 Operating Agreement with ED. In a letter dated July 2, 2014 (attached as Exhibit II), the Council agreed to accept the School's submission of the requested information on July 22, 2014. In further discussions between Beth Wilson and Tony Guida of CCI and senior staff, it was agreed that teach-out plans for the fourteen Canadian campuses would be submitted at a later date. We are working diligently to finalize the plans and will submit them no later than August 8, 2014. We appreciate the Council's reasonableness, as this allowed a coordinated submission of teach-out plans and other information to the various agencies.

Students come first. That has been and continues to be the number one goal for CCI during this period of transition. We trust that this is also apparent to the Council following our many years together educating hundreds of thousands of students. While we are disappointed in the lack of due process with the government and in the significant impact on our employees and students without any finding of wrongdoing, CCI is pleased that the Operating Agreement provides the School with the resources necessary to fulfill its educational mission.

## THE SCHOOL'S RESPONSE:

***Request: CCI's contingency plans to mitigate or overcome the cash flow issues created by Heightened Cash Monitoring Status 1 and the 21-day delayed disbursement of FSA funds as imposed by the Department of June 12, 2014.***

CCI was able to absorb the implications of HCM-1 status without any difficulty. The liquidity crisis was created by ED's unprecedented imposition of the 21-day delayed disbursement. We believe there are few enterprises that could survive an immediate—and nearly month-long—cessation of more than 80% of their revenue. The School has negotiated diligently for a solution that addresses the cash flow issues. The Operating Agreement (attached as Exhibit III), which became effective on July 8, 2014, allows CCI to draw down funds on a weekly basis as an advance against the 21-day disbursement delay. Specifically Sections II-A and B of the Operating Agreement state:

- A. *The Department's current HCM-1 disbursement method for Corinthian and the attendant 21-day disbursement delay will remain in effect until the Department provides further notice.*
- B. *Effective July 8, 2014, the Department will allow Corinthian to draw down Title IV student aid funds on a weekly basis, as an advance against the 21-day disbursement delay described in Section II-A above, for student rosters that it submitted to the Department. Weekly draws will continue as additional Title IV student aid funds become available, as a continual weekly advance against the 21-day disbursement delay described in Section II-A above, for student rosters that Corinthian will submit to the Department in accordance with Section II-D and III-C.1.*

Execution of the Operating Agreement has mitigated the cash flow issues created by the 21-day delayed disbursement of FSA funds. CCI, as part of its contingency planning, has initiated several plans to improve the cash position of the company. These plans include the sale of schools, efforts to secure bridge financing, and expense reductions. CCI continues to work closely with the Department and its appointed monitors, as well as other entities, to address the cash flow issues.

***Request: A contingency plan for closing campuses and providing for the successful completion of programs by students currently enrolled (Section 2-2-300, Closing of a Campus), including:***

- a. **The aggregate current enrollment for all 57 campuses and 796 programs bearing grants of accreditation from ACICS;**
- b. **Evidence of CCI's capacity, and/or possible collaborations with other accredited institutions, to graduate, complete or teach-out currently enrolled students, based on the Council's requirement that students are provided equitable treatment in the event of a campus closure;**

- c. The status of unearned tuition, current refunds due and account balances (aggregated);**
- d. Evidence of CCI's ability to secure and safely store all student records and transcripts for current and future access by former or current students; and**
- e. A draft of notifications to students and faculty of CCI's status and plans to continue or cease operations and timeline for such notifications.**

CCI recently announced that it will teach-out six ACICS-accredited schools. The ACICS schools that will be taught out include Everest Institute-Silver Spring; Everest College-Tyson's Corner; Everest Institute-Bensalem; Everest College-Fort Worth-North; Everest College-St. Louis and Everest College-Salt Lake City. These teach-out plans are included in Exhibit IV. In addition, CCI had previously announced the teach-out of ACICS-accredited campuses Everest Institute-North Miami and Everest Institute-Kendall. CCI has been previously advised ACICS of our intention to teach-out these schools. The teach-out plans for these schools are included in Exhibit V.

The School continues to work closely with potential teach-out partners who will assist in providing educational and support services impacted by the teach-outs. As plans are finalized, teach-out arrangement plans will be submitted to the Council for review and approval. The School has appreciated ACICS staff members' support in referring potential partners capable of providing comparable educational support to students, if required.

As part of the Operating Agreement with ED, the School agreed to make a diligent, good faith effort to sell to new owners the rest of our campuses. CCI will seek to reach definitive sales agreements for the for-sale schools within six months of the effective date of the Operating Agreement. As a contingency, teach-out plans, as required by ACICS and ED, have been developed and are included in this response (Exhibit VI). ED has approved the format for the teach-out plans as part of the Operating Agreement.

Each teach-out plan includes the following information as required by ACICS and other accreditors:

1. A student listing by program that includes the expected graduation date. This information was current as of July 8, 2014;
2. If the campus is scheduled to be taught out, an estimated closure date;
3. The status of all unearned tuition, current refunds due and account balances for students at campuses that will actually be taught out. If a campus is expected to be in continuous operation, students will have the opportunity to complete their programs at the campus or at a comparable school. Should a student drop, the School's pro rata refund policy will apply. The individual student financial information was current as of July 8, 2014;
4. A plan for the safe and secure storage of all student records that meet accrediting and state requirements;
5. A description of how the delivery of the training (including the retention of appropriate faculty) and services to students will not be materially disrupted and that obligations to students will be met in a timely manner;

6. An assurance that students will not be subjected to any additional charges should CCI chose to engage the services of a teach-out partner. All teach-out arrangements will be presented to the Council;
7. A list of all accrediting agencies which accredit the campus and its programs;
8. A communication plan for students that will assist them through the transition;
9. A description of plans to assist faculty and staff that help promote staff retention during the transition period; and
10. Description of plans to notify state and federal regulators, including the Departments of Veterans Affairs, of material developments.

Communication with students and staff has been an important element, not only in our teach-out plans, but throughout this time of transition. At all schools, campus leadership and staff have been encouraged to meet and talk with students and allay whatever concerns that might exist. At schools that are designated for teach-out, ED has approved disclosures that the School has given to students. In these schools, the options and disclosures provided to students depend upon their enrollment date. Additionally ED has approved a disclosure given to newly enrolling students at the sale schools. Copies of the various disclosures are included in Exhibit VII.

CCI schools continue to work at establishing open lines of communication with students, particularly since the execution of the Memorandum of Understanding with ED. Aside from the disclosures as discussed above, we have proactively texted students, and encouraged students to remain informed. Campus leadership, staff and faculty have been available to personally discuss whatever concerns students might have. Additionally, students have ready access to the CCI Student Hotline. Faculty and staff will closely monitor and support students to promote timely completion of their programs.

Taking care of the staff has also been an essential consideration for CCI. Communication has been very important and robust. CCI's Chairman and Chief Executive Officer, Jack Massimino, has provided regular email updates to all CCI employees. Mr. Massimino has scheduled regular calls for campus and School leadership to answer questions and to provide up-to-date information.

To ensure that there will be stability among the faculty and staff at the teach-out campuses, severance and retention plans have been established. Severance packages were offered to those whose services were no longer needed at the time of the teach-out announcement, such as the admissions personnel. For remaining staff, retention plans have been established. Copies of the retention plans are included in the teach-out plans for schools in teach-out.

***Request: A response to the Department's admonition that CCI has failed to submit required documentation in a timely manner.***

Any assertion that the School has failed to timely submit documentation to ED is demonstrably false. On January 23, 2014, CCI received the request from the Department to produce a wide range of material on 175,000 graduates in some instances going back to 2008 related to attendance, grades and job placement results. The School immediately contacted ED to explain the scope of the document demand, the estimated time and manpower to produce all documentation and to explore a more reasonable tailoring of

the demand in light of the limited resources of both the School and ED. ED refused to discuss a geographic or temporal narrowing of the demand or to accept a sampling of data. The School was surprised by this response; nonetheless, following this teleconference, CCI began extensive efforts to comply with this request.

Despite multiple rounds of layoffs, beginning in February 2014, CCI dedicated a team of at least ten full-time employees assigned to gathering, copying and producing the requested documents. We then began a rolling production to ED as the documents were located, copied, correlated and prepared for production. By April, the School had increased the number of employees working full-time on this production to 29 employees. These were resources that could have been dedicated to our educational mission.

By June 12, 2014, when ED imposed a 21-day hold on providing students' federal education funds to our campuses, CCI had produced all requested records related to grades and attendance, and job placement for 20 of our campuses.

Since mid-June, CCI has assigned 200 employees—100 of whom are full-time, working seven days a week—responding to the Department's document request by July 15. We understand that ED is not reviewing the voluminous documents we have produced, which were supposedly so urgently needed, but has "outsourced" that task, presumably to the California attorney general. The California attorney general has informed us that she has received the documentation produced to ED.

While there remain small bits of information ED awaits, we have been informed that our production as required in the Operating Agreement is substantially acceptable. As the above demonstrates, our substantial response efforts were commensurate to an overwhelming document demand.

The School continues to appreciate the support that we received from you and the Council over the years. Our commitment to students and our educational mission remains unwavering.

If you desire additional information, please contact me at 714-825-7918 or via email at [jandrews@cci.edu](mailto:jandrews@cci.edu).

Sincerely Yours,

(b)(6)

John W. Andrews  
Vice President, Accreditation and Licensing

# Exhibit I



June 20, 2014

ID Code 00015360

**VIA EMAIL and U.S. Postal Service**

Mr. Jack Massimino  
President and CEO  
Corinthian Colleges Inc.  
6 Hutton Centre Drive, Suite 400  
Santa Ana, CA 92707

Dear Mr. Massimino:

The Council has received information about a change in CCI's status regarding its access to Federal Student Aid provided through the U.S. Department of Education. The Council is required to review information that indicates an institution's financial condition may be weak or deteriorating. (Section 2-1-808, Financial Review, *ACICS Accreditation Criteria*.)

In addition, ACICS has received information regarding CCI's compliance with federal regulations. The Council is obliged to review the institution's response regarding issues related to integrity. (Section 3-1-202(a)).

Please provide the Council with the following information:

1. CCI's contingency plans to mitigate or overcome the cash flow issues created by Heightened Cash Monitoring Status 1 and the 21-day delayed disbursement of FSA funds as imposed by the Department on June 12, 2014.
2. A contingency plan for closing campuses and providing for the successful completion of programs by students currently enrolled (Section 2-2-300, Closing of a Campus), including:
  - a) The aggregate current enrollment for all 57 campuses and 796 programs bearing grants of accreditation from ACICS;
  - b) Evidence of CCI's capacity, and/or possible collaboration with other accredited institutions, to graduate, complete or teach-out all currently enrolled students, based on the Council's requirement that students are provided equitable treatment in the event of campus closure;

Letter to Mr. Jack Massimino  
Corinthian Colleges Inc.  
June 20, 2014  
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- c) The status of unearned tuition, current refunds due and account balances (aggregated);
  - d) Evidence of CCI's ability to secure and safely store all student records and transcripts for current and future access by former or current students; and
  - e) A draft of notifications to students and faculty of CCI's status and plans to continue or cease operations and the timeline for such notifications.
3. A response to the Department's admonition that CCI has failed to submit required documentation in a timely manner.

Please provide this office with a written response and include copies of appropriate materials to support your response. The Council will expect your response on or before **Tuesday, July 1, 2014.**

Your immediate attention to this matter is appreciated. If you have any questions, please contact Mr. Anthony Bieda, Vice President of External Affairs ([abieda@acics.org](mailto:abieda@acics.org)).

Signature:  
(b)(6)

President and CEO

CC: Mr. Brad Middleton, Office of Sen. Durbin

## Exhibit II



July 2, 2014

Mr. Jack Massimino  
President and CEO  
Corinthian Colleges, Inc.  
6 Hutton Centre Drive  
Suite 400  
Santa Ana, CA 92707

Dear Mr. Massimino,

Based on the Memorandum of Understanding between Corinthian Colleges Inc., and the U.S. Department of Education, as well as my personal conversations with Mr. John Andrews, it is my understanding that Corinthian will prepare and submit to the department teach-out plans for all U.S. campuses that are accredited by ACICS, among others. These will be submitted no later than July 22, 2014.

