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AEQUITAS COMMERCIAL FINANCE, LLC; AEQUITAS CAPITAL

MANAGEMENT, INC.; AEQUITAS INVESTMENT MANAGEMENT, LLC

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

PORTLAND DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

AEQUITAS MANAGEMENT, LLC;
AEQUITAS HOLDINGS, LLC; AEQUITAS
COMMERCIAL FINANCE, LLC; AEQUITAS
CAPITAL MANAGEMENT, INC.;
AEQUITAS INVESTMENT MANAGEMENT,
LLC; ROBERT J. JESENK, BRIAN A.
OLIVER; and N. SCOTT GILLIS,

No. 3:16-cv-00438-PK

[*PROPOSED*] ORDER APPROVING
PROPOSED SETTLEMENTS WITH THE
CONSUMER FINANCIAL PROTECTION
BUREAU AND CERTAIN STATE
ATTORNEYS GENERAL



Defendants.

This matter having come before the Honorable Paul Papak on the Receiver's Motion for Approval of Proposed Settlements with the Consumer Financial Protection Bureau and Certain State Attorneys General (the "Motion"), and the Court having reviewed the Motion, the Declaration of Ronald F. Greenspan, and being duly advised,

IT IS HEREBY ORDERED AND DECREED as follows:

1. The Motion is granted in its entirety.
2. The Receiver, in his capacity as receiver for the Aequitas Entities, is authorized to enter into:
 - (i) a stipulated final judgment with the Consumer Financial Protection Bureau in substantially the form as attached as Exhibit 1;
 - (ii) an assurance of voluntary compliance/assurance of voluntary discontinuance with the Attorneys General of Connecticut, Iowa, Kentucky, New York, Pennsylvania, Illinois, Texas, and Washington in substantially the form as attached as Exhibit 2;
 - (iii) stipulated final judgments and permanent injunctions with the Attorneys General of California, Maryland, Colorado, and Oregon in substantially the form as attached as Exhibit 3; and
 - (iv) settlements with other State Attorneys General under substantively identical terms as those set forth in Exhibits 1 – 3, without requiring further order of this Court.
3. The Receiver, in his capacity as receiver for the Receivership Entity, is authorized to make appearances in courts and consent to pleadings, orders, and other documents the

foregoing enforcement parties may require in order to effectuate the agreements, set forth in Sections 2(i) – (iv) above.

Dated this ____ day of _____, 2017.

Honorable Paul Papak
United States Magistrate Judge

SUBMITTED BY:

SCHWABE, WILLIAMSON & WYATT, P.C.

By: /s/ Alex Poust

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UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

CONSUMER FINANCIAL PROTECTION
BUREAU,

Plaintiff,
v.

Case No.

AEQUITAS CAPITAL MANAGEMENT
INC., AEQUITAS MANAGEMENT LLC,
AEQUITAS HOLDINGS, LLC,
AEQUITAS COMMERCIAL FINANCE,
LLC, CAMPUS STUDENT FUNDING,
LLC, CSF LEVERAGE I LLC, AEQUITAS
INCOME OPPORTUNITY FUND, and
AEQUITAS INCOME PROTECTION
FUND,

[PROPOSED] STIPULATED FINAL
JUDGMENT AND ORDER

Defendants.

The Consumer Financial Protection Bureau (Bureau) commenced this civil action on [DATE] to obtain consumer redress, injunctive relief, and other relief, from the Defendants. The Complaint alleges violations of §§ 1031(a) and 1036(a)(1) of the Consumer Financial Protection Act of 2010; 12 U.S.C. §§ 5531(a), 5536(a)(1) in connection with Defendants' funding, purchasing, and maintaining loans made to students at Corinthian Colleges, Inc. (Corinthian). Specifically, the Complaint alleges Defendants funded and maintained the private student loan program offered to Corinthian students as part of a scheme to allow Corinthian to present a façade of compliance with federal laws requiring that a certain portion of a for-profit school's revenue come from sources other than federal student aid. The Complaint also alleges that Defendants profited from this scheme, and in doing so, took unreasonable advantage of Corinthian's student borrowers who were unaware of the scheme associated with this loan program, and therefore were unable to protect their interests in taking out such loans.

The Securities and Exchange Commission commenced the Receivership Action in this Court on March 10, 2016 to, among other things, obtain injunctive relief against Defendants for violation of certain federal securities laws, and place Defendants and certain other related parties in receivership for purposes of orderly liquidation. The Court entered a preliminary injunction against Defendants on March 14, 2016, and by Order dated April 14, 2016 (Receivership Order) appointed the Receiver for Defendants and certain other related parties. Pursuant to the Receivership Order, the Receiver has the power and authority to enter into this Stipulated Final Judgment and Order (Order) and to perform certain duties set forth in this Order during the pendency of the Receivership.

The parties, by and through respective counsel, have requested the Court to enter this Order to resolve all matters in dispute arising from the conduct alleged in the Complaint.

I. FINDINGS

1. This Court has jurisdiction over the parties and the subject matter of this action.
2. The parties agree to entry of this Order to settle and resolve all matters in dispute arising from the conduct of Defendants alleged in the Complaint.
3. The Bureau makes no allegations against the Receiver, but only against Defendants. The Receiver is obligated under this Order for the sole purpose of acting on behalf of the Defendants to grant certain monetary relief from the assets of the Receivership and to perform certain obligations to the Bureau set forth in this Order. Defendants neither admit nor deny any allegation in the Complaint, except that for purposes of this Order, Defendants admit the facts necessary to establish the Court's jurisdiction over Defendants and the subject matter of this action.
4. The loan reductions, discharges and cancellations described in this judgment are based on alleged infirmities that relate back to the original sale of educational services by Corinthian and are for the purpose of correcting these alleged unlawful business practices by the Defendants, including alleged unfair, deceptive, and abusive acts and practices.
5. Defendants waive service under Rule 4(d) of the Federal Rules of Civil Procedure and waive all rights to seek judicial review or otherwise challenge or contest the validity of this Order. Defendants also waive any claims that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the

date of this Order. Each party will bear its own costs and expenses, including, without limitation, attorneys' fees.

6. Entry of this Order is in the public interest.

II. DEFINITIONS

7. "Affected Consumers" means all consumers who were Borrowers of Aequitas Genesis Loans and have remaining unpaid amounts on such loans as of the Record Date.

8. "Active Aequitas Genesis Loans" means, as of the Record Date, all Aequitas Genesis Loans, with the exception of Defaulted Genesis Loans and Aequitas Closed School Loans.

9. "Defendants" means Aequitas Capital Management Inc., Aequitas Management LLC, Aequitas Holdings LLC, Aequitas Commercial Finance LLC, Campus Student Funding LLC, CSF Leverage I LLC, Aequitas Income Opportunity Fund, and Aequitas Income Protection Fund, as named in the Complaint.

10. "Aequitas Genesis Loan" means any private student loan referred to in the Complaint as either a Genesis loan or EducationPlus loan, which was made to a Borrower to pay for tuition, cost of living expenses and/or fees to attend a Corinthian school, and which as of the Record Date still has an outstanding balance on the books and records of Defendants in the possession of the Receiver (or on the books and records of servicers of said loans).

11. "Borrower" means a consumer who was a borrower of an Aequitas Genesis Loan, and his/her/its successors or assigns.

12. "Closed School Loan " means an Aequitas Genesis Loan to a Borrower who did not graduate or complete his/her course work and who (a) attended one of the

Corinthian schools that Corinthian announced on April 27, 2015 would be closed (listed on Schedule 1 to this Order) and was either attending such school when it closed or withdrew from such school on or after June 1, 2014, or (b) attended one of the Corinthian schools sold to Zenith (listed on Schedule 2 to this Order) and whose loan is included on a list agreed upon between the Receiver and the Bureau prior to the filing of the Complaint.

13. “Defaulted Aequitas Genesis Loan” means an Aequitas Genesis Loan that is 270 days or more past due, charged off, or cancelled as of the Record Date.

14. “Current Payment Amount” is the monthly payment amount designated for each Active Aequitas Genesis Loan in order to keep the account current and non-delinquent.

15. “Effective Date” means the date on which this Order is entered on the docket.

16. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his or her delegate.

17. “Re-Amortization Payment Amount” is a new payment amount per month for each Active Aequitas Genesis Loan, calculated based on the principal reduction provided for in paragraph 32 as of the Effective Date such that the Active Aequitas Genesis Loan will be fully paid if the Re-Amortization Payment Amount is paid by the Borrower each month on time, by the end of that loan’s actual or, in the case of loans that have ever been in or are currently in a forbearance plan, estimated remaining term.

18. “Receiver” means Ronald Greenspan, receiver of Aequitas, named as such in the Receivership Order, or any other receiver that is appointed by a superseding order in the same litigation.

19. “Receivership Action” means the matter of *SEC v. Aequitas Management, LLC, et al.*, No. 3:16-cv-438(PK) (D. Or.).

20. “Receivership Order” means the Order Appointing Receiver, ECF No. 156, *SEC v. Aequitas Management, LLC, et al.*, No. 3:16-cv-438(PK) (D. Or. Apr. 14, 2016).

21. “Record Date” means March 31, 2017.

22. “Retained Personnel” means the agents of the Receiver, as defined by the Receivership Order.

III. ORDER

A. CONDUCT PROVISIONS

IT IS HEREBY ORDERED as follows:

23. Defendants and their respective officers, agents, servants, employees and attorneys, who have actual notice of this Order, whether acting directly or indirectly, may not violate §§ 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, including by engaging in abusive acts or practices in connection with lending to students of for-profit schools.

24. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, shall obtain the following reports from servicers currently servicing the Aequitas Genesis Loans, with data as of the Record Date. Upon obtaining such reports, the Defendants or the Receiver on behalf of the Defendants shall provide copies of them to the Bureau. The following reports are to be obtained, to the extent the specified loan-level data are available:

- a. a report of all Aequitas Genesis Loans including for each such Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Aequitas Genesis Loan, the associated

Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

b. a report of all Active Aequis Genesis Loans including for each such Active Aequis Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Active Aequis Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

c. a report of all Defaulted Aequis Genesis Loans, including for each such Defaulted Aequis Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Defaulted Aequis Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

d. a report of all Closed School Loans, including for each such Closed School Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Closed School Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

25. For each Closed School Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from:

a. Engaging in any collection activity with respect to each such Closed School Loan; however, Defendants will not be regarded as in violation of this Order if they send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;

b. Accepting any future payment on any such Closed School Loan, including any future payment made in connection with any statement or notice permitted by subparagraph (a), provided, however, that in the event that such a payment is discovered to be accepted and processed, Defendants, or the Receiver acting on Defendants' behalf, will return the payment to the Borrower within a reasonable time; and

c. Reselling, transferring, or assigning any such Closed School Loan.

26. For each Defaulted Aequitas Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from:

a. Engaging in any collection activity with respect to each such Defaulted Aequitas Genesis Loan; however, Defendants will not be regarded as in violation of this Order if they send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;

b. Accepting any future payment on any such Defaulted Aequitas Genesis Loan, including any future payment made in connection with any statement or notice permitted by subparagraph (a), provided, however, that in the event that such a payment is discovered to be accepted and processed, Defendants, or the Receiver acting on Defendants' behalf, will return the payment to the Borrower within a reasonable time; and

c. Reselling, transferring, or assigning any such Defaulted Aequitas Genesis Loan.