Therefore, ACICS will defer receipt of information under Item 2 in our letter to you of June 20, 2014 until July 22, 2014 or to such date as Corinthian submits teach-out plans to the department if that date precedes July 22, 2014. We will expect all of the information stipulated under item 2 to be included in your response to ACICS at that time. Also, please be certain that ACICS receives copies of all materials submitted to the department at the time they are provided to the department.

I appreciate your attention to this matter. Please address any questions to the undersigned.

Sincerely,

(b)(6)

Executive Director & CEO

Cc: Mr. Anthony Bieda, Vice President, External Affairs  
Mr. John Andrews, Corinthian Colleges, Inc.

# Exhibit III

## **Operating Agreement**

This Operating Agreement (the “Agreement”), effective this 8<sup>th</sup> day of July, 2014 (the “Effective Date”), is by and between Corinthian Colleges, Inc. and its wholly- and partially-owned subsidiaries, including without limitation those of its subsidiaries listed on Exhibit 21.1 of its September 3, 2013 Annual Report (the “2013 Form 10-k”) filed with the Securities and Exchange Commission (hereinafter, collectively, “Corinthian”), and the United States Department of Education (“the Department”). For purposes of this Agreement, Corinthian and the Department shall be referred to individually as a “Party” and collectively as the “Parties.”

### **Recitals**

- A. WHEREAS, the Department and Corinthian previously entered into a Memorandum of Understanding dated June 22, 2014 (“MOU”), wherein Corinthian agreed to present an Operating Agreement by July 1, 2014 for the Department’s approval, and, subject to negotiation, agreement.
- B. WHEREAS, the Department and Corinthian agree that the Operating Agreement will attempt to provide Corinthian students an opportunity to complete their education without material interruption, change, or additional cost;
- C. WHEREAS, the Department and Corinthian agree that the Operating Agreement will attempt to treat Corinthian’s faculty and staff in a manner that causes minimal personal and financial disruption; and
- D. WHEREAS, the Parties agree that the Operating Agreement would consider the importance of Corinthian’s responsibilities to students, employees, and taxpayers, and respect the interests of the government and Corinthian’s federal and state law obligations

(including fiduciary duties) and contractual obligations.

## **Agreement**

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, Corinthian and the Department hereby agree as follows:

### **I. Financial and Operational Information**

A. Corinthian has provided the following to the Department for review:

1. Contemporaneously with the execution of this Agreement, a 13-week cash flow projection prepared by Corinthian and reviewed and submitted by the Company's Chief Restructuring Officer, a Senior Managing Director of FTI Consulting, Inc. (the "CRO") as of June 30, 2014.

2. Contemporaneously with the execution of this Agreement, a detailed list of Corinthian's assets as reflected on Corinthian's internal accounting records as of May 31, 2014, attested to as being materially true and correct to the best knowledge of the CEO or CFO of Corinthian, subject to audit adjustments, month end closing adjustments and other adjustments to conform the statements to Corinthian's typical quarterly public financial presentation. In addition, Corinthian shall provide a list of all acquisitions and dispositions of assets, and other non-ordinary course transactions of more than \$500,000 occurring after May 31, 2014 attested to as being materially true and correct to the best knowledge of the CEO or CFO of Corinthian.

3. Before the Effective Date, Corinthian shall provide to the Department a list of its Title IV-eligible locations, specifying the addresses of such locations as reflected on the existing Eligibility and Certification Approval Report of each location, as well as the approved programs of study at each such location and a list of the

full direct costs (tuition, books, equipment, and fees) of those programs of study at those locations.

4. Before the Effective Date, Corinthian shall provide to the Department a list of all Title IV-eligible students who were enrolled in each of Corinthian's Title IV-eligible institutions as of June 30, 2014, indicating whether the student is enrolled in distance education or in-person, by program of study, specifying the student's state of residence, enrollment date, campus, and anticipated program completion date.

B. On or prior to every Thursday on a weekly basis, Corinthian shall provide an updated 13-week cash flow projection, in substantially the same form as delivered pursuant to Section I.A.1 or such other form as the Monitor (defined below) may agree, for the thirteen (13) week period commencing on the following Monday, prepared by Corinthian and reviewed by and submitted by the Company's CRO to the Monitor. The projection shall show cash receipts disaggregated by source.

## **II. Federal Student Aid Funds; Department Review of Student Rosters**

A. The Department's current HCM-1 disbursement method for Corinthian and the attendant 21-day disbursement delay will remain in effect until the Department provides further notice.

B. Effective July 8, 2014, the Department will allow Corinthian to draw down Title IV student aid funds on a weekly basis, as an advance against the 21-day disbursement delay described in Section II.A above, for student rosters that it submitted to the Department. Weekly draws will continue as additional Title IV student aid funds become available, as a continual weekly advance against the 21-day disbursement delay described in Section II.A above, for student rosters that Corinthian will submit to the Department in accordance with Section II.D and in accordance

with additional review procedures as set forth in Sections II.D and III.C.1 below.

C. The Department may defer access to Title IV funds for any institution if it determines that Corinthian has not produced the placement rate and other materials requested that are related to that institution by the date specified. The deferral will continue until the Department receives the materials requested. Responses to subsequent requests for information shall be subject to a mutually agreeable schedule determined by the Parties.

The continuation of advance drawdowns is conditioned on the post-disbursement verification, by an independent qualified student financial aid auditor (“Title IV Auditor”) selected by Corinthian and approved by the Monitor and the Department, that the rosters Corinthian has submitted for drawdowns are materially complete, accurate and appropriate. The Title IV Auditor’s verification, subject to review by the Monitor, will include reviewing an appropriate sample of the students included on the rosters, and that Corinthian has paid, or subtracted from any drawdowns, all returns owed to the Title IV student aid programs with respect to any students. The Title IV Auditor shall review samples and verify the accuracy of information, including relevant student information, program participation information and documentation confirming financial aid eligibility, attendance and satisfactory academic progress, and items identified in the Verification Checklist attached at Exhibit A. The Title IV Auditor will submit the results of the weekly review, including any relevant error percentages and detailed findings, to the appointed Monitor on a weekly basis. The Monitor will report the results to the Department consistent with the terms of this Agreement. The Title IV Auditor’s bills will all be paid promptly by Corinthian upon submission.

The Monitor will review a random sample of student rosters on a school-by-school basis to confirm that no disbursements are being requested for locations that have been determined ineligible or for

which data and documentation have not been substantially provided by July 15, 2014, where “substantially provided” means that all data and documentation have been provided other than a *de minimus* amount that does not materially limit the Department’s ability to evaluate the data and documentation in the aggregate; and provided further, however, that “substantial provision” does not relieve Corinthian of its obligation to produce all responsive materials. The Monitor shall notify the Department of any discrepancies before Corinthian submits the rosters to the Department for payment.

D. At least 24 hours prior to each requested draw of Title IV student aid funds, Corinthian will provide to the Department a list of the students, by campus, for which such payments are requested. The amount of any draws of Title IV federal student aid funds for those students will be reconciled to the date Corinthian provides the list to the Department. This list will identify the OPEID of the institution the students are attending, and each student’s social security number, current address, current telephone number, program of study, requested payment amount, date of enrollment, expected graduation date, prior disbursement amounts by program for the current enrollment, current disbursement amounts by program, and whether the student is still in attendance.

E. During the period between the date of signing and July 8, 2014, there will be no contractual agreements entered into between Corinthian and any new students.

### **III. Independent Monitor**

A. The Department shall identify an individual who shall serve as an independent monitor of Corinthian and report solely to the Department (the “Monitor”). Corinthian shall enter into an agreement with the Monitor consistent with the scope outlined below and such other terms and conditions as shall be mutually satisfactory to the Monitor, Corinthian and the Department.

Corinthian shall be solely responsible for any and all costs associated with the Monitor and shall set aside initially Two Hundred Thousand Dollars (\$200,000) to pay the Monitor's fees and costs promptly.

B. The Monitor will have full and complete access to Corinthian personnel and budgets, including financial projections, results of operations and cash receipts and disbursements (including, without limitation, disbursements of any Title IV student aid funds), student records, databases (including Campus Vue) and any and all documents Corinthian is providing to potential buyers, accreditors, lenders, state authorizing agencies, and the Department.

C. The duties and responsibilities of the Monitor shall be as follows:

1. The Monitor will review Corinthian's rosters prior to submission of any rosters for drawdowns in accordance with this section. The Monitor's review will include campus eligibility based on information provided by the Department and consistency with the teach-out plan where applicable. The Monitor will receive a report from the Title IV Auditor regarding the results of the post-disbursement verification process;
2. Corinthian will provide the Monitor a list of the expenditures made each week, and the Monitor shall review and report to the Department on the allowability of the expenditures from Title IV funds, consistent with Section IV below;
3. Confirm that the implementation of each teach-out is materially consistent with the written plans prepared by Corinthian and approved by relevant accrediting and state licensing agencies, and accepted by the Department, subject to amendment or modification of such plans as approved by the state licensing agencies and accrediting agencies, and disclosed to the Monitor;
4. Prior to the submission of each weekly drawdown of Title IV

funds by Corinthian, confirm that Corinthian is in material compliance with the agreed timetable for the production of documents, including any follow-up document requests and agreed-upon timetables with respect thereto;

5. Monitor the status of all school sales processes and provide monthly reports to the Department;

6. Receive access to, and review, the existing multiple access points for internal and external complaints about Corinthian (including a toll free phone number for “a hot line”) and report material relevant complaints to the Department on a schedule agreed to by the Department and Corinthian;

7. Periodically report his or her findings with respect to (i) any violations of this Agreement, (ii) new or threatened litigation against Corinthian or any of its institutions, and (iii) any material developments in its financial situation or in existing litigation to the Department and Corinthian in accordance with such schedule as the Department may prescribe.

D. Except in the performance of his or her obligations under this Agreement concerning reporting to the Department, the Monitor shall be subject to confidentiality obligations with respect to any books, records, and other private, proprietary or personally-identifiable information about Corinthian, its students, and employees. The Parties agree that all materials provided to the Monitor or the Department marked as “Business Confidential” shall be reviewed to determine if those materials are exempt from disclosure pursuant to 5 U.S.C. 552(b)(4) respecting exemption from disclosure of confidential or privileged Business or Trade Information.

E. Corinthian shall promptly disclose to the Monitor any changes to teach-out plans and agreements, filings with the U.S. Securities and Exchange Commission, new litigation, and material court

judgments and substantive orders issued on all material litigation, and in the event such actions and activities have not promptly been disclosed to the Department by Corinthian, the Monitor shall promptly so inform the Department.

F. Subject to Section III.D, the Monitor shall provide the Department with access to any and all documents reviewed and relied upon in discharging the obligations specified herein.

G. Notify the Department of any actual known violation of state or federal laws or regulations, including the regulations of the Department.

H. The Monitor shall have such authorities that are necessary and proper to the performance of his or her duties herein.

I. If the Monitor cannot be secured by the date this Agreement becomes effective, the Department will assign a temporary Monitor.

#### **IV. Allowable and Excluded Uses Associated with Title IV Student Aid Funds**

A. From and after the Effective Date of this Agreement, Corinthian agrees that it shall only use Title IV student aid funds to fund the normal daily operations and expenses as set forth on Exhibit B attached hereto, including student refunds, payroll expenses (including retention arrangements), accounts payable, interest and related fees, and related professional fees. Corinthian agrees that, from and after the Effective Date of this Agreement, it will not use Title IV student aid funds to pay dividends, legal settlements of lawsuits or investigations, or debt repayments. Additionally, bonuses, severance payments, raises and retention agreements being considered shall be discussed with the Monitor and reported to the Department at least two weeks prior to the creation of contractual obligations and payment and subject to the approval of the Department.

**B.** From and after the appointment of the Monitor, the Monitor (as defined below) shall have full access to review all disbursements by Corinthian in order to verify compliance with the terms of this Agreement.

#### **V. Notices by Corinthian to Current and Prospective Students**

A. Corinthian will provide notices and disclosures to current and prospective students as to the status of the schools and the options and protections afforded to the students. Corinthian shall produce the notices and disclosures to the Department for review and approval before using the notices and disclosures to current and prospective students. The Department may, at any time, request that such notices and disclosures be revised and Corinthian shall produce such revised notices and disclosures to the Department for review and approval. With respect to Teach-Out Schools, Corinthian shall be required to obtain written acknowledgement that the student has read the notice and disclosures. With respect to Sales Schools, Corinthian shall be required to obtain written acknowledgment that a student who enrolls after the effective date of this agreement has read the notice and disclosures.

Corinthian will endeavor to obtain written acknowledgement from each student whose program it completes teaching that the program has been taught to completion.

B. Notwithstanding any other provision herein, nothing herein shall be read to prohibit or constrain any additional disclosures that may be sought by any state or federal authority or accrediting agency or ordered by any state or federal court.

#### **VI. Teach-outs or Full Refunds to Corinthian Students for Tuition, Fees, and Other Direct Educational Charges in Certain Circumstances**

A. Upon signing this Agreement, Corinthian will discontinue enrolling new students in any schools designated in this Agreement

to be taught out and closed thereafter (the “Teach-out Schools”). Promptly (and in no event more than one week) after the Effective Date of this Agreement, Corinthian shall provide written notice to all students attending the Teach-Out Schools of the intent to teach out those schools.

B. With respect to new students who enrolled in a Teach-Out School between the date of the MOU and the Effective Date of this Agreement, Corinthian shall promptly provide such students with disclosures regarding options to be developed, reviewed and approved as described in Section V.A, which shall provide for students their choice to either (i) obtain a Full Refund (as defined below) and discontinue their education at the Teach-out School, and Corinthian shall forgive entirely all tuition and other fees charged the student for the program, or (ii) continue their education in the ordinary course. If a student does not affirmatively make a choice, Corinthian shall withdraw the student from the program and issue the student a Full Refund (as defined below).

C. With respect to students enrolled at a Teach-Out School prior to the date of the MOU, Corinthian shall give each such students *one* of the following plans at the time of the announcement of the teach-out: 1) continue his or her program of study as he or she normally would (which may mean transferring to a comparable program of study at a comparable school at no additional cost above the amount such student would have been charged to attend the Corinthian school); or 2) withdraw from school and receive a Full Refund of the total direct costs of attendance incurred by such student, and, in that case, Corinthian shall (i) return to the Department any Federal Pell and other Federal grants and Federal student loan funds disbursed to such student, (ii) repay to any private student loan or other lender from whom Corinthian received direct disbursements for such student’s cost of attendance at Corinthian the amount of such disbursements, and shall reimburse the student any origination and other fees, if any,

incurred by the student in obtaining such private student loan, and (iii) return any amounts received directly from such student to such student, a "Full Refund." Corinthian shall provide a bona fide internal appeals process whereby a student can appeal the decision by Corinthian to continue the student in a teach-out rather than permit the student to receive a Full Refund. Corinthian shall provide the Monitor with access to all documents and personnel involved in the appeals process. If a student's appeal is granted, Corinthian shall withdraw the student from the program and issue the student a Full Refund. In the case that Corinthian is unable or fails to pay the Full Refunds where required, the Department will offset the appropriate amount from Corinthian's next Title IV aid funding disbursement and apply that amount to the accounts of the affected students. For the avoidance of doubt, the definition of Full Refund shall not require Corinthian to return any amounts pursuant to this Section VI in excess of "direct costs," or otherwise used by the student to pay indirect expenses. For purposes of this Section VI, "direct costs" shall mean tuition and fees, equipment, books and supplies, and any other costs incurred by the student to the extent such amounts were paid to the school.

D. With respect to students who enroll in programs that Corinthian closes without permitting the students to complete the program, and not in accordance with a previously agreed-upon teach-out plan, Corinthian shall provide a Full Refund to such students.

E. With respect to students attending schools that are found by the Department to be ineligible for recertification or otherwise determined to be ineligible for participation in Title IV programs, Corinthian shall provide students their *choice* of one of the following options at the time such denial of re-certification of Title IV eligibility becomes final: 1) continue his or her program of study at the school pursuant to 34 CFR §668.26 ("*End of an institution's participation in the Title IV, HEA programs*"); or 2) withdraw from school and receive a Full Refund. The Department

will provide Corinthian with an informal review at least 14 days in advance of a decision to deny recertification of a Corinthian institution. Corinthian will stop enrolling students immediately at an institution where it has been advised that the Department may intend to deny the recertification for that institution, and if the recertification denial is issued Corinthian will immediately add that institution to the Teach-Out plan previously submitted by Corinthian to the accreditors and the Department, and further detailed in Section VII below. Before making disclosures to third parties about this information, Corinthian will consult the Department and the Parties shall agree to any such disclosure. The Department may issue a recertification denial less than 14 days after providing notice to Corinthian under this Agreement if Corinthian shares information concerning the recertification denial with any third party that was not agreed to.

F. Corinthian and the Department will work together to establish a reserve fund, that will be placed in an interest bearing escrow account, to be used exclusively for student refunds. The total amount of the fund will be determined in consultation with the Monitor but will be no less than \$30 million.

## **VII. Closure and Teach-Out Provisions**

A. Attached as Exhibit C is a generalized template for Corinthian teach-out plans. By July 22, 2014, Corinthian shall prepare teach-out plans for all of its U.S. locations that participate in the Title IV Program, in compliance with the requirements of their applicable accrediting agencies, and shall deliver these teach-out plans to the Department by such date. These plans may include agreements with other institutions to take over the teach-out process or funding mechanisms, as applicable. Corinthian will suspend new enrollments at the Teach-Out Schools promptly, but no later than one (1) day after the Effective Date of this Agreement.

## **VIII. Corinthian Responses to Data Requests**

A. Corinthian will fully comply with the prioritized list of data requested by the Department before this Agreement is executed. With respect to the 2010 data concerning Heald, a component of the prioritized list of data referenced in the preceding sentence, Corinthian will comply with the request by July 15, 2014. The Department is still reviewing and substantiating the data included in the referenced prioritized list of data. Any data request made by the Department on or after the date of this Agreement shall be complied with within 30 days (or such other reasonably agreed time frame).

## **IX. Sales Schools**

A. Attached hereto as Exhibit D is a list of the schools attended by Title IV eligible students that Corinthian will make a diligent, good faith effort to sell to new owners (the "Sale Schools"). All schools attended by Title IV-eligible students that are not listed as a Sale School are hereby designated a Teach Out School.

B. Corinthian will provide reasonable access to the Monitor of material indications of interest, letters of intent or binding agreements with respect to the Sale Schools.

C. Corinthian will endeavor to reach definitive sale agreements for any Sale Schools within six months from the Effective Date of this Agreement.

D. Any sale or transfer of assets shall be subject to approval by the Department, in accordance with its statutory and regulatory authority.

## **X. The Department Reserves All Statutory and Regulatory Authority**

A. The Department reserves its rights pursuant to statutory and regulatory authority.

B. Nothing in this Agreement limits the Department's authority to conduct compliance reviews of Corinthian's institutions or the Department's actions arising from those reviews.

C. The Department reserves its rights pursuant to statutory and regulatory authority to modify the funding method and documentation requirements for any or all of the Corinthian institutions. The Department may defer access to Title IV funding described herein if it determines that Corinthian has materially failed to produce requested documentation by the date specified and the Department is unable to substantiate the veracity and accuracy of the documentation after notification to Corinthian. This Agreement does not exempt Corinthian from any federal or state regulatory or statutory requirements. Nor does it prohibit or in any way limit the Department's discretion or authority to take further action under its statutory or regulatory authority with respect to Corinthian.

D. Nothing in this Agreement shall be construed to preempt or conflict with any action or authority of any state or federal governmental agency or authority, including but not limited to any state or federal governmental agency's efforts to enforce its education, consumer protection, false advertising, unfair competition or securities laws. Nothing in this Agreement shall be construed to limit the ability of any other entity to establish more stringent disclosure requirements.

E. The Parties reserve all rights and obligations under applicable law. This Agreement is not intended to create any new rights or obligations of the Parties except for the contractual rights and obligations expressly set forth herein.

## **XI. Coordination with States and Accreditors**

A. The Department and Corinthian agree that they will work closely with state licensing and accreditation agencies in the course

of implementation of the teach-outs and sales contemplated in this Agreement, in accordance with the requirements of the Department and each such agency.

## **XII. Miscellaneous**

A. The Parties agree that they shall review the status of this Agreement three and six months after its Effective Date.

B. Nothing in this Agreement is intended nor should be construed to prevent Corinthian from exercising its business and managerial judgments with respect to (i) the contractual obligations of Corinthian to its stakeholders, including students, employees, creditors, vendors and other counterparties, or (ii) the fiduciary duties of Corinthian's Board imposed by judicial decisions, statutory enactments or regulatory requirements including, without limitation, duties with respect to approving the terms and conditions, including consideration of the sales of any schools or other assets of Corinthian.

C. This Agreement is solely between the Department and Corinthian and does not, and is not intended to, confer any rights or remedies upon any person other than the Parties.

D. Each Party may terminate this Agreement upon written notice to the other Party, and each Party is required to meet its respective obligations under the Agreement for the period when the Agreement was in effect. The effective date of the termination will be five calendar days after the date of the written notice.



**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the day and year first above written.

**CORINTHIAN COLLEGES, INC.**

By: (b)(6)  
Name: Jack D. Massimino,  
Title: Chairman of the Board and Chief Executive Officer

**U.S. DEPARTMENT OF EDUCATION**

By: (b)(6)  
Name: Ted Mitchell  
Title: Under Secretary

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the day and year first above written.

**CORINTHIAN COLLEGES, INC.**

(b)(6)

By

Name: Jack D. Massimino,

Title: Chairman of the Board and Chief Executive Officer

**U.S. DEPARTMENT OF EDUCATION**

By: \_\_\_\_\_

Name: Ted Mitchell

Title: Under Secretary

## LIST OF EXHIBITS

Exhibit A – Verification Checklist

Exhibit B – Schedule of Allowable Expenses

Exhibit C – Generalized Template for Corinthian Teach-Out Plans

Exhibit D – List of Sale Schools

Exhibit A  
Verification Checklist

**ISIR/FAFSA**

1. Check ISIRs to determine which was used for payment and check to see if it has a valid EFC and the awards are correct based upon that EFC
2. Review ISIR for “c” codes and provide corresponding resolution documentation

**Admissions**

1. Confirm that student has attested to HS completion status or receipt of a GED which match to the FAFSA/ISIR data

**Attendance**

1. Verify attendance and satisfactory academic progress.

**Enrollment Agreement/Pre-Enrollment Documents**

1. Review and provide Enrollment Agreement/Contract and confirm it is fully completed and includes the program name, cost, start date, student signature and date

**Verification/Conflicting Information/ Professional Judgment**

1. Review the ISIR and verification documents to ensure that verification has been performed, if necessary
2. Confirm any and all conflicting information if existed was resolved
3. Review and provide documentation on professional judgment decision and determine if the decision is documented, was based on a valid reason, and was properly processed

## **SAP**

1. Review student records to determine if the student was making SAP
2. Review and provide SAP appeal documentation and determine if appeal was granted for an appropriate and documented reason

## **Award Calculations**

1. Review award calculation and confirm accuracy based on EFC, need and grade level

## **Direct Loan Recipients**

1. Review and provide entrance counseling documentation if applicable
2. Review and provide NSLDS enrollment history and determine if enrollment statuses were properly reported based on required timelines