27. For each Active Aequitas Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from:

a. Reselling, transferring, or assigning any such Active Aequitas Genesis Loan, unless:

i. Defendants, or the Receiver on behalf of Defendants, ensure that the principal amount of each such loan sold, transferred or assigned reflects the reduction required in paragraph 32;

ii. Within five business days of reaching an agreement in principle to sell, transfer or assign any Active Aequitas Genesis Loans, in which the terms have been agreed upon by the parties but the Receiver has not yet sought the authority of the Receivership Court to make such a sale, transfer, or assignment, Defendants, or the Receiver on behalf of Defendants, must provide the Bureau:

1. notice of the fact that such agreement in principle has been reached;
2. the name of the proposed purchaser, transferee or assignee;
3. the list of Active Aequitas Genesis loans to be sold, transferred or assigned; and
4. the proposed written agreement memorializing the terms of the proposed sale, transfer, or assignment;

iii. Within five business days prior to filing a motion seeking court approval for any such sale, transfer or assignment of Active Aequitas Genesis Loans, Defendants, or the Receiver on behalf of Defendants, must provide the Bureau:

1. notice of its intention to file any such motion; and

2. the proposed motion papers, including any attachments thereto;

iv. Defendants, or the Receiver on behalf of Defendants, ensure that the final agreement memorializing any such sale, transfer or assignment of any Active Aequitas Genesis Loans contains a provision requiring the purchaser, transferee or assignee to adopt or abide by the terms and provisions of this Order requiring ongoing performance for the Bureau;

b. Any motion seeking approval for any such sale, transfer or assignment of Active Aequitas Genesis Loans shall (1) contain a request to the Court that the terms of this Order requiring ongoing performance for the Bureau shall be enforceable against the purchaser, transferee or assignee; and (2) not seek to sell, transfer or assign such loans free and clear of rights, claims or defenses of any borrower, co-borrower or guarantor on any such Loan.

28. For each Active Aequitas Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of 60 days after the Effective Date from:

a. Engaging in any collection activity with respect to each such Active Aequitas Genesis Loan that seeks an amount in principal greater than the amount identified in paragraph 32, including by:

i. calculating interest or fees based on a principal amount greater than the amount identified in paragraph 32, however, in the event interest or fees have been calculated on a principal amount greater than the amount identified in paragraph 32, the excess amounts that have been paid by the Borrower will be applied to the Borrower's principal balance

unless the Borrower seeks a refund of such improperly charged amounts, in which case the Borrower will be supplied a refund; and

ii. representing to the Borrower of any such Active Aequitas Genesis Loan that the principal amount owed is greater than the amount identified in paragraph 32.

29. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must request that and use commercially reasonable efforts to follow up with any servicer that furnished trade line information for Aequitas Genesis Loans to credit reporting agencies to furnish deletion codes to said credit reporting agencies to delete such information from subject Borrowers' credit reports. For Borrowers of Active Aequitas Genesis Loans who perform under such Loans after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer to report such performance to credit reporting agencies in accordance with applicable law. For any Borrowers who become or continue to be delinquent or in default after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer to report such Borrowers' status to credit reporting agencies in accordance with applicable law; however, any such reporting shall reflect the balance as modified by this Order.

30. Defendants, or the Receiver on behalf of Defendants, shall direct any person or entity collecting on Active Aequitas Genesis Loans to fully comply with all applicable requirements of the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. §§ 1692 *et seq.*, in any such collection.

B. REDRESS AND REMEDIATION

IT IS FURTHER ORDERED that:

31. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, will discharge and cancel all amounts shown as owed in the report provided to the Bureau under paragraph 24, including principal, interest, fees or any other amounts, in connection with:

- a. all Closed School Loans; and
- b. all Defaulted Aequitas Genesis Loans.

32. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, shall reduce the principal amount owed as of the Record Date on each Active Aequitas Genesis Loan, as identified in the report provided to the Bureau under paragraph 24, by 55% and discharge and cancel such principal and any accrued and unpaid interest, fees and charges that are 30 or more days past due as of the Record Date.

33. Defendants, or the Receiver on behalf of Defendants, shall use commercially reasonable efforts to obtain guidance from the Internal Revenue Service indicating that the Receiver is not required to make federal tax filings (including sending 1099 forms to Borrowers) as a result of the debt relief provided in this Order, prior to the time such forms would be required to be sent. If the Receiver, in consultation with his counsel, is satisfied that such guidance is reliable, the Receiver shall not make applicable federal tax filings and shall not send Borrowers 1099 forms.

34. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of a Closed School Loan and each Borrower of a Defaulted Aequitas Genesis Loan with the following notice within 90 days of the Effective Date. Nothing else but

such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- a. The outstanding amount that had been owed under each Aequitas Genesis Loan as of the Record Date by such Borrower;
- b. The fact that each such amount has been reduced, discharged and canceled in full and such Borrower no longer owes any amounts under his or her Aequitas Genesis Loan;
- c. The fact that the cancellation of the amounts owed for each such Aequitas Genesis Loan is pursuant to this Order;
- d. The fact that the Borrower will not be subjected to any new debt-collection or credit-reporting activities related to each such Aequitas Genesis Loan;
- e. Any such reduction, discharge or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;
- f. No amounts that were due and owing and were paid prior to the Record Date will be returned to the Borrower.

35. Within 90 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of an Active Aequitas Genesis Loan written notice as described in paragraph 37 of his/her option to either continue paying the Current Payment Amount on the lowered principal balance or elect to have the loan re-amortized using the lowered principal balance and remaining term of the subject loan, which will result in a Re-Amortization Payment Amount. No such notice is required to a Borrower and no Re-Amortization Payment Amount will be available to a Borrower,

however, if such Borrower's Current Payment Amount before re-amortization is less than \$20; in any event, a Borrower's Re-Amortization Payment Amount will not be less than \$20.

36. Each Borrower of an Active Aequitas Genesis Loan will have 90 days from the mailing date of such notice to make his/her election by completing the notice and returning it to Defendants, the Receiver (on behalf of Defendants) or the applicable servicer. If the Borrower does not make such an election, he or she will be required to pay the Current Payment Amount and the loan will not be re-amortized. For Borrowers as to whom Defendants, the Receiver on behalf of Defendants or the applicable servicer timely have received affirmative notice of election of the Re-Amortization Payment Amount, within 30 days following the expiration of the 90 day election period, Defendants, or the Receiver on behalf of Defendants, will re-amortize loans and adjust the monthly payment amount for all future unbilled and un-accrued loan payments to the Re-Amortization Payment Amount. Notwithstanding the foregoing, for any Active Aequitas Genesis Loan which already has been amended or modified pursuant to a forbearance plan to provide a Borrower with a monthly payment that is less than the applicable Re-Amortization Payment Amount and the Borrower has elected to accept the re-amortization option, Defendants, or the Receiver on behalf of Defendants, shall not be required to adjust the monthly payment until the end of the applicable forbearance period. Defendants, or the Receiver on behalf of Defendants, will adjust the monthly payment to a Re-Amortization Payment Amount based on the principal balance of the Borrower's loan at the end of the applicable forbearance period.

37. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of an Active Aequitas Genesis Loan with the following notice pursuant to

paragraph 35. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- a. Identification information that associates the loan to the Borrower;
- b. The amount of principal owed as of the Record Date of each Active Aequis Genesis Loan associated with such Borrower;
- c. The amount of principal owed for each such Active Aequis Genesis Loan after the reduction required in paragraph 32 has been applied;
- d. A statement notifying the Borrower that the principal has been reduced by 55% pursuant to this Order;
- e. A Re-Amortization Payment Amount option whereby the Borrower has 90 days from the mailing date of such notice to inform the servicer of his or her election to opt-in and have his or her loan re-amortized with the minimum monthly payment modified from the Current Payment Amount to a Re-Amortization Payment Amount;
- f. The fact that if the Borrower does not make such an election by the required date, the Current Payment Amount will continue as the amount due on his or her loan each month;
- g. The fact that replacing the Current Payment Amount with the Re-Amortization Payment Amount may reduce the amount such Borrower pays each month but will cost the Borrower more over the life of the loan than if he or she continued with the Current Payment Amount;

h. The fact that a Borrower's election will not waive any rights, claims or defenses that the Borrower and any co-borrower or guarantor may have with respect to the loan.

i. The fact that continuing to pay the Current Payment Amount (or more) each month will result in full satisfaction of his or her loan before the payment term has expired, and will cost the Borrower less overall than if he or she elected to use the Re-amortization Payment Amount;

j. The following specific information individualized for each Borrower on an Active Aequitas Genesis Loan:

i. The estimated total amount of principal and interest the Borrower will pay if the Borrower pays each current Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

ii. The estimated total amount of principal and interest that the Borrower will pay if the Borrower elects his or her option to pay the Re-Amortization Payment Amount and pays such Re-Amortization Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

k. Any reduction, discharge or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;

l. A statement notifying the Borrower that, if the Borrower desires, the Borrower at any time may make payments larger than the Re-Amortization

Payment Amount, which if the loan is current would result in a shorter payoff period and interest savings; and

m. A statement notifying Borrowers on forbearance plans of their alternative payment options as set forth in paragraph 36.

n. A statement notifying Borrowers that the relief described does not waive or extinguish any rights, claims or defenses that the Borrower, any co-borrower and/or guarantor may have with respect to his or her loan.

38. A proposed form of the notices required by paragraph 34 and 35 shall be provided to the Enforcement Director for his non-objection within 30 days of the Effective Date.

39. Defendants, or the Receiver on behalf of Defendants, shall include no materials other than the notices provided in paragraphs 34 and 35 in any envelope containing such notices, unless Defendants, or the Receiver on behalf of Defendants, have obtained written confirmation from the Enforcement Director that the Bureau does not object to the inclusion of such materials.

C. REPORTING REQUIREMENTS

IT IS FURTHER ORDERED that:

40. Defendants, or during the pendency of the Receivership Receiver on behalf of Defendants, shall notify the Bureau of any development that may affect their obligations arising under this Order, including, but not limited to, the replacement of the Receiver or the filing of any bankruptcy or insolvency proceeding by or against Defendants. Defendants, or the Receiver on behalf of Defendants, must provide this notice at least 30 days before the development or as soon as practicable after learning about the development, whichever is sooner.

41. Within 180 days of the Effective Date, and again one year after the Effective Date, Defendants, or the Receiver on behalf of Defendants, must submit to the Enforcement Director an accurate written compliance progress report, which, at a minimum:

a. Describes in detail the manner and form in which Defendants, or the Receiver on behalf of Defendants, as applicable, have complied with this Order; and

b. Attaches a copy of each Order Acknowledgment obtained under Section D, unless previously submitted to the Bureau.

42. Defendants, or the Receiver on behalf of Defendants, in carrying out the provisions of this Order, are permitted to make such adjustments to loan balance amounts, accrual of interest and Borrower payment amounts and process refunds to Borrowers (including providing Borrower refunds or reimbursements not expressly required by this Order) as may be necessary to assure compliance with this Order, but in any event in a manner that is fair and transparent to Borrowers subject to such adjustments and in a manner that is otherwise in compliance with this Order.

D. ORDER DISTRIBUTION AND ACKNOWLEDGEMENT

IT IS FURTHER ORDERED that:

43. Within 15 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must deliver a copy of this Order to each employee or agent of the Receiver who or which is, as of the Effective Date, employed or retained by the Receiver and who or which has responsibilities that extend beyond the Effective Date related to the subject matter of this Order.

44. Within 30 days of the Effective Date, the Receiver shall provide a signed and dated statement to the Bureau of the Receiver's compliance with paragraph 43, and shall provide a signed and dated statement from the servicer, or any other third-party service provider tasked with carrying out responsibilities under this Order, acknowledging receipt of this Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. §§ 7001 et. seq..

E. RECORDKEEPING

IT IS FURTHER ORDERED that:

45. Defendants, or the Receiver on behalf of Defendants, must maintain for 3 years from the Effective Date or the duration of the Receivership, whichever is lesser, all documents and records necessary to demonstrate full compliance with this Order, including all submissions to the Bureau.

46. Aequitas, or the Receiver on Aequitas's behalf, must make the documents identified in paragraph 45 available to the Bureau upon the Bureau's request.

F. NOTICES

IT IS FURTHER ORDERED that:

47. Unless otherwise directed in writing by the Bureau, Defendants, or the Receiver on behalf of Defendants, must provide all submissions, requests, communications, or other documents relating to this Order in writing, with the subject line *CFPB v. Aequitas Management, LLC*, [CASE CAPTION] and send them either

a. By overnight courier (not the U.S. Postal Service), as follows:

Assistant Deputy Enforcement Director

Consumer Financial Protection Bureau

ATTENTION: Office of Enforcement

1700 G Street NW

Washington, DC 20552; or

b. By first-class mail to the below address and contemporaneously by email to Enforcement_Compliance@cfpb.gov:

Assistant Deputy Enforcement Director

ATTENTION: Office of Enforcement

1700 G Street NW

Washington, DC 20552

G. COOPERATION WITH THE BUREAU

IT IS FURTHER ORDERED that:

48. Defendants, or during the pendency of the Receivership the Receiver on behalf of Defendants, will cooperate fully with the Bureau as necessary to achieve the goals and carry out the requirements of this Order.

49. Defendants, or during the pendency of the Receivership the Receiver on behalf of Defendants, will cooperate fully to help the Bureau determine the identity and the location of, and the relief provided pursuant to this Order for each Affected Consumer, from the information within Defendants' or the Receiver's possession and control or a servicer's system of record.

H. MODIFICATIONS TO NON-MATERIAL REQUIREMENTS

IT IS FURTHER ORDERED that:

50. Notwithstanding the provisions of paragraph 53 (section K), any time limits for performance fixed by this Order may be extended by mutual written agreement of the

parties (or, as applicable, the Receiver) and without further Court approval.

Additionally, details related to the administration of Sections C through G of this Order may be modified by written agreement of the parties (or, as applicable, the Receiver) and without further Court approval. Any other modifications to this Order may be made only upon approval of the Court, upon motion by any party.

I. RELEASE

IT IS FURTHER ORDERED that:

51. The Bureau releases and discharges Defendants from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in the Complaint, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Order in future enforcement actions against Defendants, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Order, or to seek penalties for any violations of the Order.

J. LIMITATION OF LIABILITY UNDER RECEIVERSHIP ORDER

IT IS FURTHER ORDERED that:

52. Notwithstanding any other terms, conditions or provisions of this Order, pursuant to the Receivership Order, the Receiver and the Retained Personnel are entitled to rely on all outstanding rules of law and the orders of the Receivership Court and shall not be liable to any person or party (including, without limitation, the Bureau)

for their own good faith compliance with this Order. Pursuant to the Receivership Order, in no event shall the Receiver or Retained Personnel be liable to any person or party (including, without limitation, the Bureau) for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by the Receivership Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

K. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that:

53. This Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

IT IS SO ORDERED.

Dated this ____ day of _____, 2017.

United States District Judge

Schedule 1

Corinthian Closed School OPEID List (Per the Department of Education Listing)

OPEID	School Name	Location	Street Address	City	State	Corinthian School #
809000	Everest College	Everest College	2215 Mission Road	Alhambra	CA	180
1110700	Everest College	Everest College	511 North Brookhurst Street	Anaheim	CA	171
1112300	Everest College	Everest College	1045 Wt Redondo Beach Blvd	Gardena	CA	186
3072300	Everest College	Everest College	1460 S. Milliken Ave	Ontario	CA	245
449400	Everest College	Everest College	217 E. Club Center Drive, Ste A	San Bernardino	CA	182
449401	Everest College - Santa Ana	Everest College - Santa Ana	500 West Santa Ana Boulevard	Santa Ana	CA	172
449402	Everest College - Ontario	Everest College - Ontario	1819 South Excise Avenue	Ontario	CA	564
481100	Everest Institute	Everest Institute	1630 Portland Avenue	Rochester	NY	692
1110900	Everest College	Everest College	18040 Sherman Way	Reseda	CA	173
2295000	Everest College	Everest College	10400 North 25th Avenue	Phoenix	AZ	575, 975
2295002	Everest College	Everest College	5416 East Baseline	Mesa	AZ	576
3195400	Everest College	Everest College	1231 Cabrillo Avenue	Torrance	CA	155
723400	Heald College	Heald College	875 Howard Street	San Francisco	CA	11101
723401	Heald College - Honolulu	Heald College - Honolulu	1500 Kapliolani Boulevard	Honolulu	HI	11136
723402	Heald College	Heald College	6035 Northeast 78th Court	Portland	OR	11138
723403	Heald College - Kaneoche MCB	Heald College - Kaneoche MCB	Bldg 220, 5th St. Marine Corps	Kaneohe	HI	Unable to Identify
723404	Heald College - Concord	Heald College - Concord	5130 Commercial Circle	Concord	CA	11103, 11199
723405	Heald College - Milpitas	Heald College - Milpitas	341 Great Mall Parkway	Milpitas	CA	11105
723406	Heald College - Hayward	Heald College - Hayward	25500 Industrial Boulevard	Hayward	CA	11104
723407	Heald College - Modesto	Heald College - Modesto	5260 Pirrone Court	Salida	CA	11115
723408	Heald College - Roseville	Heald College - Roseville	Seven Sierra Gate Plaza	Roseville	CA	11156
723409	Heald College - Salinas	Heald College - Salinas	1450 North Main Street	Salinas	CA	11109
723410	Heald College - Stockton	Heald College - Stockton	1605 East March Lane	Stockton	CA	11114
723411	Heald College - Rancho Cordova	Heald College - Rancho Cordova	2910 Prospect Park Drive	Rancho Cordova	CA	11111
723412	Heald College - Fresno	Heald College - Fresno	255 West Bullard	Fresno	CA	11112
723413	Heald College - Fresno Satellite	Heald College - Fresno Satellite	255 East River Park Circle	Fresno	CA	11112
719000	WyoTech	WyoTech	200 Whitney Place	Fremont	CA	412
1287300	WyoTech	WyoTech	2161 Technology Place	Long Beach	CA	274
1287301	WyoTech	WyoTech	3000 S Robertson BLVD #300	Los Angeles	CA	Unable to Identify
1287302	WyoTech	WyoTech	12801 Crossroads Pkwy South	City of Industry	CA	Unable to Identify

Schedule 2

Zenith Closed School OPEID List						Corinthian "Zenith" School #
OPEID	SCHOOL NAME	LOCATION	ADDRESS	CITY	STATE	
2100401	EVEREST INSTITUTE	EVEREST INSTITUTE - KALAMAZOO	5177 WEST MAIN STREET	KALAMAZOO	MI	347
982809	EVEREST INSTITUTE	EVEREST INSTITUTE - CHELSEA	70 EVERETT AVENUE	CHELSEA	MA	315
2300105	EVEREST COLLEGE	EVEREST COLLEGE - EARTH CITY	3420 RIDER TRAIL SOUTH	EARTH CITY	MO	377
2617507	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST INSTITUTE - BENSALAM	3050 TILLMAN DRIVE	BENSALAM	PA	Unable to identify
2100402	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE	8585 BROADWAY SUITE 200	MERRILLVILLE	IN	349
2100400	EVEREST INSTITUTE	EVEREST INSTITUTE	1750 WOODWORTH STREET NORTHEAST	GRAND RAPIDS	MI	345
2298501	EVEREST COLLEGE	EVEREST COLLEGE - FORT WORTH	5237 NORTH RIVERSIDE DRIVE SUITE 200	FORT WORTH	TX	613
149911	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - MERRIONETTE PARK	11560 SOUTH KEDZIE AVENUE	MERRIONETTE PARK	IL	344
2298500	EVEREST COLLEGE	EVEREST COLLEGE	3280 WEST 3500 SOUTH	SALT LAKE CITY	UT	572
450301	EVEREST COLLEGE	EVEREST COLLEGE - MCLEAN	8620 WESTWOOD CENTER DRIVE	VIENNA	VA	626
1185802	EVEREST COLLEGE	EVEREST COLLEGE - BURR RIDGE	6880 NORTH FRONTAGE ROAD SUITE 400	BURR RIDGE	IL	343
1185800	EVEREST COLLEGE	EVEREST COLLEGE	9811 WOODS DRIVE SUITE 200	SKOKIE	IL	341
1185803	EVEREST COLLEGE	EVEREST COLLEGE - MELROSE PARK	1101 WEST NORTH AVENUE SUITE 1	MELROSE PARK	IL	Unable to identify
982810	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE- BEDFORD PARK	7414 SOUTH CICERO AVENUE	BEDFORD PARK	IL	Unable to identify
709100	EVEREST INSTITUTE	EVEREST INSTITUTE	100 FORBES AVENUE KOSSMAN BUILDING SUITE 1200	PITTSBURGH	PA	656
450701	EVEREST COLLEGE	EVEREST COLLEGE- EVEREST COLLEGE AURORA	14280 EAST JEWELL AVENUE SUITE 100	AURORA	CO	509
982806	EVEREST INSTITUTE	EVEREST INSTITUTE - JONESBORO	6431 TARA BOULEVARD	JONESBORO	GA	353
2606200	EVEREST COLLEGE	EVEREST COLLEGE	981 POWELL AVENUE SW SUITE 200	RENTON	WA	116
982801	EVEREST INSTITUTE	EVEREST INSTITUTE- DEARBORN	23400 MICHIGAN AVENUE SUITE 200	DEARBORN	MI	337
907901	EVEREST COLLEGE	EVEREST COLLEGE	STONEMILL CENTER SUITE 130 120 NORTHEAST 136TH AVENUE	VANCOUVER	WA	548
907900	EVEREST COLLEGE	EVEREST COLLEGE	600 SW 10TH AVENUE SUITE 400	PORTLAND	OR	547
2617509	EVEREST COLLEGE	EVEREST COLLEGE	NORTHGATE MERIDIAN BUILDING 2111 NORTH NORTHGATE WAY SUITE 300	SEATTLE	WA	390
2300106	EVEREST COLLEGE	EVEREST COLLEGE	155 WASHINGTON AVENUE SUITE 200	BREMERTON	WA	397
149908	EVEREST UNIVERSITY	EVEREST UNIVERSITY - LAKELAND	995 EAST MEMORIAL BOULEVARD	LAKELAND	FL	765
149912	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - KANSAS CITY	1740 WEST 92ND STREET	KANSAS CITY	MO	320

EXECUTION DRAFT [8/15/17]

IN THE MATTER OF:

Ronald F. Greenspan, Receiver for Aequis Capital Management, Inc., Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Campus Student Funding, LLC, CSF Leverage I, LLC, Aequis Income Opportunity Fund II, LLC and Aequis Income Protection Fund, LLC

**ASSURANCE OF VOLUNTARY COMPLIANCE/
ASSURANCE OF VOLUNTARY DISCONTINUANCE**

This Assurance of Voluntary Compliance/Assurance of Voluntary Discontinuance (“Settlement” or “Assurance”) is entered into between the States of Connecticut, Illinois, Iowa, Kentucky, New York, Pennsylvania, Texas, and Washington (the “States” or individually, a “State”), acting through their respective Attorney General, Departments of Justice, or Offices of Consumer Protection (“Attorneys General”) and Ronald F. Greenspan, the duly appointed Receiver of Aequis Management, LLC, *et al.*, pursuant to the Order Appointing Receiver dated April 14, 2016 (the “Receivership Order”) in Securities and Exchange Commission v. Aequis Management, LLC *et al.*, Case No. 3:16-cv-00438-PK, United States District Court for the District of Oregon (the “Receivership Court”), to settle concerns that conduct of Aequis Capital Management, Inc., Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Campus Student Funding, LLC, CSF Leverage I, LLC, Aequis Income Opportunity Fund II, LLC and Aequis Income Protection Fund, LLC (collectively, the “Aequis Parties”) violated Sections 1031 and 1036 of the Dodd-Frank Act (12 U.S.C. §§ 5531

and 5536), relating to unfair, deceptive or abusive acts or practices, and the States' consumer protection laws relating to unfair and deceptive business acts and practices. The States and the Receiver (on behalf of the Aequitas Parties) have agreed to execute this Assurance for the purposes of settlement only.