## **COD Record**

1. Review COD records and confirm disbursement dates and award amounts match the ledger

## Exhibit B

### Schedule of Allowable Uses/Expenses Associated with Title IV Student Aid Funds

#### **I. ALLOWABLE USES/ EXPENSES**

In the ordinary course of business, CCI will use Title IV Funds to fund its operations for the purposes outlined below:

##### *(a) Operating Disbursements*

- **Student Refunds** – Required returns of credit balances on student accounts
- **Payroll Expenses** – Including but not limited to the following:
  - Wages and Salaries including 401k contributions
  - Payroll Taxes
- **Operating Expenses** - Including but not limited to following:
  - Health care and other employee benefits
  - All taxes
  - Equipment leasing
  - Travel and related expenses
  - Bookstore costs
  - Telecommunications costs
  - Insurance
  - Information Technology related costs
  - Rent and related costs including taxes, insurance and common area maintenance
  - Advertising, media and other related costs

- Professional Services costs including, but not limited to, audit and compliance related fees, Education Department Monitor fees, legal fees and other advisory fees, etc.
- Capital Expenditures
- Other operating expenses including, but not limited to, class room supplies, consumables, postage, dues and subscriptions, employee training and other student related costs, board of director fees and reimburseable expenses and other miscellaneous expenses

*(b) Non-Operating Disbursements*

- **Interest and related fees/ Related Professional Fees –**  
Interest and related fees on the Senior Secured Revolving Credit Facility and advisory and legal fees associated with the financing and restructuring

**II. INELIGIBLE USES/EXPENSES**

CCi will not use Title IV Funds for the purposes outlined below:

- Dividends
- Legal Settlements of lawsuits or investigations
- Debt repayments
- Any expenditures or recourse payments related to private student loans

Exhibit C  
Generalized Template for Corinthian Teach-Out Plans

Check One: Main School  Branch School  OPEID: \_\_\_\_\_

Accreditor \_\_\_\_\_ Accreditor School Number: \_\_\_\_\_

Name of School: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

A student Listing by program including estimated graduation dates:

--

The expected final graduation date and school closure date:

--

The status of unearned tuition, all current refunds due and account balances:

--

A disposition of all student records including educational, billing, accounting and financial aid records in an accessible location:

--

A demonstration and description of how the delivery of training (including appropriate faculty) and services to students will not be materially disrupted and that obligation to students will be timely met:

A description of specific additional charges to students, if any, and the school's plan for providing advance notification to students of any additional charges:

A list of all accrediting agencies (institutional and programmatic) the school is currently accredited by:

A communication plan for students to assist them through the transition:

Description of plans for faculty and staff:

Notification plan for state and federal regulators including the Department of Veterans Affairs:

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Name: \_\_\_\_\_ Title: \_\_\_\_\_  
(Chief Executive Officer)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Exhibit D  
List of Sale Schools

**Exhibit D -- Schools for Sale**

<b>School Name</b>	<b>OPEID</b>	<b>MAR-14 Active Students</b>	<b>Brand</b>	<b>Group</b>
Phoenix	02295000		ECP	Sale
Mesa	02295002		ECP	Sale
<b>022950 Total</b>		<b>2,624</b>		
Orlando North	00149900		Everest	Sale
Orlando South	00149901		Everest	Sale
Melbourne	00149902		Everest	Sale
Tampa	00149904		Everest	Sale
Brandon	00149905		Everest	Sale
Orange Park	00149906		Everest	Sale
Pinellas (Largo)	00149907		Everest	Sale
Lakeland	00149908		Everest	Sale
Jacksonville	00149909		Everest	Sale
Pompano Beach	00149910		Everest	Sale
Merrionette	00149911		Everest	Sale
Kansas City (MO)	00149912		Everest	Sale
<b>001499 Total</b>		<b>26,921</b>		
San Bernardino	00449400		Everest	Sale
<b>004494 Total</b>		<b>567</b>		
Santa Ana	00450302		Everest	Sale
Colorado Springs	00450300		Everest	Sale
Ft Worth II	00450303		Everest	Sale
<b>004503 Total</b>		<b>966</b>		
Aurora	00450701		Everest	Sale
Thornton	00450700		Everest	Sale
<b>004507 Total</b>		<b>544</b>		
Mid Cities	00481102		Everest	Sale
Rochester	00481100		Everest	Sale
<b>004811 Total</b>		<b>895</b>		
Pittsburgh	00709100		Everest	Sale
<b>007091 Total</b>		<b>446</b>		
Alhambra	00809000		Everest	Sale
Bedford Park	00809003		Everest	Sale
<b>008090 Total</b>		<b>829</b>		

Exhibit D -- Schools for Sale

School Name	OPEID	MAR-14 Active Students	Brand	Group
Portland	00907900		Everest	Sale
Vancouver	00907901		Everest	Sale
Dallas	00907905		Everest	Sale
<b>009079 Total</b>		<b>1,020</b>		
Newport News	00926700		Everest	Sale
Chesapeake	00926701		Everest	Sale
<b>009267 Total</b>		<b>991</b>		
South Plainfield	00982804		Everest	Sale
Southfield	00982800		Everest	Sale
Detroit	00982803		Everest	Sale
Dearborn	00982801		Everest	Sale
Austin	00982802		Everest	Sale
<b>009828 Total</b>		<b>2,651</b>		
Reseda	01110900		Everest	Sale
Atlanta Greenbriar	01110902		Everest	Sale
Marietta	01110901		Everest	Sale
<b>011109 Total</b>		<b>1,216</b>		
Gardena	01112300		Everest	Sale
Norcross	01112301		Everest	Sale
<b>011123 Total</b>		<b>703</b>		
Melrose Park	01185803		Everest	Sale
Skokie	01185800		Everest	Sale
Burr Ridge	01185802		Everest	Sale
<b>011858 Total</b>		<b>1,041</b>		
Los Angeles	01287301		Everest	Sale
City of Industry	01287302		Everest	Sale
Long Beach	01287300		Everest	Sale
<b>012873 Total</b>		<b>2,092</b>		
Henderson	02237500		Everest	Sale
<b>022375 Total</b>		<b>706</b>		
Springfield	02250600		Everest	Sale
Ontario	02250602		Everest	Sale
<b>022506 Total</b>		<b>971</b>		

**Exhibit D -- Schools for Sale**

School Name	OPEID	MAR-14 Active		
		Students	Brand	Group
San Antonio	02261300		Everest	Sale
Greenspoint	02261302		Everest	Sale
Houston Hobby	02261303		Everest	Sale
<b>022613 Total</b>		<b>1,268</b>		
Everett	02300103		Everest	Sale
Bremerton	02300100		Everest	Sale
Tacoma	02300104		Everest	Sale
<b>023001 Total</b>		<b>1,253</b>		
Renton	02606200		Everest	Sale
Bissonet	02606202		Everest	Sale
<b>026062 Total</b>		<b>957</b>		
Seattle	02617500		Everest	Sale
Portland	02617506		Everest	Sale
Woodbridge DC	02617508		Everest	Sale
<b>026175 Total</b>		<b>786</b>		
Ontario	03072300		Everest	Sale
Columbus	03072303		Everest	Sale
Jonesboro	03072304		Everest	Sale
<b>030723 Total</b>		<b>1,082</b>		
Torrance	03195400		Everest	Sale
<b>031954 Total</b>		<b>122</b>		
San Francisco	00723400		Heald	Sale
Concord	00723404		Heald	Sale
Hayward	00723406		Heald	Sale
San Jose	00723405		Heald	Sale
Salinas	00723409		Heald	Sale
Rancho Cordova	00723411		Heald	Sale
Fresno	00723412		Heald	Sale
Stockton	00723410		Heald	Sale
Modesto	00723407		Heald	Sale
Honolulu	00723401		Heald	Sale
Portland	00723402		Heald	Sale
Roseville	00723408		Heald	Sale
<b>007234 Total</b>		<b>13,129</b>		

**Exhibit D -- Schools for Sale**

<b>School Name</b>	<b>OPEID</b>	<b>MAR-14 Active Students</b>	<b>Brand</b>	<b>Group</b>
Anaheim	01110700		Everest	Sale
<b>011107 Total</b>		<b>379</b>		
Fremont	00719000		WyoTech	Sale
<b>007190 Total</b>		<b>819</b>		
Daytona Beach	02346200		WyoTech	Sale
<b>023462 Total</b>		<b>425</b>		
Laramie	00915700		WyoTech	Sale
Blairsville	00915705		WyoTech	Sale
<b>009157 Total</b>		<b>1,758</b>		
North Miami*	00149913		Everest	Sale
Kendall*	00149914		Everest	Sale
<b>001499 Total</b>		<b>238</b>		
Brighton**	01151000		Everest	Sale
North Aurora**	01151002		Everest	Sale
<b>011510 Total</b>		<b>518</b>		
<b>Total Schools for Sale</b>		<b>67,917</b>		

\* These schools were placed for sale in September 2013 and stopped enrolling new students as of March 2014. The last students will complete their program no later than October 2014.

\*\* These schools were placed for sale in September 2013 and stopped enrolling new students as of February 2014. The last students will complete their program no later than October 2014.

# Exhibit IV

Teach Out Plan

Everest Institute  
3050 Tillman Drive  
Bensalem, Pennsylvania

OPE ID: 02617507

School Status: Teach Out  School for Sale

Check One: Main School  Branch School  OPEID: 02617507

Accreditor Accrediting Council for Independent Colleges and Schools Accreditor School Number: (AL) 00068763

Name of School: Everest Institute

Address: 3050 Tillman Drive

City: Bensalem State: PA Zip Code: 19020

Telephone Number: (267) 223-2900 Fax Number: (215) 245-3460

Contacts: Karen Springer, Campus President E-mail Address: kspringer@cci.edu

John Andrews, VP, Accreditation & Licensing E-mail Address: jandrews@cci.edu

Phone: 714-825-7918

**1. A student Listing by program including estimated graduation dates:**

See the student listing by program included as **Exhibit 1**. This list of students is effective as of July 8, 2014, the date the teach-out was announced. All enrollment activities ceased on that date.

**2. The expected final graduation date and school closure date:**

The anticipated final graduation date is June 30, 2015, with a projected school closure date of August 30, 2015.

**3. The status of unearned tuition, all current refunds due and account balances:**

All refunds are calculated and submitted within the required timeframes. The individual student specific financial information, effective as of July 8, 2014, is included in the student detail in **Exhibit 1**. Should a student drop, the school's pro rata refund policy will apply.

**4. A disposition of all student records including educational, billing, accounting and financial aid records in an accessible location:**

At the completion of the teach-out, the student records for this campus will be managed by Socle Education. All student academic and finance files will be housed at the following location:

Socle Education  
Sacramento Data Center  
980 Riverside Parkway  
West Sacramento, CA 95605.

The contact information is as follows:

Dave Shuma  
Assistant Vice President, Student Finance Support Operations  
[Dave.Shuma@socleeducation.com](mailto:Dave.Shuma@socleeducation.com)  
Office: 813-635-1934

Bruce Gamroth  
Sr. Manager, Records & Facility Management  
[BGamroth@wyotechstaff.edu](mailto:BGamroth@wyotechstaff.edu)  
Direct: 916-637-9228

This facility is the records retention center for this and all previously closed Corinthian campuses. In the event that this facility closes, the Pennsylvania Department of Education will require Socle Education to convert student academic records to a usable and retrievable form and place them with a readily accessible depository.

**5. A demonstration and description of how the delivery of training (including appropriate faculty) and services to students will not be materially disrupted and that obligations to students will be timely met:**

Our goal is for the student classroom experience to continue, substantially unchanged, through to the completion of the students' programs. Faculty members qualified and trained to teach the subject matter will be present during all scheduled classroom hours. All applicable regulatory standards will be met. Academic leadership will continue to support the faculty and students. Students' daily and weekly contact hours will not change. Additionally, curricular content, learning activities, projects, quizzes, exams, texts and outside-of-class work activities will continue to be provided as designed. Support services to assist students while in school will remain in place, and career services staff will be present to assist graduates with their job searches upon graduation.

The campus has begun to identify potential educational partners who may be able to assist in providing teach-out support if required. An example of potential teach-out partners is included as **Exhibit 2**.

**6. A description of specific additional charges to students, if any, and the school's plan for providing advance notification to students of any additional charges:**

There are no anticipated additional charges.

**7. A list of all accrediting agencies (institutional and programmatic) the school is currently accredited by:**

- Accrediting Council for Independent Colleges and Schools (ACICS) – Institutional Accreditation

**8. A communication plan for students to assist them through the transition:**

Students who enrolled prior to June 23, 2014 will meet individually, as it relates to the teach-out, with the Director of Education or designee who will give the student one of the following academic plans that takes into consideration the student's academic progress, time to graduation and other factors:

- 1) Complete their program of study at this campus as they normally would, including receiving career planning and placement services to assist them in finding a job, which will be available to them for at least 60 days after they complete their program;
- 2) Receive assistance transferring to a comparable program of study at a comparable school at no additional cost above the amount they would have been charged to complete their program at Everest, and job placement services and other post-graduation services would be provided by the receiving institution; or
- 3) Withdraw from the school and receive a full refund of all tuition and other fees paid to the school for their program. If they received a Federal loan, we will pay this refund to the government to reduce their loan obligation. If they received a private student loan that was directly disbursed to the school, we will pay the refund directly to the lender. If they paid the school directly, we will repay the same amounts directly to them.

Students who are not satisfied with their plan will have the ability to appeal their plan within three days, which will be evaluated by the Campus President who will render a final written decision within five instructional days from the receipt of the appeal.

Students who enrolled after June 23, 2014 and before the announcement of the teach-out on July 8, 2014 will choose one of the two following options:

I choose to complete my program of study. I understand that by this choice, I will also receive career planning and placement services to assist me in finding a job for at least 60 days after I complete my program. I understand that to complete my program, I may be required to transfer to a comparable program at a comparable school; if I must transfer, I will have no additional cost above the amount I would have been charged to complete my program at Everest Institute and that job placement services and other post-graduation services would be provided by the receiving institution;

OR

I choose not to complete my program of study at this school, and to withdraw from Everest Institute and receive a full refund of all tuition and other fees I paid for my program. If I received a federal loan, the school will pay this refund to the government to reduce my loan obligation. If I received a private student loan that was directly disbursed to the school, you will pay the refund directly to me. If I paid the school directly, you will repay the same amounts directly to me.

Copies of the notifications given to students are included as **Exhibit 3**. Faculty and staff will closely monitor and support students to ensure that they remain on track to complete their programs as scheduled.

**9. Description of plans for faculty and staff:**

To ensure that there will be stability among the faculty and staff, severance and retention plans have been established. Severance packages were offered to those whose services were no longer needed at the time of the school teach-out announcement, for example, the admissions staff. For the remaining staff, retention plans have been established. A copy of the chart demonstrating the severance and retention plans is attached as **Exhibit 4**. The required number of faculty and staff needed to support the students through the teach-out have been determined based on the numbers of students in each program and the scheduling requirements of the programs. A copy of the staffing plan to complete the teach out is included as **Exhibit 5**.

**10. Notification plan for state and federal regulators including the Department of Veterans Affairs:**

Regulatory agencies have been notified and will be apprised of any additional developments. A copy of the teach-out plan will be provided to them for review and approval according to their standards.

Name: Jack D. Massimino

Title: Chairman and Chief Executive Officer

(Chief Executive Officer)

(b)(6)

July 18, 2014

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit 1

Listing of Students by Program  
with Account Balances  
as of July 8, 2014

Campus	Student Name	Student #	Student Status	Program	Expected Graduation Date	Accounts Receivable Balance	Refunds in Progress
Bensalem	(b)(6)	(b)(6)	Active	Dental Assistant	8/27/2014	(b)(6)	-
Bensalem			Active	Dental Assistant	12/23/2014		-
Bensalem			Active	Dental Assistant	9/26/2014		-
Bensalem			Active	Dental Assistant	1/27/2015		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	7/30/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	8/27/2014		-
Bensalem			Active	Dental Assistant	1/27/2015		-
Bensalem			Active	Dental Assistant	9/26/2014		-
Bensalem			Active	Dental Assistant	8/27/2014		-
Bensalem			Active	Dental Assistant	1/27/2015		-
Bensalem			Active	Dental Assistant	7/30/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	3/2/2015		-
Bensalem			Active	Dental Assistant	9/26/2014		-
Bensalem			Active	Dental Assistant	11/21/2014		-
Bensalem			Active	Dental Assistant	1/27/2015		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	9/26/2014		-
Bensalem			Active	Dental Assistant	12/23/2014		-
Bensalem			Active	Dental Assistant	8/27/2014		-
Bensalem			Active	Dental Assistant	11/21/2014		-
Bensalem			Active	Dental Assistant	3/2/2015		-
Bensalem			Active	Dental Assistant	3/2/2015		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	3/2/2015		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	11/21/2014		-
Bensalem			Active	Dental Assistant	10/24/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	11/21/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	7/30/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	11/21/2014		-
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	1/27/2015		-
Bensalem			Active	Dental Assistant	11/21/2014		-
Bensalem			Active	Dental Assistant	7/30/2014		-
Bensalem			Active	Dental Assistant	12/23/2014		-
Bensalem			Active	Dental Assistant	3/2/2015		-
Bensalem			Active	Dental Assistant	11/21/2014		8
Bensalem			Active	Dental Assistant	8/1/2014		-
Bensalem			Active	Dental Assistant	7/30/2014		-
Bensalem			Active	Dental Assistant	3/2/2015		-
Bensalem	Active	Dental Assistant	8/27/2014	-			
Bensalem	Active	Dental Assistant	12/23/2014	-			
Bensalem	Active	Dental Assistant	11/21/2014	-			
Bensalem	Active	Dental Assistant	9/26/2014	-			
Bensalem	Active	Dental Assistant	8/1/2014	-			
Bensalem	Active	Dental Assistant	9/26/2014	-			
Bensalem	Active	Dental Assistant	7/30/2014	-			
Bensalem	Active	Dental Assistant	3/2/2015	-			
Bensalem	Active	Dental Assistant	8/27/2014	-			
Bensalem	Active	Dental Assistant	7/30/2014	-			
Bensalem	Active	Dental Assistant	3/2/2015	-			
Bensalem	Active	Dental Assistant	8/1/2014	-			
Bensalem	Active	Dental Assistant	11/21/2014	-			
Bensalem	Active	Dental Assistant	8/27/2014	-			
Bensalem	Active	Dental Assistant	11/21/2014	-			









## Exhibit 2

### Potential Teach-Out Partners

Potential Teach-Out Partners

#	Campus	Everest Programs	Potential Teachout Partner	Teachout Partner Program	T/O Partner Location/Contact	Comments	T/O Partner Distance (Miles)	Web Address
321	Bensalem ACICS	Medical Assistant Medical Insurance Billing/Coding	Kaplan Career Institute ACICS	Medical Assistant Medical Billing	177 Franklin Mills Boulevard Philadelphia, PA 19154 Tel: 215.612.6600 Tel: 800.935.1857 (Toll Free)		2.9	<a href="https://www.kaplancareerinstitute.com/franklin-mills-pa/">https://www.kaplancareerinstitute.com/franklin-mills-pa/</a>
321	Bensalem ACICS	Medical Assistant Medical Insurance Billing/Coding	Anthem Institute ACICS	Medical Assisant Medical Billing & Coding	400 S State Rd Springfield, PA 19064 Phone:(610) 338-2300		38.1	<a href="http://www.anthem.edu/springfield-pennsylvania/">http://www.anthem.edu/springfield-pennsylvania/</a>
321	Bensalem ACICS	Dental Assistant	Harris School of Business ACICS	Dental Assistant	Upper Darby Campus 20 South 69th Street Upper Darby, PA 19082 Tel: 484-463-3800		24.4	<a href="http://www.harrisschool.edu/Locations/Upper-Darby-Campus/183/">http://www.harrisschool.edu/Locations/Upper-Darby-Campus/183/</a>
321	Bensalem ACICS	Dental Assistant	Kaplan Career Institute ACICS	Dental Assistant	3010 Market St Philadelphia, PA 19104 Phone:(215) 594-4000		22.1	<a href="https://www.kaplancareerinstitute.com/philadelphia-pa/">https://www.kaplancareerinstitute.com/philadelphia-pa/</a>

## Exhibit 3

### Student Disclosures

# Everest | INSTITUTE

## NOTIFICATION TO STUDENTS WHO ENROLLED BEFORE JUNE 23, 2014 AT A TEACH-OUT SCHOOL

Dear Student:

As we announced recently, we are planning to teach out Everest Institute. It is always a difficult decision to teach out a campus, but we are working hard to ensure that the process goes smoothly, and that every student has the opportunity to complete his or her program of study. We plan to complete this teach out process under a plan approved by the school's accrediting agency and all applicable state licensing agencies.

Within the next seven days, you will be meeting with the Director of Education, or a person assigned by him or her, to discuss your personalized academic plan as it relates to the teach out. You will be given one of the following plans during your meeting, depending upon your academic progress, time to graduation and other factors:

- 1) Complete your program of study at this campus as you normally would, including receiving career planning and placement services to assist you in finding a job, which will be available to you for at least 60 days after you complete your program;
- 2) Receive assistance transferring to a comparable program of study at a comparable school at no additional cost above the amount you would have been charged to complete your program at Everest Institute, and job placement services and other post-graduation services would be provided by the receiving institution; or
- 3) Withdraw from the school and receive a full refund of all tuition and other fees paid to the school for your program. If you received a Federal loan, we will pay this refund to the government to reduce your loan obligation. If you received a private student loan that was directly disbursed to the school, we will pay the refund directly to the lender. If you paid the school directly, we will repay the same amounts directly to you.

### **IF YOU DISAGREE WITH THE PLAN PRESENTED TO YOU, YOU MAY FILE AN APPEAL.**

Students are entitled to appeal their personalized academic plans. You must file your appeal in writing with the office of the Campus President within three (3) instructional days of your receipt of your academic plan. Your notice must include the reason(s) for your appeal. If you file a timely written appeal, the Campus President (or designee) will meet with you and review your reasons for the appeal within three (3) instructional days from the date of your appeal. The Campus President will render a written decision to you within five (5) instructional days from the date of this meeting. The decision of the Campus President is final and no further appeals are permitted.

# Everest | INSTITUTE

It has been a privilege to have participated in your educational journey thus far. It is our sincere hope that you will continue to work toward reaching your career goals, and we wish you every success in the future.

## CONFIRMATION:

It is important that you acknowledge that you have read and understand the alternatives discussed above.

---

Student Signature

Printed Name

---

Date

**Important notice if you have a Federal student loan:** In addition to any Everest refund that may be paid, you have separate rights if you have a Federal loan.

You may be eligible for forgiveness (“discharge”) of the federal student loans you received to attend your school if one of the following happens:

- If you continue at Everest but Everest closes before you complete your program, or
- If you transfer to another school but you do not complete your program there, or
- If you withdraw from Everest less than 120 days before Everest closes.

This Federal discharge will cancel any portion of your Federal loan that remains after any Everest refund is paid. However, if you complete your program either at Everest or another school, you will not qualify for this Federal discharge. This is not a complete explanation of the closed school loan discharge rules. For a complete explanation go to: [studentaid.gov/closedschool](http://studentaid.gov/closedschool).

# Everest | INSTITUTE

## NOTIFICATION TO STUDENTS WHO ENROLLED ON OR AFTER JUNE 23, 2014 AND BEFORE JULY 8, 2014 AT A TEACH-OUT SCHOOL

Dear Student:

As we announced recently, we are planning to teach out Everest Institute. It is always a difficult decision to teach out a campus, but we are working hard to ensure that the teach out process goes smoothly, and that every student has the opportunity to complete his or her program of study or obtain a full refund of all tuition and other fees paid by a student for his or her program. We plan to complete this teach out process described below under a plan approved by the school's accrediting agency and all applicable state licensing agencies.