I. BACKGROUND

- A. The Securities and Exchange Commission commenced its receivership action in the Receivership Court on March 10, 2016 to, among other things, obtain injunctive relief against the Aequitas Parties and certain of their principals and affiliates for violation of certain federal securities laws and place the Aequitas Parties and certain other related parties in receivership for purposes of orderly liquidation (referred to herein as the "Receivership Action"). The Receivership Court entered a preliminary injunction against the Aequitas Parties and certain other related parties on March 15, 2016 and appointed Ronald F. Greenspan as interim receiver, and by the Receivership Order appointed the Receiver for the Aequitas Parties and certain other related parties. Pursuant to the Receivership Order, the Receiver has the power and authority to enter into this Assurance with the Attorneys General and to perform certain duties set forth in this Assurance during the pendency of the Receivership.
- B. This Assurance is the result of the Receiver working cooperatively with the Attorneys General of the States.
- C. Each of the States has enacted a statute relating to unfair and deceptive business acts and practices, as depicted on Schedule 1 attached hereto and incorporated herein by reference ("State Laws"), and in addition each states is empowered to

enforce the Consumer Financial Protection Act (“CFPA”) pursuant to 12 U.S.C. 5552.

- D. The Attorneys General initiated an investigation of the relationship between Corinthian Colleges, Inc. (“Corinthian”) and the Aequitas Parties, with respect to the origination and servicing of private student loans. The Attorneys General discovered evidence supporting the following allegations:
- i. The Aequitas Parties funded and maintained a private student loan program offered to Corinthian students, which enabled Corinthian to present a façade of compliance with federal laws requiring that a certain portion of a for-profit school’s revenue come from sources other than federal student aid, and in doing so took unreasonable advantage of and engaged in unfair and deceptive acts toward Corinthian student borrowers who were unaware of the scheme associated with this loan program, and therefore were unable to protect their interests in taking out such loans.
 - ii. Starting in 2011, Corinthian made an arrangement with the certain of the Aequitas Parties in which such Aequitas Parties purchased existing student loan portfolios and began funding or purchasing new private student loans originated by depository institutions. The arrangement made it appear as if Corinthian was not funding the loans. Yet, central to the arrangement was an agreement by Corinthian to purchase all the private student loans that became delinquent more than 90 days, essentially shifting the risk of the program from the Aequitas Parties back to Corinthian.

- iii. The Aequitas Parties knew that the underlying tuition charge that the Genesis loans funded, as well as the Genesis Loans themselves, were intended to provide no economic benefit to Corinthian except access to Title IV funds. For example, default rates in the Genesis Loan Program were historically high – between 50 and 70 percent, such that the Genesis Loan Program essentially functioned as a loss leader for Corinthian, regardless of the outcomes for student borrowers. Corinthian Students were never told of the loan default rates.
 - iv. The Aequitas Parties were a necessary player in this scheme, which enriched the Aequitas Parties with performing loans at high interest rates and enabled Corinthian to continue in existence by keeping Title IV revenue flowing.
 - v. Corinthian students, however, were never told that the portion of tuition funded by the private student loans, as well as the loans themselves, were a sham to get access to federal funds.
 - vi. Corinthian induced students to enroll with systemic misrepresentations of job placement rates and career services supports available to students. Ultimately, Corinthian students were the ones left holding the bag, often with expensive debt that many would not be able to repay.
- E. The Receiver, on behalf of the Aequitas Parties, fully cooperated in the States' investigation. Specifically, the States issued subpoenas and/or requested information from the Receiver in the Receiver's possession related to the Aequitas Parties and Corinthian and the Receiver produced a substantial volume of documents and information in response. The Attorneys General and the

Receiver, on behalf of the Aequitas Parties, also conferred on multiple occasions to discuss the issues raised in the Attorneys General investigation.

- F. The Receiver is obligated under this Assurance for the sole purpose of acting on behalf of the Aequitas Parties, during the duration of the Receivership, to grant certain monetary relief from the assets of the Receivership and to take certain actions (in his capacity as Receiver) for the benefit of residents of the states represented by the Attorneys General and in compliance with requirements of the Attorneys General under this Assurance (as more particularly set forth below).
- G. The loan reductions, discharges and cancellations described in this Settlement are based on alleged infirmities that relate back to the original sale of educational services by Corinthian and are for the purpose of correcting these alleged unlawful business practices by the Aequitas Parties, including alleged unfair, deceptive, and abusive acts and practices.

II. DEFINITIONS

For purposes of this Assurance, the following terms used herein shall have the following meanings for purposes of this Assurance only.

- A. [INTENTIONALLY OMITTED]
- B. “Affected Consumers” means all consumers who were Borrowers of Aequitas Genesis Loans and have remaining unpaid amounts on such loans as of the Record Date.

- C. “Active Aequitas Genesis Loans” means, as of the Record Date, all Aequitas Genesis Loans, with the exception of Defaulted Genesis Loans and Aequitas Closed School Loans.
- D. “Aequitas Parties” has the meaning ascribed in the first paragraph of this Assurance.
- E. “Aequitas Genesis Loan” means any private student loan which was made to a Borrower to pay for tuition, cost of living expenses and/or fees to attend a Corinthian school, and which as of the Record Date is still outstanding on the books and records of the Aequitas Parties in the possession of the Receiver (or on the books and records of servicers of said loans).
- F. “Borrower” means a consumer resident of one of the states represented by the Attorneys General who was a borrower of an Aequitas Genesis Loan, and his/her/its successors or assigns.
- G. “CFPB Order” shall have the meaning ascribed in Section III.19. below.
- H. “Closed School Loan ” means an Aequitas Genesis Loan to a Borrower who did not graduate or complete his/her course work and who (a) attended one of the Corinthian schools that Corinthian announced on April 27, 2015 would be closed and described on Schedule 2 to this Assurance and was either attending such school when it closed or withdrew from such school on or after June 1, 2014, or (b) attended one of the Corinthian schools sold to Zenith as

denoted on Schedule 3 to this Assurance and whose loan is depicted on a list agreed upon between the Receiver and the Attorneys General.

- I. “Defaulted Aequis Genesis Loan” means an Aequis Genesis Loan that is 270 days or more past due, charged off, or cancelled as of the Record Date.
- J. “Current Payment Amount” is the monthly payment amount designated for each Active Aequis Genesis Loan in order to keep the account current and non-delinquent.
- K. “Effective Date” means the date on which this Assurance is signed by the parties hereto.
- L. “Re-Amortization Payment Amount” is a new payment amount per month for each Active Aequis Genesis Loan, calculated based on the principal reduction provided for in Section III.10. below as of the Record Date such that the Active Aequis Genesis Loan will be fully paid if the Re-Amortization Payment Amount is paid by the Borrower each month on time, by the end of that loan’s actual or, in the case of loans that have ever been in or are currently in a forbearance plan, estimated remaining term.
- M. “Receiver” means Ronald F. Greenspan, receiver of the Aequis Parties, named as such in the Receivership Order, or any other receiver that is appointed by a superseding order in the same litigation.
- N. “Receivership Action” has the meaning ascribed in Section I.A. above.

- O. “Receivership Court” has the meaning ascribed in the first paragraph of this Assurance.
- P. “Receivership Order” has the meaning ascribed in the first grammatical paragraph of this Assurance.
- Q. “Record Date” means March 31, 2017.
- R. “Reports” has the meaning ascribed in Section III.B.19 below.
- S. “Retained Personnel” means the agents of the Receiver, as defined by the Receivership Order.
- T. “State Laws” has the meaning ascribed in Section I.C. above.

III. AGREED UPON TERMS

A. CONDUCT PROVISIONS

1. The Aequitas Parties and their respective officers, agents, servants, employees and attorneys, who have actual notice of this Assurance, whether acting directly or indirectly, may not violate §§ 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, and State Laws, including by engaging in unfair, deceptive or abusive acts or practices in connection with lending to students of for-profit schools.
2. Within 30 days of the Effective Date, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, shall obtain the following reports from servicers currently servicing the Aequitas Genesis Loans, with data as of the Record Date. Upon obtaining such reports, the Aequitas Parties or the Receiver on behalf of the Aequitas Parties shall provide copies of them to the Attorneys General. The following reports are to be obtained, to the extent the specified loan-level data are available:
 - a. a report of all Aequitas Genesis Loans including for each such Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Aequitas Genesis Loan, the associated Borrower's name, a

unique identifying number, and most currently available postal address, phone number, and email address.

- b. a report of all Active Aequitas Genesis Loans including for each such Active Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Active Aequitas Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.
- c. a report of all Defaulted Aequitas Genesis Loans, including for each such Defaulted Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Defaulted Aequitas Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.
- d. a report of all Closed School Loans, including for each such Closed School Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Closed School Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

3. For each Closed School Loan, the Aequitas Parties, and the Receiver on behalf of the Aequitas Parties, shall not after the Effective Date:
 - a. Engage in any collection activity with respect to each such Closed School Loan; however, the Aequitas Parties will not be regarded as in violation of this Assurance if they send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;
 - b. Accept any future payment on any such Closed School Loan, including any future payment made in connection with any statement or notice permitted by subsection a., provided, however, that in the event that such a payment is discovered to be accepted and processed, the Aequitas Parties, or the Receiver acting on the Aequitas Parties' behalf, will return the payment to the Borrower within a reasonable time; and
 - c. Resell, transfer, or assign any such Closed School Loan.
4. For each Defaulted Aequitas Genesis Loan, the Aequitas Parties, and the Receiver on behalf of the Aequitas Parties, shall not after the Effective Date:
 - a. Engage in any collection activity with respect to each such Defaulted Aequitas Genesis Loan; however, the Aequitas Parties will not be regarded as in violation of this Assurance if they send

out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;

- b. Accept any future payment on any such Defaulted Aequis Genesis Loan, including any future payment made in connection with any statement or notice permitted by subsection a., provided, however, that in the event that such a payment is discovered to be accepted and processed, the Aequis Parties, or the Receiver acting on behalf of the Aequis Parties, will return the payment to the Borrower within a reasonable time; and
 - c. Resell, transfer, or assign any such Defaulted Aequis Genesis Loan.
5. For each Active Aequis Genesis Loan, the Aequis Parties, and the Receiver on behalf of the Aequis Parties, shall not after the Effective Date:
- a. Resell, transfer, or assign any such Active Aequis Genesis Loan, unless:
 - i. The Aequis Parties, or the Receiver on behalf of the Aequis Parties, ensure that the principal amount of each such loan sold, transferred or assigned reflects the reduction required in paragraph 10. below;