Within the next seven days, you will be meeting with the Director of Education, or a person assigned by him or her, to discuss **your** option to either (1) create a personalized academic plan to assist you in making this transition and completing your program of study or (2) receive a full refund of all the tuition and other fees you paid to Everest for your program.

Within three (3) instructional days of your meeting, please select one of the following options to confirm your choice, and then sign and print your name below.

Please select the box to show your choice:

I choose to complete my program of study. I understand that by this choice, I will also receive career planning and placement services to assist me in finding a job for at least 60 days after I complete my program. I understand that to complete my program, I may be required to transfer to a comparable program at a comparable school; if I must transfer, I will have no additional cost above the amount I would have been charged to complete my program at Everest Institute and that job placement services and other post-graduation services would be provided by the receiving institution;

OR

I choose not to complete my program of study at this school, and to withdraw from Everest Institute and receive a full refund of all tuition and other fees I paid for my program. If I received a federal loan, the school will pay this refund to the government to reduce my loan obligation. If I received a private student loan that was directly disbursed to the school, you will pay the refund directly to me. If I paid the school directly, you will repay the same amounts directly to me.

**IF YOU DO NOT MAKE A CHOICE BETWEEN (1) OR (2) ABOVE, YOU WILL BE WITHDRAWN FROM YOUR PROGRAM AND ISSUED A REFUND.**

# Everest | INSTITUTE

It has been a privilege to have participated in your educational journey thus far. It is our sincere hope that you will continue to work toward reaching your career goals, and we wish you every success in the future.

## CONFIRMATION:

Please sign and print your name to confirm that you have read and understood your choice to continue your program of study or obtain a full refund of all direct educational charges you paid for your program, including tuition, fees, and any other actual institutional charges you paid.

---

Student Signature

Printed Name

---

Date

**Important notice if you have a Federal student loan:** In addition to any Everest refund that may be paid, you have separate rights if you have a Federal loan.

You may be eligible for forgiveness (“discharge”) of the federal student loans you received to attend your school if one of the following happens:

- If you continue at Everest but Everest closes before you complete your program, or
- If you transfer to another school but you do not complete your program there, or
- If you withdraw from Everest less than 120 days before Everest closes.

This Federal discharge will cancel any portion of your Federal loan that remains after any Everest refund is paid. However, if you complete your program either at Everest or another school, you will not qualify for this Federal discharge. This is not a complete explanation of the closed school loan discharge rules. For a complete explanation go to: [studentaid.gov/closedschool](http://studentaid.gov/closedschool).

## Exhibit 4

### Severance and Retention Plans

### Severance and Retention Plan

Group Code	Level	Severance (Weeks)	Retention Plan (weeks)	
			< 4 Years	=> 4 Years
1	Employees	2	3	3
2	Manager	3	3	4
3	Campus Dir	4	4	6
5	Campus President	6	8	12

Staff will be paid a week's salary for each week indicated on the chart.

## Exhibit 5

### Teach-Out Staffing Plan

### Staffing Plan for Teach-Out

Bus Unit Descr	Last Name	First Name	Job Title	Type	# Weeks Severance/Retention	TERM DATE
Bensalem – Everest Institute	Moy	Brian	Account Rep I	Retention	3	May 25, 2015
Bensalem – Everest Institute	Meech	Jennifer	Account Rep II	Retention	3	March 26, 2015
Bensalem – Everest Institute	Bowser	Tamara	Admiss Rep Campus	Severance	2	July 08, 2014
Bensalem – Everest Institute	Henry	Deon	Admiss Rep Campus	Severance	2	July 08, 2014
Bensalem – Everest Institute	Hicks	Kelly	Admiss Rep Campus	Severance	2	LOA
Bensalem – Everest Institute	Hussey	Julianne	Admiss Rep Campus	Severance	2	July 08, 2014
Bensalem – Everest Institute	Moore	Dante	Admiss Rep Campus	Severance	2	July 08, 2014
Bensalem – Everest Institute	Nusslein	Keri	Admiss Rep Campus	Severance	2	July 08, 2014
Bensalem – Everest Institute	Sylvester	Karyn	Admiss Rep Campus	Severance	2	July 08, 2014
Bensalem – Everest Institute	Zarro	Angelina	Admiss Rep Campus	Severance	2	July 08, 2014
Bensalem – Everest Institute	Granison	Crystal	Admiss Rep Campus Sr	Severance	2	July 08, 2014
Bensalem – Everest Institute	Dixon-Salahuddin	Christina	Admiss Rep HS	Severance	2	July 08, 2014
Bensalem – Everest Institute	Faverey	Leah	Admiss Rep HS	Severance	2	July 08, 2014
Bensalem – Everest Institute	Iulo	Victoria	Admiss Rep HS	Severance	2	July 08, 2014
Bensalem – Everest Institute	Montanaro	Kristin	Career Rep I	Retention	3	August 30, 2015
Bensalem – Everest Institute	Williams	Carla	Career Rep II	Retention	3	August 30, 2015
Bensalem – Everest Institute	Springer	Karen	College President I	Retention	8	August 30, 2015
Bensalem – Everest Institute	Wolgammott	Margaret	Dir Admissions	Retention	4	July 09, 2014
Bensalem – Everest Institute	Manners	Ian	Dir Career Svcs	Retention	4	August 30, 2015
Bensalem – Everest Institute	Chappelle	Tynara	Dir Education	Retention	4	August 30, 2015
Bensalem – Everest Institute	Russo	Robert	Dir Student Finance	Retention	4	July 25, 2014
Bensalem – Everest Institute	Mesiano	Nicole	Externship Coord	Retention	3	May 25, 2015
Bensalem – Everest Institute	Hanlon	Donna	Faculty I - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Landy	John	Faculty I - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Minton	Cheryl	Faculty I - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Pyatt	Forrest	Faculty I - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	White	Kelly Ann	Faculty I - Diploma	Severance	2	LOA
Bensalem – Everest Institute	Burckhard	Charles	Faculty I - Trades	Retention	3	June 30, 2015
Bensalem – Everest Institute	Bilyk	Deborah	Faculty II - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Christian	Anita	Faculty II - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Economou	Sanja	Faculty II - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	McClintock	April	Faculty II - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Rand	Cheryl	Faculty II - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Vasquez	Javier	Faculty II - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Williams	Sherrell	Faculty II - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Felton	Arthur	Faculty II - Trades	Retention	3	June 30, 2015
Bensalem – Everest Institute	Jerry	Corey	Faculty II - Trades	Retention	3	June 30, 2015
Bensalem – Everest Institute	Powers	Brian	Faculty II - Trades	Retention	3	June 30, 2015

### Staffing Plan for Teach-Out

Bus Unit Descr	Last Name	First Name	Job Title	Type	# Weeks Severance/Retention	TERM DATE
Bensalem – Everest Institute	Appleton	Denise	Faculty III - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Peterson	Theresa	Faculty III - Diploma	Retention	3	June 30, 2015
Bensalem – Everest Institute	Ndliba	Neema	HS Coordinator Assoc	Severance	2	July 08, 2014
Bensalem – Everest Institute	Rodgers	Dustin	HS Coordinator Assoc	Severance	2	July 08, 2014
Bensalem – Everest Institute	Parola	Eric	Network Admin - Field	Retention	3	March 26, 2015
Bensalem – Everest Institute	Creedy	Dwendolyn	Program Chair I	Retention	3	June 30, 2015
Bensalem – Everest Institute	Miller	Tamara	Receptionist	Retention	3	May 25, 2015
Bensalem – Everest Institute	Stevenson	Kelly	Receptionist	Retention	3	March 26, 2015
Bensalem – Everest Institute	Howard	Michelle	Registrar	Retention	3	August 30, 2015
Bensalem – Everest Institute	Shah	Jalpa	Student Finance Plnr Assoc	Retention	3	March 26, 2015
Bensalem – Everest Institute	Zia	Ellen	Student Finance Rep Sr	Severance	2	July 08, 2014
Bensalem – Everest Institute	Hall	Tyrone	HS Coordinator Exec	Severance	2	July 08, 2014
Bensalem – Everest Institute	O'Leary	Erica	Admiss Rep Campus	Severance	2	July 08, 2014

Teach Out Plan

Everest College

5237 N. Riverside Dr., Suite 100  
Fort Worth, Texas

OPE ID: 02298501

School Status:	Teach Out	<input checked="" type="checkbox"/>	School for Sale	<input type="checkbox"/>	
Check One:	Main School	<input type="checkbox"/>	Branch School	<input checked="" type="checkbox"/>	OPEID: 02298501
Accreditor	Accrediting Council for Independent Colleges and Schools			Accreditor School Number:	00021509
Name of School:	Everest College (Fort Worth North)				
Address:	5237 N Riverside Dr, Suite 100				
City:	Fort Worth	State:	TX	Zip Code:	76137
Telephone Number:	(817) 838-3000			Fax Number:	(817) 838-2040
Contact Person:	James Cooper, Campus President			E-mail Address:	jcooper2@cci.edu
Alternate Contact:	John Andrews			E-mail Address:	JAndrews@cci.edu
Title:	Vice President, Accreditation and Licensing			Phone :	714-825-7918

**1. A student Listing by program including estimated graduation dates:**

See the student listing by program included as **Exhibit 1**. This list of students is effective as of July 8, 2014, the date the teach-out was announced. All enrollment activities ceased on that date.

**2. The expected final graduation date and school closure date:**

The anticipated final graduation date is June 30, 2015, with a projected school closure date of August 30, 2015.

**3. The status of unearned tuition, all current refunds due and account balances:**

All refunds are calculated and submitted within the required timeframes. The individual student specific financial information, effective as of July 8, 2014, is included in the student detail in **Exhibit 1**. Should a student drop, the school's pro rata refund policy will apply.

**4. A disposition of all student records including educational, billing, accounting and financial aid records in an accessible location:**

At the completion of the teach-out, the student records for this campus will be managed by Socle Education. All student academic and finance files will be housed at the following location:

Socle Education  
Sacramento Data Center  
980 Riverside Parkway  
West Sacramento, CA 95605.

The contact information is as follows:

Dave Shuma  
Assistant Vice President, Student Finance Support Operations  
[Dave.Shuma@socleeducation.com](mailto:Dave.Shuma@socleeducation.com)  
Office: 813-635-1934

Bruce Gamroth  
Sr. Manager, Records & Facility Management  
[BGamroth@wyotechstaff.edu](mailto:BGamroth@wyotechstaff.edu)  
Direct: 916-637-9228

This facility is the records retention center for this and all previously closed Corinthian campuses. In the event that this facility closes, the Texas Workforce Commission which may require Socle Education to convert student academic records to a usable and retrievable form and place them with a readily accessible depository designated by the Commission or its staff.

**5. A demonstration and description of how the delivery of training (including appropriate faculty) and services to students will not be materially disrupted and that obligations to students will be timely met:**

Our goal is for the student classroom experience to continue, substantially unchanged, through to the completion of the students' programs. Faculty members qualified and trained to teach the subject matter will be present during all scheduled classroom hours. All applicable regulatory standards will be met. Academic leadership will continue to support the faculty and students. Students' daily and weekly contact hours will not change. Additionally, curricular content, learning activities, projects, quizzes, exams, texts and outside-of-class work activities will continue to be provided as designed. Support services to assist students while in school will remain in place, and career services staff will be present to assist graduates with their job searches upon graduation.

The campus has begun to identify potential educational partners who may be able to assist in providing teach-out support if required. An example of potential teach-out partners is included as **Exhibit 2**.

**6. A description of specific additional charges to students, if any, and the school's plan for providing advance notification to students of any additional charges:**

There are no anticipated additional charges.