- ii. Within five business days of reaching an agreement in principle to sell, transfer or assign any Active Aequitas Genesis Loans, in which the terms have been agreed upon by the parties but the Receiver has not yet sought the authority of the Receivership Court to make such a sale, transfer, or assignment, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must provide to the Attorneys General:
 - 1. notice of the fact that such agreement in principle has been reached;
 - 2. the name of the proposed purchaser, transferee or assignee;
 - 3. the list of Active Aequitas Genesis loans to be sold, transferred or assigned; and
 - 4. the proposed written agreement memorializing the terms of the proposed sale, transfer, or assignment.
- iii. Within five business days prior to filing a motion seeking court approval from the Receivership Court for any such sale, transfer or assignment of Active Aequitas Genesis Loans, the Aequitas Parties, or the Receiver on

behalf of the Aequitas Parties, must provide the Attorneys General with:

1. Notice of its intention to file any such motion; and
 2. The proposed motion papers, including any attachments thereto;
- iv. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, ensure that the final agreement memorializing any such sale, transfer or assignment of any Active Aequitas Genesis Loans contains a provision requiring the purchaser, transferee or assignee to adopt or abide by the terms and provisions of this Assurance requiring ongoing performance for the Attorneys General;
- b. Any motion in the Receivership Court seeking approval for any such sale, transfer or assignment of Active Aequitas Genesis Loans shall contain (1) a request to the Receivership Court that the terms of this Assurance requiring ongoing performance for the Attorneys General shall be enforceable against the purchaser, transferee or assignee, and (2) not seek to sell, transfer or assign such loans free and clear of rights, claims or defenses of any borrower, cosigner or guarantor of any such loan.

6. For each Active Aequitas Genesis Loan, the Aequitas Parties, and the Receiver on behalf of the Aequitas Parties, shall not from 60 days after the Effective Date:
 - a. Engage in any collection activity with respect to each such Active Aequitas Genesis Loan which seeks an amount in principal greater than the amount identified in paragraph 10. below, including by:
 - i. calculating interest or fees based on a principal amount greater than the amount identified in paragraph 10. below, however, in the event interest or fees have been calculated on a principal amount greater than the amount identified in paragraph 10. below, the excess amounts that have been paid will be applied to the account's principal balance unless the Borrower seeks a refund of such improperly charged amounts, in which case the Borrower will be supplied a refund; and
 - ii. representing to the Borrower and any cosigner or guarantor of any such Active Aequitas Genesis Loan that the principal amount owed is greater than the amount identified in paragraph 10. below.

7. Within 30 days of the Effective Date, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must request that and use

commercial reasonable efforts to follow up with any servicer that furnished trade line information for Aequitas Genesis Loans to credit reporting agencies to furnish deletion codes to said credit reporting agencies to delete such information from subject Borrowers', cosigners', or guarantors' credit reports. For Borrowers of Active Aequitas Genesis Loans who perform under such Loans after the Effective Date, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, may direct the servicer to report such performance to credit reporting agencies in accordance with applicable law. For any Borrowers who become or continue to be delinquent or in default after the Effective Date, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, may direct the servicer to report such Borrowers' status to credit reporting agencies in accordance with applicable law; however, any such reporting shall reflect the balance as modified by this Assurance.

8. The Aequitas Parties, or the Receiver on behalf the Aequitas Parties, shall direct any person or entity collecting on Active Aequitas Genesis Loans to fully comply with all applicable requirements of the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. §§ 1692 *et seq.*, as well as State debt collection laws, in any such collection.

B. BORROWER REDRESS AND REMEDIATION

9. Within 60 days after the Effective Date, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, will discharge and cancel all

amounts shown as owed in the report provided to the Attorneys General under paragraph 2. above, including principal, interest, fees or any other amounts, in connection with:

- a. all Closed School Loans; and
 - b. all Defaulted Aequis Genesis Loans.
10. Within 60 days after the Effective Date, the Aequis Parties, or the Receiver on behalf of the Aequis Parties, shall reduce the principal amount owed as of the Record Date on each Active Aequis Genesis Loan, as identified in the report provided to the Attorneys General Bureau under paragraph 2. above, by 55% and discharge such principal and any accrued and unpaid interest, fees and charges that are 30 or more days past due as of the Record Date.
11. The Aequis Parties, or the Receiver on behalf of the Aequis Parties, must provide each Borrower of a Closed School Loan and each Borrower of a Defaulted Aequis Genesis Loan with the following written notice within 90 days of the Effective Date. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- a. The outstanding amount that had been owed under each Aequitas Genesis Loan as of the Record Date by such Borrower;
- b. The fact that each such amount has been discharged in full and such Borrower (and any cosigner or guarantor) no longer owes any amounts under his or her Aequitas Genesis Loan;
- c. The fact that the discharge and cancellation of the amounts owed for each such Aequitas Genesis Loan is pursuant to this Assurance;
- d. The fact that the Borrower (and any cosigner or guarantor) will not be subjected to any new debt-collection or credit-reporting activities related to each such Aequitas Genesis Loan;
- e. Any such discharge or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;
- f. No amounts that were due and owing and were paid prior to the Record Date will be returned to the Borrower (or any cosigner or guarantor); and
- g. Notice of contact information at each Attorney General, should the Borrower have questions about the terms of this Assurance.

12. Within 90 days of the Effective Date, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must provide each Borrower of an Active Aequitas Genesis Loan written notice (as described in paragraph 14 below) of his/her option to either continue paying the Current Payment Amount on the lowered principal balance or elect to have the loan re-amortized using the lowered principal balance and remaining term of the subject loan, which will result in a Re-Amortization Payment Amount. No such notice is required to a Borrower and no Re-Amortization Payment Amount will be available to a Borrower, however, if such Borrower's Current Payment Amount before re-amortization is less than \$20; in any event, a Borrower's Re-Amortization Payment Amount will not be less than \$20.

13. Each Borrower of an Active Aequitas Genesis Loan will have 90 days from the mailing date of such notice to make his/her election by completing the notice and returning it to the Aequitas Parties, the Receiver (on behalf of the Aequitas Parties) or the applicable servicer. If the Borrower does not make such an election, he or she will be required to pay the Current Payment Amount and the loan will not be re-amortized. For Borrowers as to whom the Aequitas Parties, the Receiver on behalf of the Aequitas Parties or the applicable servicer timely have received affirmative notice of election of the Re-Amortization Payment Amount, within 30 days following the expiration of the 90 day election period, the Aequitas Parties, or the Receiver on

behalf of the Aequitas Parties, will re-amortize loans and adjust the monthly payment amount for all future unbilled and un-accrued loan payments to the Re-Amortization Payment Amount. Notwithstanding the foregoing, for any Active Aequitas Genesis Loan which already has been amended or modified pursuant to a forbearance plan to provide a Borrower with a monthly payment that is less than the applicable Re-Amortization Payment Amount and the Borrower has elected to accept the re-amortization option, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, shall not be required to adjust the monthly payment until the end of the applicable forbearance period. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, will adjust the monthly payment to a Re-Amortization Payment Amount based on the principal balance of the Borrower's loan at the end of the applicable forbearance period.

14. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must provide each Borrower of an Active Aequitas Genesis Loan with the following notice pursuant to paragraphs 12. and 13. above. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- a. Identification information that associates the loan to the Borrower;

- b. The amount of principal owed as of the Record Date of each Active Aequitas Genesis Loan associated with such Borrower;
- c. The amount of principal owed for each such Active Aequitas Genesis Loan after the reduction required in paragraph 10. above has been applied;
- d. A statement notifying the Borrower that the principal has been reduced by 55% pursuant to this Assurance;
- e. A Re-Amortization Payment Amount option whereby the Borrower has 90 days from the mailing date of such notice to inform the servicer of his or her election to opt-in and have his or her loan re-amortized with the minimum monthly payment modified from the Current Payment Amount to a Re-Amortization Payment Amount;
- f. The fact that if the Borrower does not make such an election by the required date, the Current Payment Amount will continue as the amount due on his or her loan each month;
- g. The fact that replacing the Current Payment Amount with the Re-Amortization Payment Amount may reduce the amount such Borrower pays each month but will cost the Borrower more over the life of the loan than if he or she continued with the Current Payment Amount;

- h. The fact that a Borrower's election will not waive any rights, claims or defenses that the Borrower and any co-borrower or guarantor may have with respect to the loan;
- i. The fact that continuing to pay the Current Payment Amount (or more) each month will result in full satisfaction of his or her loan before the payment term has expired, and will cost the Borrower less overall than if he or she elected to use the Re-amortization Payment Amount;
- j. The following specific information individualized for each Borrower on an Active Aequitas Genesis Loan:

- i. The estimated total amount of principal and interest the Borrower will pay if the Borrower pays each current Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

- ii. The estimated total amount of principal and interest that the Borrower will pay if the Borrower elects his or her option to pay the Re- Amortization Payment Amount and pays such Re-Amortization Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

- k. Any reduction, discharge or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;
- l. A statement notifying the Borrower that, if the Borrower desires, the Borrower at any time may make payments larger than the Re-Amortization Payment Amount, which if the loan is current would result in a shorter payoff period and interest savings;
- m. A statement notifying Borrowers on forbearance plans of their alternative payment options as set forth in paragraph 13 above; and
- n. A statement notifying Borrowers that the relief described does not waive or extinguish any rights, claims or defenses that the Borrower, any co-borrower and/or guarantor may have with respect to his or her loan;
- o. Notice of contact information at each Attorney General, should the Borrower have questions about the terms of this Assurance; and
- p. Notice of contact information of the servicer of Borrowers' loans, for inquiries about collection, servicing and discharge of loans and related questions.

15. A proposed form of the notices required by paragraphs 11. and 14. above shall be provided to the Attorneys General for non-objection within 30 days of the Effective Date.
16. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, shall include no materials other than the notices provided in paragraphs 11. and 14. above in any envelope containing such notices, unless the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, has obtained written confirmation from the Attorneys General that the Attorneys General do not object to the inclusion of such materials.
17. Notwithstanding any provision in this Assurance to the contrary, the Receiver is permitted to prepare and send out Borrower notices on the same forms as required by the Consumer Financial Protection Bureau under the CFPB Order, with the addition of provisions above required by the Attorneys General.
18. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, in carrying out the provisions of this Assurance, are permitted to make such adjustments to loan balance amounts, accrual of interest and Borrower payment amounts and process refunds to Borrowers (including providing Borrower refunds or reimbursements not expressly required by this Assurance) as may be necessary to assure compliance with this Assurance, but in any event in a manner that is fair and

transparent to Borrowers subject to such adjustments and in a manner that is otherwise in compliance with this Assurance.

19. The parties acknowledge and agree, without limiting the duties of the Aequitas Parties and the Receiver on behalf of the Aequitas Parties under this Assurance, the Aequitas Parties or the Receiver on behalf of the Aequitas Parties will be permitted to submit or provide to the Attorneys General, at the address specified below, communications, reports, notices and other materials called for under this Assurance (collectively, “Reports”) in the same form and under the same terms as the Receiver is required to comply with under the Stipulated Final Judgment and Order with the Consumer Financial Protection Bureau entered in the Receivership Proceeding (“the CFPB Order”). The Attorneys General shall be entitled to rely on such Reports as if submitted or provided directly to the Attorneys General.

20. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, shall use commercially reasonable efforts to obtain guidance from the Internal Revenue Service indicating that the Receiver is not required to make federal tax filings (including sending 1099 forms to Borrowers) as a result of the debt relief provided in this Assurance, prior to the time such forms would be required to be sent. If the Receiver, in consultation with his counsel, is satisfied that such guidance is reliable, the Receiver shall not make applicable tax filings and shall not send Borrowers 1099 forms.

21. Notwithstanding any other terms, conditions or provisions of this Assurance, pursuant to the Receivership Order, (i) the Receiver and the Retained Personnel are entitled to rely on all outstanding rules of law and the orders of the Receivership Court and shall not be liable to any person or party (including, without limitation, the Attorneys General) for their own good faith compliance with this Assurance; (ii) in no event shall the Receiver or Retained Personnel be liable to any person or party (including, without limitation, the Attorneys General) for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel; and (iii) the Receiver or Retained Personnel will not be liable for any actions taken or omitted by them under this Settlement except pursuant to an action or proceeding by an Attorney General to enforce such governmental unit's police or regulatory powers as set forth in Section VII. below.

IV. REPORTING AND COMMUNICATING WITH THE STATES

- A. The Aequitas Parties, or during the pendency of the Receivership Receiver on behalf of the Aequitas Parties, shall notify the Attorneys General of any development that may affect their obligations arising under this Assurance, including, but not limited to, the replacement of the Receiver or the filing of any bankruptcy or insolvency proceeding by or against the Aequitas Parties. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must provide this notice at least 30 days before the development or as soon as practicable after learning about the development, whichever is sooner.

- B. Within 180 days of the Effective Date, and again one year after the Effective Date, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must submit to the Attorneys General an accurate written compliance progress report, which, at a minimum, describes in detail the manner and form in which the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, as applicable, have complied with this Assurance.
- C. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must maintain for 3 years from the Effective Date or the duration of the Receivership, whichever is lesser, all documents and records necessary to demonstrate full compliance with this Assurance, including all submissions to the Attorneys General. The Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must make the documents identified in this Section IV.C. available to the Attorneys General upon the request of the Attorneys General.
- D. For purposes of this Assurance, the communications, reports and correspondence under this Section IV are Reports.
- E. Unless otherwise directed in writing by the Attorneys General, the Aequitas Parties, or the Receiver on behalf of the Aequitas Parties, must provide all submissions, requests, communications, or other documents relating to this Assurance to the Attorneys General as provided in Section IX. below.
- F. To the extent permitted or required by applicable law, reports to the Attorneys General shall constitute “Confidential” information and, to the extent permitted

by applicable law, be subject to the same procedures as other confidential material produced to the States in connection with the States' investigation. To the extent permitted by applicable law, the States and the Receiver acknowledge that Reports shall constitute confidential, proprietary, and trade secret material of the Receiver and, to the extent permitted or required by applicable law, shall be exempted from any applicable state freedom of information laws due to their content and their production in connection with the States' investigation. Nothing in this Paragraph shall require any Attorney General to violate his or her public records or freedom of information act, or to refuse to comply with a lawfully issued subpoena or other demand. Upon receipt of a subpoena or other lawful demand for confidential information, the Attorney General shall provide notice to the Receiver as soon as practicable, such that the Receiver may petition to enjoin the release of any confidential information. If the Receiver fails to obtain an order prohibiting the release of the requested materials by the date upon which the Attorney General is obligated to respond, the Attorney General may produce the requested materials. Nothing herein shall prevent any Attorney General from sharing and discussing confidential materials produced to the Attorneys General in connection with their respective investigations with other State Attorney General Offices and other state law enforcement agencies empowered to investigate laws, regulations or rules to which the Aequitas Parties are subject (provided that any such party, as a condition precedent to disclosure of any confidential information, shall agree to be bound by this Section IV.F), the

Securities and Exchange Commission and the Consumer Financial Protection
Bureau.

V. COOPERATION WITH ATTORNEYS GENERAL

- A. The Aequitas Parties, or during the pendency of the Receivership the Receiver on behalf of the Aequitas Parties, will cooperate fully with the Attorneys General as necessary to achieve the goals and carry out the requirements of this Assurance.
- B. The Aequitas Parties, or during the pendency of the Receivership the Receiver on behalf of the Aequitas Parties, will cooperate fully to help the Attorneys General determine the identity and the location of, and the relief provided pursuant to this Assurance for each Affected Consumer, from the information within the Aequitas Parties' or the Receiver's possession and control or a servicer's system of record.
- C. Notwithstanding the provisions this Assurance, any time limits for performance fixed by this Assurance may be extended by mutual written agreement of the parties. Additionally, details related to the administration of Sections III. through V.B. of this Assurance may be modified by written agreement of the parties (or, as applicable, the Receiver), subject to any limitations or restrictions as may be imposed by the Receivership Court.

VI. NO ADMISSION OR DENIAL OF LIABILITY

The Receiver, on behalf of the Aequitas Parties, neither admits nor denies any violation of and liability arising from any state, federal, or local law, but admits facts exist sufficient to establish jurisdiction over the Aequitas Parties and the subject matter addressed herein in the courts of the resident states of the Attorneys General. Nothing contained in this Assurance shall

be construed as an admission or concession of liability and/or fact by the Receiver or the Aequitas Parties, or create any third-party beneficiary rights or give rise to or support any right of action in favor of any consumer or group of consumers, or confer upon any person other than the parties hereto any rights or remedies. The Receiver, by entering into this Assurance, does not intend to create any legal or voluntary standard of care and expressly denies that any practices, policies, or procedures inconsistent with those set forth in this Assurance violate any applicable legal standard.

VII. ENFORCEMENT

This Assurance, notwithstanding the limitations set forth in Section VIII. below, may be enforced by the Attorneys General in any court of competent jurisdiction. For all necessary purposes, this Assurance shall be considered a formal, binding agreement on the parties hereto, which may be enforced only by the parties hereto in any court of competent jurisdiction. Any violation of this Assurance may result in a State, during the pendency of the Receivership, seeking all available relief to enforce this Assurance, including injunctive relief, damages, and any other relief provided by federal law, the laws of the State, or authorized by a court of competent jurisdiction. [As to the Iowa Attorney General, a violation of this Assurance is a violation of Iowa Code §714.16.]

Except as set forth in Section VIII below., nothing contained in this Assurance shall be deemed to waive, restrict, or limit any of the States' rights to enforce any federal or state law applicable to the Aequitas Parties, and nothing in this Assurance shall be construed as relieving the Aequitas Parties of their obligations to comply with all applicable federal and state laws, regulations, and/or rules. The acceptance of this Assurance by the Attorneys General shall not

be deemed as the Attorneys General's approval of any of the business practices, policies, or procedures of the Aequitas Parties.

VIII. RELEASE

By execution of this Assurance, each of the Attorneys General releases and forever discharges to the fullest extent of the law the Aequitas Parties and the Receiver from the following: all civil claims, causes of action, administrative actions, damages, restitution, fines, costs, and penalties under the Dodd-Frank Act, State Laws, or any other federal or state consumer protection that each of the Attorneys General is empowered to enforce and that each of the Attorneys General could have asserted against the Aequitas Parties and/or the Receiver prior to the Effective Date, based on the allegations described in Section I of this Assurance (collectively, the "Released Claims").

IX. GENERAL PROVISIONS

A. Notices. Any and all notices, requests, consents, directives, or communications sent to the Receiver or the States pursuant to this Assurance shall be sent by a nationally recognized overnight courier service to the named person (or such other person who may be designated by the relevant party from time to time) at the following addresses:

For the Receiver:

Ronald F. Greenspan

For the Attorneys General:

- B.** By agreeing to this Assurance, the Receiver reaffirms and attests to the material truthfulness and accuracy of all of the information provided by the Receiver to the States prior to entry of this Assurance. The States' agreement to this Assurance is expressly premised upon the material truthfulness and accuracy of the information provided by the Receiver to the Attorneys General throughout the course of the investigation of this matter, which information was relied upon by the States in negotiating and agreeing to the terms and conditions of this Assurance.
- C.** The Receiver shall not participate, directly or indirectly, in any activity, or form a separate corporation or entity, for the purpose of engaging in acts or practices in whole or in part, within the State, that are prohibited by this Assurance for any other purpose that would otherwise circumvent any part of this Assurance.
- D.** The Receiver believes this Assurance fairly and adequately protects the interests of consumers in accepting the terms of this Assurance, and that the obligations imposed by this Assurance represent the most fair and most efficient method for the Receiver to resolve the matters raised in the States' investigation.
- E.** Acceptance of this Assurance by the States shall not be deemed approval by the States of any of the acts or practices of the Acquitas Parties described in this Assurance. Further, neither the Receiver nor anyone acting on its behalf shall state or imply or cause to be stated or implied that the States, or any other

governmental unit, has approved, sanctioned, or authorized any of the Aequitas Parties' acts or practices.

- F.** Nothing in this Assurance is intended to create any private rights, cause of action, third party rights, or remedies for any individual or entity against the Receiver or the Aequitas Parties, except as may be provided by applicable law. Nothing in this Assurance shall be construed to waive or limit any right of action by any individual, person or entity, or by any local state, federal or other governmental entity not a party to this Assurance.
- G.** The loan reductions, discharges and cancellations described in this Assurance are based on alleged infirmities that relate to the original sale of educational services by Corinthian and for the purposes of correcting alleged unlawful business practices by the Aequitas Parties, including alleged unfair, deceptive and abusive practices.
- H.** This Assurance sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied. There are no representations, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Assurance that are not fully expressed herein or attached hereto. Each party specifically warrants that this Assurance is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein. In the event that any term, provision, or section of this Assurance is determined to be illegal or unenforceable, subject to consultation with all the parties to this

Assurance such determination shall have no effect on the remaining terms, provisions, and sections of this Assurance which shall continue in full force and effect.

- I.** The titles and headers in each section of this Assurance are used for convenience purposes only and are not intended to lend meaning to the actual terms and conditions of this Assurance.
- J.** This Assurance shall not be construed against the “drafter” because all parties participated in the drafting of this Assurance.
- K.** This Assurance may be executed in counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts may be delivered by facsimile or electronic transmission, or a copy thereof, with the intent that it or they shall constitute an original counterpart hereof.
- L.** Nothing to this Assurance shall be construed as relieving the Receiver of its obligations during the pendency of the Receiverships to comply applicable state and federal laws, regulations or rules.
- M.** Notwithstanding the terms and conditions of this Assurance, a State shall not file this Assurance in any court unless the law of the State requires it to do so.
- N.** The parties to this Agreement acknowledge and agree that this Assurance is subject to approval of the Receivership Court and that the Receiver is authorized to present this Assurance to the Receivership Court, in accordance with procedures and practices of the Receivership Court, for such purposes.

- O.** Any failure of the Attorneys General to exercise any of their rights under this Assurance shall not constitute a waiver of their rights hereunder.
- P.** The Receiver agrees during the duration of the Receivership to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Assurance, whether required prior to, contemporaneous with, or subsequent to the Effective Date, as defined herein.

EXECUTION DRAFT [8/15/17]

In the Matter of:

**Ronald F. Greenspan,
Receiver for Acqitas Capital Management, Inc., *et al.***

Assurance of Voluntary Compliance/Assurance of Discontinuance

Dated: _____

_____ Attorney General

BY: _____
Name: _____
Title: _____

In the Matter of:

**Ronald F. Greenspan,
Receiver for Aequitas Capital Management, Inc., *et al.***

Assurance of Voluntary Compliance/Assurance of Discontinuance

Dated: _____

Ronald F. Greenspan,
Receiver

Schedule 1 – State Laws

Conn. Gen. Stat. § 42-110a *et seq.*; Iowa Code §§ 714.16 to 714.16A; 815 ILCS 505/1 – 815 ILCS 505/12 (Illinois); KRS 367.110 *et seq.* (Kentucky); New York General Business Law §§ 349 and 350 and New York Executive Law § 63(12); 73 Pa. Cons. Stat. Ann. §201-1 to 201-9.3 (West); Texas Bus. & Com. Code §§ 17.41, *et seq.*; RCW 19.86.020 (Washington).

Schedule 2

Corinthian Closed School OPEID List (Per the Department of Education Listing)

OPEID	School Name	Location	Street Address	City	State	Corinthian School #
809000	Everest College	Everest College	2215 Mission Road	Alhambra	CA	180
1110700	Everest College	Everest College	511 North Brookhurst Street	Anaheim	CA	171
1112300	Everest College	Everest College	1045 Wt Redondo Beach Blvd	Gardena	CA	186
3072300	Everest College	Everest College	1460 S. Milliken Ave	Ontario	CA	245
449400	Everest College	Everest College	217 E. Club Center Drive, Ste A	San Bernardino	CA	182
449401	Everest College - Santa Ana	Everest College - Santa Ana	500 West Santa Ana Boulevard	Santa Ana	CA	172
449402	Everest College - Ontario	Everest College - Ontario	1819 South Excise Avenue	Ontario	CA	564
481100	Everest Institute	Everest Institute	1630 Portland Avenue	Rochester	NY	692
1110900	Everest College	Everest College	18040 Sherman Way	Reseda	CA	173
2295000	Everest College	Everest College	10400 North 25th Avenue	Phoenix	AZ	575, 975
2295002	Everest College	Everest College	5416 East Baseline	Mesa	AZ	576
3195400	Everest College	Everest College	1231 Cabrillo Avenue	Torrance	CA	155
723400	Heald College	Heald College	875 Howard Street	San Francisco	CA	11101
723401	Heald College - Honolulu	Heald College - Honolulu	1500 Kapliolani Boulevard	Honolulu	HI	11136
723402	Heald College	Heald College	6035 Northeast 78th Court	Portland	OR	11138
723403	Heald College - Kaneoche MCB	Heald College - Kaneoche MCB	Bldg 220, 5th St. Marine Corps	Kaneoche	HI	Unable to identify
723404	Heald College - Concord	Heald College - Concord	5130 Commercial Circle	Concord	CA	11103, 11199
723405	Heald College - Milpitas	Heald College - Milpitas	341 Great Mall Parkway	Milpitas	CA	11105
723406	Heald College - Hayward	Heald College - Hayward	25500 Industrial Boulevard	Hayward	CA	11104
723407	Heald College - Modesto	Heald College - Modesto	5260 Pirrone Court	Salida	CA	11115
723408	Heald College - Roseville	Heald College - Roseville	Seven Sierra Gate Plaza	Roseville	CA	11156
723409	Heald College - Salinas	Heald College - Salinas	1450 North Main Street	Salinas	CA	11109
723410	Heald College - Stockton	Heald College - Stockton	1605 East March Lane	Stockton	CA	11114
723411	Heald College - Rancho Cordova	Heald College - Rancho Cordova	2910 Prospect Park Drive	Rancho Cordova	CA	11111
723412	Heald College - Fresno	Heald College - Fresno	255 West Bullard	Fresno	CA	11112
723413	Heald College - Fresno Satellite	Heald College - Fresno Satellite	255 East River Park Circle	Fresno	CA	11112
719000	WyoTech	WyoTech	200 Whitney Place	Fremont	CA	412
1287300	WyoTech	WyoTech	2161 Technology Place	Long Beach	CA	274
1287301	WyoTech	WyoTech	3000 S Robertson BLVD #300	Los Angeles	CA	Unable to identify
1287302	WyoTech	WyoTech	12801 Crossroads Pkwy South	City of Industry	CA	Unable to identify

Schedule 3

Zenith Closed School OPEID List						Corinthian "Zenith"
OPEID	SCHOOL NAME	LOCATION	ADDRESS	CITY	STATE	School #
2100401	EVEREST INSTITUTE	EVEREST INSTITUTE - KALAMAZOO	5177 WEST MAIN STREET	KALAMAZOO	MI	347
982809	EVEREST INSTITUTE	EVEREST INSTITUTE - CHELSEA	70 EVERETT AVENUE	CHELSEA	MA	315
2300105	EVEREST COLLEGE	EVEREST COLLEGE - EARTH CITY	3420 RIDER TRAIL SOUTH	EARTH CITY	MO	377
2617507	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST INSTITUTE - BENSALEM	3050 TILLMAN DRIVE	BENSALEM	PA	Unable to Identify
2100402	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE	8585 BROADWAY SUITE 200	MERRILLVILLE	IN	349
2100400	EVEREST INSTITUTE	EVEREST INSTITUTE	1750 WOODWORTH STREET NORTHEAST	GRAND RAPIDS	MI	345
2298501	EVEREST COLLEGE	EVEREST COLLEGE - FORT WORTH	5237 NORTH RIVERSIDE DRIVE SUITE 200	FORT WORTH	TX	613
149911	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - MERRIONETTE PARK	11560 SOUTH KEDZIE AVENUE	MERRIONETTE PARK	IL	344
2298500	EVEREST COLLEGE	EVEREST COLLEGE	3280 WEST 3500 SOUTH	SALT LAKE CITY	UT	572
450301	EVEREST COLLEGE	EVEREST COLLEGE - MCLEAN	8620 WESTWOOD CENTER DRIVE	VIENNA	VA	626
1185802	EVEREST COLLEGE	EVEREST COLLEGE - BURR RIDGE	6880 NORTH FRONTAGE ROAD SUITE 400	BURR RIDGE	IL	343
1185800	EVEREST COLLEGE	EVEREST COLLEGE	9811 WOODS DRIVE SUITE 200	SKOKIE	IL	341
1185803	EVEREST COLLEGE	EVEREST COLLEGE - MELROSE PARK	1101 WEST NORTH AVENUE SUITE 1	MELROSE PARK	IL	Unable to Identify
982810	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE - BEDFORD PARK	7414 SOUTH CICERO AVENUE	BEDFORD PARK	IL	Unable to Identify
709100	EVEREST INSTITUTE	EVEREST INSTITUTE	100 FORBES AVENUE KOSSMAN BUILDING SUITE 1200	PITTSBURGH	PA	656
450701	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST COLLEGE AURORA	14280 EAST JEWELL AVENUE SUITE 100	AURORA	CO	509
982806	EVEREST INSTITUTE	EVEREST INSTITUTE - JONESBORO	6431 TARA BOULEVARD	JONESBORO	GA	353
2606200	EVEREST COLLEGE	EVEREST COLLEGE	981 POWELL AVENUE SW SUITE 200	RENTON	WA	116
982801	EVEREST INSTITUTE	EVEREST INSTITUTE - DEARBORN	23400 MICHIGAN AVENUE SUITE 200	DEARBORN	MI	337
907901	EVEREST COLLEGE	EVEREST COLLEGE	STONEMILL CENTER SUITE 130 120 NORTHEAST 136TH AVENUE	VANCOUVER	WA	548
907900	EVEREST COLLEGE	EVEREST COLLEGE	600 SW 10TH AVENUE SUITE 400	PORTLAND	OR	547
2617509	EVEREST COLLEGE	EVEREST COLLEGE	NORTHGATE MERIDIAN BUILDING 2111 NORTH NORTHGATE WAY SUITE 300	SEATTLE	WA	390
2300106	EVEREST COLLEGE	EVEREST COLLEGE	155 WASHINGTON AVENUE SUITE 200	BREMERTON	WA	397
149908	EVEREST UNIVERSITY	EVEREST UNIVERSITY - LAKELAND	995 EAST MEMORIAL BOULEVARD	LAKELAND	FL	765
149912	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - KANSAS CITY	1740 WEST 92ND STREET	KANSAS CITY	MO	320

DRAFT – CAAG 2017-08-08

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

**THE PEOPLE OF THE STATE OF
CALIFORNIA,**

Plaintiff,

v.

**AEQUITAS CAPITAL MANAGEMENT,
INC.; AEQUITAS MANAGEMENT, LLC;
AEQUITAS HOLDINGS, LLC;
AEQUITAS COMMERCIAL FINANCE,
LLC; CAMPUS STUDENT FUNDING,
LLC; CSF LEVERAGE I, LLC;
AEQUITAS INCOME OPPORTUNITY
FUND; AEQUITAS INCOME
PROTECTION FUND,**

Defendants.

Case No.

**[PROPOSED] FINAL JUDGMENT AND
PERMANENT INJUNCTION**

Plaintiff, the PEOPLE OF THE STATE OF CALIFORNIA (“People”), appearing through their attorney, Xavier Becerra, Attorney General of the State of California, by Deputy Attorney General Bernard A. Eskandari, and Ronald Greenspan, appointed receiver of the above-captioned defendants (collectively, “Defendants”), appearing through the Receiver’s attorneys, [XXXXXX XXXXX] of [XXX, XXX LLP], and [XXXXXX XXXXX] of [XXX, XXX LLP], having stipulated to the entry of this Judgment by the Court without the taking of proof and without trial or adjudication of any fact or law, without Defendants admitting or denying any liability, and

DRAFT – CAAG 2017-08-08

1 with all parties having waived their right to appeal, and the Court having considered the matter
 2 and good cause appearing:

3 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

4 1. This Court has jurisdiction over the allegations and subject matter of the People's
 5 Complaint filed in this action, and the parties to this action; venue is proper in this County; and
 6 this Court has jurisdiction to enter this Judgment. This Judgment is entered under and subject to
 7 Business and Professions Code section 17200 et seq.

8 **I. FINDINGS**

9 2. The parties agree to entry of this Judgment to settle and resolve all matters in
 10 dispute arising from the conduct of Defendants alleged in the Complaint.

11 3. The People make no allegations against the Receiver, but only against Defendants.
 12 The Receiver is obligated under this Judgment for the sole purpose of acting on behalf of the
 13 Defendants to grant certain monetary relief from the assets of the Receivership and to perform
 14 certain obligations to the People set forth in this Judgment. Defendants neither admit nor deny
 15 any allegation in the Complaint, except that for purposes of this Judgment, Defendants admit the
 16 facts necessary to establish the Court's jurisdiction over Defendants and the subject matter of this
 17 action.

18 4. The loan reductions, discharges, and cancellations described in this Judgment are
 19 based on alleged infirmities that relate back to the original sale of educational services by
 20 Corinthian and are for the purpose of correcting alleged unlawful business practices by the
 21 Defendants, including alleged unfair, deceptive, and abusive acts and practices.

22 5. Defendants waive service and waive all rights to seek judicial review or otherwise
 23 challenge or contest the validity of this Judgment. Each party will bear its own costs and expenses,
 24 including, without limitation, attorneys' fees.

25 6. Entry of this Judgment is in the public interest.

26 **II. DEFINITIONS**

27 7. The following definitions shall apply for purposes of this Judgment:

28 A. "Affected Consumers" means all consumers who were Borrowers of

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1 Aequitas Genesis Loans and have remaining unpaid amounts on such loans as of the Record Date.