**7. A list of all accrediting agencies (institutional and programmatic) the school is currently accredited by:**

- Accrediting Council for Independent Colleges and Schools (ACICS) – Institutional Accreditation

**8. A communication plan for students to assist them through the transition:**

Students who enrolled prior to June 23, 2014 will meet individually, as it relates to the teach-out, with the Director of Education or designee who will give the student one of the following academic plans that takes into consideration the student's academic progress, time to graduation and other factors:

- 1) Complete their program of study at this campus as they normally would, including receiving career planning and placement services to assist them in finding a job, which will be available to them for at least 60 days after they complete their program;
- 2) Receive assistance transferring to a comparable program of study at a comparable school at no additional cost above the amount they would have been charged to complete their program at Everest, and job placement services and other post-graduation services would be provided by the receiving institution; or
- 3) Withdraw from the school and receive a full refund of all tuition and other fees paid to the school for their program. If they received a Federal loan, we will pay this refund to the government to reduce their loan obligation. If they received a private student loan that was directly disbursed to the school, we will pay the refund directly to the lender. If they paid the school directly, we will repay the same amounts directly to them.

Students who are not satisfied with their plan will have the ability to appeal their plan within three days, which will be evaluated by the Campus President who will render a final written decision within five instructional days from the receipt of the appeal.

Students who enrolled after June 23, 2014 and before the announcement of the teach-out on July 8, 2014 will choose one of the two following options:

I choose to complete my program of study. I understand that by this choice, I will also receive career planning and placement services to assist me in finding a job for at least 60 days after I complete my program. I understand that to complete my program, I may be required to transfer to a comparable program at a comparable school; if I must transfer, I will have no additional cost above the amount I would have been charged to complete my program at Everest Institute and that job placement services and other post-graduation services would be provided by the receiving institution;

OR

I choose not to complete my program of study at this school, and to withdraw from Everest Institute and receive a full refund of all tuition and other fees I paid for my program. If I received a federal loan, the school will pay this refund to the government to reduce my loan obligation. If I received a private student loan that was directly disbursed to the school, you will pay the refund directly to me. If I paid the school directly, you will repay the same amounts directly to me.

Copies of the notifications given to students are included as **Exhibit 3**. Faculty and staff will closely monitor and support students to ensure that they remain on track to complete their programs as scheduled.

**9. Description of plans for faculty and staff:**

To ensure that there will be stability among the faculty and staff, severance and retention plans have been established. Severance packages were offered to those whose services were no longer needed at the time of the school teach-out announcement, for example, the admissions staff. For the remaining staff, retention plans have been established. A copy of the chart demonstrating the severance and retention plans is attached as **Exhibit 4**. The required number of faculty and staff needed to support the students through the teach-out have been determined based on the numbers of students in each program and the scheduling requirements of the programs. A copy of the staffing plan to complete the teach out is included as **Exhibit 5**.

**10. Notification plan for state and federal regulators including the Department of Veterans Affairs:**

Regulatory agencies have been notified and will be apprised of any additional developments. A copy of the teach-out plan will be provided to them for review and approval according to their standards.

Name: Jack D. Massimino

Title: Chairman and Chief Executive Officer

(Chief Executive Officer)

(b)(6)

July 18, 2014

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit 1

Listing of Students by Program  
with Account Balances  
as of July 8, 2014









Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	7/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	7/2/2017	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	7/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	4/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/5/2014	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	7/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	1/10/2016	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	7/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	7/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	4/2/2017	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	4/3/2016	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Nursing AAS	4/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	7/6/2014	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	1/10/2016	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	7/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	10/5/2014	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	10/4/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	4/5/2015	(b)(6)	-
Fort Worth	(b)(6)	(b)(6)	Active	Paralegal AAS	10/5/2014	(b)(6)	-

Total Active Students: 293

## Exhibit 2

### Potential Teach-Out Partners

Potential Teach-Out Partners

#	Campus	Everest Programs	Potential Teachout Partner	Teachout Partner Program	T/O Partner Location/Contact	Comments	T/O Partner Distance (Miles)	Web Address
613	Ft. Worth North ACICS	Dental Assistant Medical Administrative Assistant Medical Assistant Medical Insurance Billing and Codnig Accounting AS Applied Management AS Business Administration AAS Criminal Justice AS Nursing AAS Paralegal AAS	Kaplan College ACICS	Dental Assistant Medical Assistant Medical Office Specialist Criminal Justice	2001 Beach Street, Suite 201 Fort Worth, TX 76103 Tel: 817.413.2000 Tel: 800.935.1857 (Toll Free)	First for Ft Worth, the Boards of Nursing will not support transfer of our students to a nursing program that does not have full accreditation. The only ones with full accreditation for Associate Degree are community colleges. I contacted them and they all have waiting lists and said our students could apply but on a 1-1 basis. We would have permission from the Board to move the nursing program to a different Everest campus in Fort Worth	9.1	<a href="https://www.kaplancollege.com/fort-worth-tx/">https://www.kaplancollege.com/fort-worth-tx/</a>
613	Ft. Worth North ACICS	Dental Assistant Medical Administrative Assistant Medical Assistant Medical Insurance Billing and Codnig Accounting AS Applied Management AS Business Administration AAS Criminal Justice AS Nursing AAS Paralegal AAS	Remington College ACCSC PennFoster *Accounting *Bus Mgmt *CJ *Paralegal Studies Possible EUO for AAM	Dental Assisting Medical Assisting Medical Billing and Coding Criminal Justice	300 East Loop 820 Fort Worth, TX 800-560-6192	Ft Worth nursing teach until April 2015 then move to Ft Worth South, with portable sinks etc.	10.4	<a href="http://www.remingtoncollege.edu/fort-worth-texas-career-schools-overview/">http://www.remingtoncollege.edu/fort-worth-texas-career-schools-overview/</a>
613	Ft. Worth North ACICS	Dental Assistant Medical Administrative Assistant Medical Assistant Medical Insurance Billing and Codnig Accounting AS Applied Management AS Business Administration AAS Criminal Justice AS Nursing AAS Paralegal AAS	Brown Mackie College ACICS	Medical Assistant Business Management	Dallas/Ft. Worth 2200 North Highway 121, Suite 250, Bedford, 76021		12.4	<a href="http://www.brownmackie.edu/dallas.aspx">http://www.brownmackie.edu/dallas.aspx</a>

## Exhibit 3

### Student Disclosures

# Everest | COLLEGE

## **NOTIFICATION TO STUDENTS WHO ENROLLED BEFORE JUNE 23, 2014 AT A TEACH-OUT SCHOOL**

Dear Student:

As we announced recently, we are planning to teach out Everest College. It is always a difficult decision to teach out a campus, but we are working hard to ensure that the process goes smoothly, and that every student has the opportunity to complete his or her program of study. We plan to complete this teach out process under a plan approved by the school's accrediting agency and all applicable state licensing agencies.

Within the next seven days, you will be meeting with the Director of Education, or a person assigned by him or her, to discuss your personalized academic plan as it relates to the teach out. You will be given one of the following plans during your meeting, depending upon your academic progress, time to graduation and other factors:

- 1) Complete your program of study at this campus as you normally would, including receiving career planning and placement services to assist you in finding a job, which will be available to you for at least 60 days after you complete your program;
- 2) Receive assistance transferring to a comparable program of study at a comparable school at no additional cost above the amount you would have been charged to complete your program at Everest College, and job placement services and other post-graduation services would be provided by the receiving institution; or
- 3) Withdraw from the school and receive a full refund of all tuition and other fees paid to the school for your program. If you received a Federal loan, we will pay this refund to the government to reduce your loan obligation. If you received a private student loan that was directly disbursed to the school, we will pay the refund directly to the lender. If you paid the school directly, we will repay the same amounts directly to you.

### **IF YOU DISAGREE WITH THE PLAN PRESENTED TO YOU, YOU MAY FILE AN APPEAL.**

Students are entitled to appeal their personalized academic plans. You must file your appeal in writing with the office of the Campus President within three (3) instructional days of your receipt of your academic plan. Your notice must include the reason(s) for your appeal. If you file a timely written appeal, the Campus President (or designee) will meet with you and review your reasons for the appeal within three (3) instructional days from the date of your appeal. The Campus President will render a written decision to you within five (5) instructional days from the date of this meeting. The decision of the Campus President is final and no further appeals are permitted.

# Everest | COLLEGE

It has been a privilege to have participated in your educational journey thus far. It is our sincere hope that you will continue to work toward reaching your career goals, and we wish you every success in the future.

## CONFIRMATION:

It is important that you acknowledge that you have read and understand the alternatives discussed above.

---

Student Signature

Printed Name

---

Date

**Important notice if you have a Federal student loan:** In addition to any Everest refund that may be paid, you have separate rights if you have a Federal loan.

You may be eligible for forgiveness (“discharge”) of the federal student loans you received to attend your school if one of the following happens:

- If you continue at Everest but Everest closes before you complete your program, or
- If you transfer to another school but you do not complete your program there, or
- If you withdraw from Everest less than 120 days before Everest closes.

This Federal discharge will cancel any portion of your Federal loan that remains after any Everest refund is paid. However, if you complete your program either at Everest or another school, you will not qualify for this Federal discharge. This is not a complete explanation of the closed school loan discharge rules. For a complete explanation go to: [studentaid.gov/closedschool](http://studentaid.gov/closedschool).

# Everest | COLLEGE

## NOTIFICATION TO STUDENTS WHO ENROLLED ON OR AFTER JUNE 23, 2014 AND BEFORE JULY 8, 2014 AT A TEACH-OUT SCHOOL

Dear Student:

As we announced recently, we are planning to teach out Everest College. It is always a difficult decision to teach out a campus, but we are working hard to ensure that the teach out process goes smoothly, and that every student has the opportunity to complete his or her program of study or obtain a full refund of all tuition and other fees paid by a student for his or her program. We plan to complete this teach out process described below under a plan approved by the school's accrediting agency and all applicable state licensing agencies.

Within the next seven days, you will be meeting with the Director of Education, or a person assigned by him or her, to discuss **your** option to either (1) create a personalized academic plan to assist you in making this transition and completing your program of study or (2) receive a full refund of all the tuition and other fees you paid to Everest for your program.

Within three (3) instructional days of your meeting, please select one of the following options to confirm your choice, and then sign and print your name below.

Please select the box to show your choice:

I choose to complete my program of study. I understand that by this choice, I will also receive career planning and placement services to assist me in finding a job for at least 60 days after I complete my program. I understand that to complete my program, I may be required to transfer to a comparable program at a comparable school; if I must transfer, I will have no additional cost above the amount I would have been charged to complete my program at Everest College and that job placement services and other post-graduation services would be provided by the receiving institution;

OR

I choose not to complete my program of study at this school, and to withdraw from Everest College and receive a full refund of all tuition and other fees I paid for my program. If I received a federal loan, the school will pay this refund to the government to reduce my loan obligation. If I received a private student loan that was directly disbursed to the school, you will pay the refund directly to me. If I paid the school directly, you will repay the same amounts directly to me.

**IF YOU DO NOT MAKE A CHOICE BETWEEN (1) OR (2) ABOVE, YOU WILL BE WITHDRAWN FROM YOUR PROGRAM AND ISSUED A REFUND.**

# Everest | COLLEGE

It has been a privilege to have participated in your educational journey thus far. It is our sincere hope that you will continue to work toward reaching your career goals, and we wish you every success in the future.

## CONFIRMATION:

Please sign and print your name to confirm that you have read and understood your choice to continue your program of study or obtain a full refund of all direct educational charges you paid for your program, including tuition, fees, and any other actual institutional charges you paid.

---

Student Signature

Printed Name

---

Date

**Important notice if you have a Federal student loan:** In addition to any Everest refund that may be paid, you have separate rights if you have a Federal loan.

You may be eligible for forgiveness (“discharge”) of the federal student loans you received to attend your school if one of the following happens:

- If you continue at Everest but Everest closes before you complete your program, or
- If you transfer to another school but you do not complete your program there, or
- If you withdraw from Everest less than 120 days before Everest closes.

This Federal discharge will cancel any portion of your Federal loan that remains after any Everest refund is paid. However, if you complete your program either at Everest or another school, you will not qualify for this Federal discharge. This is not a complete explanation of the closed school loan discharge rules. For a complete explanation go to: [studentaid.gov/closedschool](http://studentaid.gov/closedschool).

## Exhibit 4

### Severance and Retention Plans

### Severance and Retention Plan

Group Code	Level	Severance (Weeks)	Retention Plan (weeks)	
			< 4 Years	=> 4 Years
1	Employees	2	3	3
2	Manager	3	3	4
3	Campus Dir	4	4	6
5	Campus President	6	8	12

Staff will be paid a week's salary for each week indicated on the chart.

## Exhibit 5

### Teach-Out Staffing Plan

### Staffing Plan for Teach-Out

Bus Unit Descr	Last Name	First Name	Job Title	Type	# Weeks Severance/Retention	TERM DATE
Fort Worth North - Everest College	Christodoulides	Zacharias	Academic Dean	Retention	4	August 30, 2015
Fort Worth North - Everest College	Fields	Tionna	Account Rep I	Retention	3	June 30, 2015
Fort Worth North - Everest College	Zimmerer	Morgan	Account Rep II	Retention	3	June 30, 2015
Fort Worth North - Everest College	Guevara	Joe	Admiss Rep Campus	Severance	2	July 08, 2014
Fort Worth North - Everest College	Sarchet	Joanne	Admiss Rep Campus	Severance	2	July 08, 2014
Fort Worth North - Everest College	Kirkland	Amy	Admiss Rep Campus Assoc	Severance	2	July 08, 2014
Fort Worth North - Everest College	Nikles	Angela	Admiss Rep Campus Sr	Severance	2	July 08, 2014
Fort Worth North - Everest College	Osborn	Diana	Admiss Rep Campus Sr	Severance	0	July 08, 2014
Fort Worth North - Everest College	Smith	Rodney	Admiss Rep HS Assoc	Severance	2	July 08, 2014
Fort Worth North - Everest College	Ochs	Joanne	Career Rep I	Retention	3	August 30, 2015
Fort Worth North - Everest College	Cooper	James	College President I	Retention	8	August 30, 2015
Fort Worth North - Everest College	Culberson	Racheal	Dir Admissions	Severance	2	July 08, 2014
Fort Worth North - Everest College	Akins	Stephenie	Dir Campus Nursing	Retention	4	July 31, 2015
Fort Worth North - Everest College	Koonce	Annie	Dir Career Svcs	Retention	4	August 30, 2015
Fort Worth North - Everest College	Blow	Trevor	Dir Student Finance	Severance	2	July 08, 2014
Fort Worth North - Everest College	Hines	Donna	Faculty I - Degree	Retention	3	June 30, 2015
Fort Worth North - Everest College	Beckwith	Craig	Faculty I - Diploma	Retention	3	LOA
Fort Worth North - Everest College	Clay-Mitchell	Tami	Faculty I - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	Crowder	Anjuanette	Faculty I - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	Fashina	Ibrahim	Faculty I - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	Fletcher	Shanna	Faculty I - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	McCarthy	Jennie	Faculty I - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	Mohmand	Sultan	Faculty I - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	Stokes	Cindy	Faculty I - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	Jacobs	Twanda	Faculty II - Diploma	Retention	3	June 30, 2015
Fort Worth North - Everest College	Benson	Charles	Faculty III - Degree	Retention	3	June 30, 2015
Fort Worth North - Everest College	Hubner	Richard	Faculty III - Diploma	Retention	3	LOA
Fort Worth North - Everest College	Castillo	Cherron	HS Coordinator Sr	Severance	2	LOA
Fort Worth North - Everest College	Retic	Linda	Instructor - Spec Prog	Retention	3	July 31, 2015
Fort Worth North - Everest College	Scivally	Ione	Instructor - Spec Prog	Retention	3	July 31, 2015
Fort Worth North - Everest College	Weatherly	Katherine	Instructor - Spec Prog	Retention	3	July 31, 2015
Fort Worth North - Everest College	Peller	Dina	Librarian	Retention	3	July 31, 2015
Fort Worth North - Everest College	Walker	Dwayla	Program Chair II	Retention	3	LOA
Fort Worth North - Everest College	Carter	Tameral	Receptionist	Severance	2	July 08, 2014
Fort Worth North - Everest College	Rojjo	Lily	Student Finance Plnr Assoc	Retention	3	May 29, 2015
Fort Worth North - Everest College	Prociuous	Leighanna	Registrar	Retention	3	August 30, 2015

Teach Out Plan

Everest College  
3280 W. 3500 S  
West Valley City, Utah

OPE ID: 02298500

School Status: Teach Out  School for Sale

Check One: Main School  Branch School

OPEID: 02298500

Accreditor: Accrediting Council for Independent Colleges and Schools

Accreditor School Number: 00011315

Name of School: Everest College

Address: 3280 W 3500 S

City: West Valley City State: UT

Zip Code: 84119-2632

Telephone Number: (801) 840-4800

Fax Number: (801) 969-0828

Contact Person: Natalie Williams, Campus President

E-mail Address: nwilliams12@cci.edu

Alternate Contact: John Andrews

E-mail Address: JAndrews@cci.edu

Title: Vice President, Accreditation and Licensing

Phone: 714-825-7918

#### 1. A student Listing by program including estimated graduation dates:

See the student listing by program included as **Exhibit 1**. This list of students is effective as of July 8, 2014, the date the teach-out was announced. All enrollment activities ceased on that date.

#### 2. The expected final graduation date and school closure date:

The anticipated final graduation date is June 30, 2015, with a projected school closure date of August 30, 2015.

#### 3. The status of unearned tuition, all current refunds due and account balances:

All refunds are calculated and submitted within the required timeframes. The individual student specific financial information, effective as of July 8, 2014, is included in the student detail in **Exhibit 1**. Should a student drop, the school's pro rata refund policy will apply.

#### 4. A disposition of all student records including educational, billing, accounting and financial aid records in an accessible location:

At the completion of the teach-out, the student records for this campus will be managed by Socle Education. All student academic and finance files will be housed at the following location:

Socle Education  
 Sacramento Data Center  
 980 Riverside Parkway  
 West Sacramento, CA 95605.

The contact information is as follows:

Dave Shuma  
 Assistant Vice President, Student Finance Support Operations  
[Dave.Shuma@socleeducation.com](mailto:Dave.Shuma@socleeducation.com)  
 Office: 813-635-1934

Bruce Gamroth  
 Sr. Manager, Records & Facility Management  
[BGamroth@wyotechstaff.edu](mailto:BGamroth@wyotechstaff.edu)  
 Direct: 916-637-9228

This facility is the records retention center for this and all previously closed Corinthian campuses. In the event that this facility closes, the Utah Division of Consumer Protection may require Socle Education to convert student academic records to a usable and retrievable form and place them with a readily accessible depository designated by the Division or its staff.

**5. A demonstration and description of how the delivery of training (including appropriate faculty) and services to students will not be materially disrupted and that obligations to students will be timely met:**

Our goal is for the student classroom experience to continue, substantially unchanged, through to the completion of the students' programs. Faculty members qualified and trained to teach the subject matter will be present during all scheduled classroom hours. All applicable regulatory standards will be met. Academic leadership will continue to support the faculty and students. Students' daily and weekly contact hours will not change. Additionally, curricular content, learning activities, projects, quizzes, exams, texts and outside-of-class work activities will continue to be provided as designed. Support services to assist students while in school will remain in place, and career services staff will be present to assist graduates with their job searches upon graduation.

The campus has begun to identify potential educational partners who may be able to assist in providing teach-out support if required. An example of potential teach-out partners is included as **Exhibit 2**.

**6. A description of specific additional charges to students, if any, and the school's plan for providing advance notification to students of any additional charges:**

There are no anticipated additional charges.

**7. A list of all accrediting agencies (institutional and programmatic) the school is currently accredited by:**

- Accrediting Council for Independent Colleges and Schools (ACICS) – Institutional Accreditation
- Medical Assisting Education Review Board (MAERB) – Programmatic Accreditation: Medical Assistant program
- Accrediting Review Council on Education in Surgical Technology and Surgical Assisting (ARC-STSA) – Programmatic: Nursing Program
- American Society of Health-System Pharmacists (ASHP) – Programmatic Accreditation: Pharmacy Technician Program

#### 8. A communication plan for students to assist them through the transition:

Students who enrolled prior to June 23, 2014 will meet individually, as it relates to the teach-out, with the Director of Education or designee who will give the student one of the following academic plans that takes into consideration the student's academic progress, time to graduation and other factors:

- 1) Complete their program of study at this campus as they normally would, including receiving career planning and placement services to assist them in finding a job, which will be available to them for at least 60 days after they complete their program;
- 2) Receive assistance transferring to a comparable program of study at a comparable school at no additional cost above the amount they would have been charged to complete their program at Everest, and job placement services and other post-graduation services would be provided by the receiving institution; or
- 3) Withdraw from the school and receive a full refund of all tuition and other fees paid to the school for their program. If they received a Federal loan, we will pay this refund to the government to reduce their loan obligation. If they received a private student loan that was directly disbursed to the school, we will pay the refund directly to the lender. If they paid the school directly, we will repay the same amounts directly to them.

Students who are not satisfied with their plan will have the ability to appeal their plan within three days, which will be evaluated by the Campus President who will render a final written decision within five instructional days from the receipt of the appeal.

Students who enrolled after June 23, 2014 and before the announcement of the teach-out on July 8, 2014 will choose one of the two following options:

I choose to complete my program of study. I understand that by this choice, I will also receive career planning and placement services to assist me in finding a job for at least 60 days after I complete my program. I understand that to complete my program, I may be required to transfer to a comparable program at a comparable school; if I must transfer, I will have no additional cost above the amount I would have been charged to complete my program at Everest Institute and that job placement services and other post-graduation services would be provided by the receiving institution;

OR

I choose not to complete my program of study at this school, and to withdraw from Everest Institute and receive a full refund of all tuition and other fees I paid for my program. If I received a federal loan, the school will pay this refund to the government to reduce my loan obligation. If I received a private student loan that was directly disbursed to the school, you will pay the refund directly to me. If I paid the school directly, you will repay the same amounts directly to me.

Copies of the notifications given to students are included as **Exhibit 3**. Faculty and staff will closely monitor and support

students to ensure that they remain on track to complete their programs as scheduled.

**9. Description of plans for faculty and staff:**

To ensure that there will be stability among the faculty and staff, severance and retention plans have been established. Severance packages were offered to those whose services were no longer needed at the time of the school teach-out announcement, for example, the admissions staff. For the remaining staff, retention plans have been established. A copy of the chart demonstrating the severance and retention plans is attached as **Exhibit 4**. The required number of faculty and staff needed to support the students through the teach-out have been determined based on the numbers of students in each program and the scheduling requirements of the programs. A copy of the staffing plan to complete the teach out is included as **Exhibit 5**.

**10. Notification plan for state and federal regulators including the Department of Veterans Affairs:**

Regulatory agencies have been notified and will be apprised of any additional developments. A copy of the teach-out plan will be provided to them for review and approval according to their standards.

---

Name: Jack D. Massimino Title: Chairman and Chief Executive Officer  
(Chief Executive Officer)

(b)(6)

July 18, 2014

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit 1

Listing of Students by Program  
with Account Balances  
as of July 8, 2014









Campus	StudentName	StuNum	StudentStatus	Program	ExpectedGradDate	ARBalance	Refunds in Progress
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	8/1/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	12/28/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/30/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/30/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	8/1/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	3/3/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/30/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	8/29/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	11/25/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	3/3/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/30/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/30/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/30/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	8/29/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/1/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Pharmacy Technician Diploma	7/30/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	10/2/2016	(b)(6)	755
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	7/5/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	10/4/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	10/4/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	1/11/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	7/5/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	7/6/2014	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	4/5/2015	(b)(6)	683
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	7/3/2016	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	7/5/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	1/11/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	1/11/2015	(b)(6)	-
Salt Lake City	(b)(6)	(b)(6)	Active	Surgical Technologist AS	7/6/2014	(b)(6)	-

Total Active Students: 269