2 B. “Active Aequitas Genesis Loans” means, as of the Record Date, all
3 Aequitas Genesis Loans, with the exception of Defaulted Genesis Loans and Aequitas Closed
4 School Loans.

5 C. “Defendants” means Aequitas Capital Management Inc.; Aequitas
6 Management LLC; Aequitas Holdings LLC; Aequitas Commercial Finance LLC; Campus
7 Student Funding LLC; CSF Leverage I, LLC; Aequitas Income Opportunity Fund; and Aequitas
8 Income Protection Fund, as named in the Complaint.

9 D. “Aequitas Genesis Loan” means any private student loan referred to in the
10 Complaint as either a Genesis loan or EducationPlus loan, which was made to a Borrower to pay
11 for tuition, cost of living expenses, or fees to attend a Corinthian school, and which as of the
12 Record Date is still outstanding on the books and records of Defendants in the possession of the
13 Receiver (or on the books and records of servicers of said loans).

14 E. “Borrower” means a consumer who was a borrower of an Aequitas Genesis
15 Loan, and his/her/its successors or assigns.

16 F. “Closed School Loan” means an Aequitas Genesis Loan to a Borrower who
17 did not graduate or complete his/her course work and who (a) attended one of the Corinthian
18 schools that Corinthian announced on April 27, 2015, would be closed (listed on Schedule 1 to
19 this Judgment) and was either attending such school when it closed or withdrew from such school
20 on or after June 1, 2014, or (b) attended one of the Corinthian schools sold to Zenith (listed on
21 Schedule 2 to this Judgment) and whose loan is included on a list agreed upon between the
22 Receiver and the People prior to the filing of the Complaint.

23 G. “Corinthian” means Corinthian Colleges, Inc., and all predecessors,
24 successors, subsidiaries, affiliates, and parents, including Heald, WyoTech, and Everest Colleges.

25 H. “Defaulted Aequitas Genesis Loan” means an Aequitas Genesis Loan that
26 is 270 days or more past due, charged off, or cancelled as of the Record Date.

27 I. “Current Payment Amount” is the monthly payment amount designated for
28 each Active Aequitas Genesis Loan in order to keep the account current and non-delinquent.

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1 J. “Effective Date” means the date on which this Judgment is entered by the
2 Court.

3 K. “Re-Amortization Payment Amount” is a new payment amount per month
4 for each Active Aequis Genesis Loan, calculated based on the principal reduction provided for
5 in paragraph 19 as of the Effective Date such that the Active Aequis Genesis Loan will be fully
6 paid if the Re-Amortization Payment Amount is paid by the Borrower each month on time, by the
7 end of that loan’s actual or, in the case of loans that have ever been in or are currently in a
8 forbearance plan, estimated remaining term.

9 L. “Receiver” means Ronald Greenspan, receiver of Aequis, named as such
10 in the Receivership Order, or any other receiver that is appointed by a superseding order in the
11 same litigation.

12 M. “Receivership Action” means the matter of *SEC v. Aequis Management,*
13 *LLC, et al.*, No. 3:16-cv-438(PK), in the Receivership Court.

14 N. “Receivership Court” means the United States District Court for the
15 District of Oregon.

16 O. “Receivership Order” means the Order Appointing Receiver, ECF No. 156,
17 in the Receivership Action.

18 P. “Record Date” means March 31, 2017.

19 Q. “Retained Personnel” means the agents of the Receiver, as defined by the
20 Receivership Order.

21 **III. OVERVIEW AND BACKGROUND**

22 8. The People commenced this civil action on [DATE] to obtain consumer redress,
23 injunctive relief, and other relief, from the Defendants. The Complaint alleges violations of
24 Business and Professions Code section 17200 et seq., in connection with Defendants’ funding,
25 purchasing, and maintaining loans made to students at Corinthian. Specifically, the Complaint
26 alleges Defendants funded and maintained the private student-loan program offered to Corinthian
27 students as part of a scheme to allow Corinthian to present a façade of compliance with state and
28 federal laws requiring that a certain portion of a for-profit school’s revenue come from sources

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1 other than federal student aid. The Complaint also alleges that Defendants profited from this
 2 scheme, and in doing so, took unreasonable advantage of Corinthian’s student borrowers who
 3 were unaware of the scheme associated with this loan program, and therefore were unable to
 4 protect their interests in taking out such loans.

5 9. The United States Securities and Exchange Commission commenced the
 6 Receivership Action in the Receivership Court on March 10, 2016, to, among other things, obtain
 7 injunctive relief against Defendants for violation of certain federal securities laws, and place
 8 Defendants and certain other related parties in receivership for purposes of orderly liquidation.
 9 The Receivership Court entered a preliminary injunction against Defendants on March 14, 2016,
 10 and by Order dated April 14, 2016, appointed the Receiver for Defendants and certain other
 11 related parties. Pursuant to the Receivership Order, the Receiver has the power and authority to
 12 enter into this Judgment and to perform certain duties set forth in this Judgment during the
 13 pendency of the Receivership.

IV. CONDUCT PROVISIONS

14
 15 10. Defendants and their respective officers, agents, servants, employees, and
 16 attorneys, who have actual notice of this Judgment, whether acting directly or indirectly, may not
 17 violate Business and Professions Code section 17200, et seq., including by engaging in abusive
 18 acts or practices in connection with lending to students of for-profit schools.

19 11. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of
 20 Defendants, shall obtain the following reports from servicers currently servicing the Aequitas
 21 Genesis Loans, with data as of the Record Date. Upon obtaining such reports, the Defendants or
 22 the Receiver on behalf of the Defendants shall provide copies of them to the People. The
 23 following reports are to be obtained, to the extent the specified loan-level data are available:

24 A. A report of all Aequitas Genesis Loans including for each such Aequitas
 25 Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of
 26 the Record Date on such Aequitas Genesis Loan, the associated Borrower’s name, a unique
 27 identifying number, and most currently available postal address, phone number, and email
 28 address.

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1 B. A report of all Active Aequitas Genesis Loans including for each such
 2 Active Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due
 3 and owing as of the Record Date on such Active Aequitas Genesis Loan, the associated
 4 Borrower's name, a unique identifying number, and most currently available postal address,
 5 phone number, and email address.

6 C. A report of all Defaulted Aequitas Genesis Loans, including for each such
 7 Defaulted Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount
 8 due and owing as of the Record Date on such Defaulted Aequitas Genesis Loan, the associated
 9 Borrower's name, a unique identifying number, and most currently available postal address,
 10 phone number, and email address.

11 D. A report of all Closed School Loans, including for each such Closed
 12 School Loan, the amount of principal, interest, fees, and any other amount due and owing as of
 13 the Record Date on such Closed School Loan, the associated Borrower's name, a unique
 14 identifying number, and most currently available postal address, phone number, and email
 15 address.

16 12. For each Closed School Loan, Defendants, and the Receiver on behalf of
 17 Defendants, are permanently restrained and enjoined as of the Effective Date from the following:

18 A. Engaging in any collection activity with respect to each such Closed
 19 School Loan; however, Defendants will not be regarded as in violation of this Judgment if they
 20 send out routine statements or notices that could be considered collection activity within 20 days
 21 after the Effective Date;

22 B. Accepting any future payment on any such Closed School Loan, including
 23 any future payment made in connection with any statement or notice permitted by subparagraph
 24 (a), provided, however, that in the event that such a payment is discovered to be accepted and
 25 processed, Defendants, or the Receiver acting on Defendants' behalf, will return the payment to
 26 the Borrower within a reasonable time; and

27 C. Reselling, transferring, or assigning any such Closed School Loan.

28 13. For each Defaulted Aequitas Genesis Loan, Defendants, and the Receiver on

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1 behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from the
2 following:

3 A. Engaging in any collection activity with respect to each such Defaulted
4 Aequitas Genesis Loan; however, Defendants will not be regarded as in violation of this
5 Judgment if they send out routine statements or notices that could be considered collection
6 activity within 20 days after the Effective Date;

7 B. Accepting any future payment on any such Defaulted Aequitas Genesis
8 Loan, including any future payment made in connection with any statement or notice permitted
9 by subparagraph (a), provided, however, that in the event that such a payment is discovered to be
10 accepted and processed, Defendants, or the Receiver acting on Defendants' behalf, will return the
11 payment to the Borrower within a reasonable time; and

12 C. Reselling, transferring, or assigning any such Defaulted Aequitas Genesis
13 Loan.

14 14. For each Active Aequitas Genesis Loan, Defendants, and the Receiver on behalf of
15 Defendants, are permanently restrained and enjoined as of the Effective Date from the following:

16 A. Reselling, transferring, or assigning any such Active Aequitas Genesis
17 Loan, unless the following:

18 i. Defendants, or the Receiver on behalf of Defendants, ensure that
19 the principal amount of each such loan sold, transferred or assigned reflects the
20 reduction required in paragraph 19;

21 ii. Within five business days of reaching an agreement in principle to
22 sell, transfer, or assign any Active Aequitas Genesis Loans, in which the terms
23 have been agreed upon by the parties but the Receiver has not yet sought the
24 authority of the Receivership Court to make such a sale, transfer, or assignment,
25 Defendants, or the Receiver on behalf of Defendants, must provide the People with
26 the following:

27 1. Notice of the fact that such agreement in principle has been
28 reached;

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1 paragraph 19, including by means of the following:

2 i. Calculating interest or fees based on a principal amount greater than
 3 the amount identified in paragraph 19, however, in the event interest or fees have
 4 been calculated on a principal amount greater than the amount identified in
 5 paragraph 19, the excess amounts that have been paid by the Borrower will be
 6 applied to the Borrower's principal balance unless the Borrower seeks a refund of
 7 such improperly charged amounts, in which case the Borrower will be supplied a
 8 refund; and

9 ii. Representing to the Borrower of any such Active Aequis Genesis
 10 Loan that the principal amount owed is greater than the amount identified in
 11 paragraph 19.

12 16. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of
 13 Defendants, must request that and use reasonable efforts to follow up with any servicer that
 14 furnished trade line information for Aequis Genesis Loans to credit reporting agencies to
 15 furnish deletion codes to said credit reporting agencies to delete such information from subject
 16 Borrowers' credit reports. For Borrowers of Active Aequis Genesis Loans who perform under
 17 such Loans after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may
 18 direct the servicer to report such performance to credit reporting agencies in accordance with
 19 applicable law. For any Borrowers who become or continue to be delinquent or in default after
 20 the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer
 21 to report such Borrowers' status to credit reporting agencies in accordance with applicable law;
 22 however, any such reporting shall reflect the balance as modified by this Judgment.

23 17. Defendants, or the Receiver on behalf Defendants, shall direct any person or entity
 24 collecting on Active Aequis Genesis Loans to fully comply with all applicable requirements of
 25 the Rosenthal Fair Debt Collection Practices Act, Civil Code section 1788 et seq., in any such
 26 collection.

27 **V. REMEDIATION AND REDRESS**

28 18. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of

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1 Defendants, shall discharge and cancel all amounts shown as owed in the report provided to the
2 People under paragraph 11, including principal, interest, fees, or any other amounts, in connection
3 with the following:

4 A. All Closed School Loans; and

5 B. All Defaulted Aequitas Genesis Loans.

6 Moreover, for these loans, Defendants, or the Receiver on behalf of Defendants, shall return to
7 the Borrower, within a reasonable time, any payment accepted and received on or after the
8 Record Date.

9 19. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of
10 Defendants, shall reduce the principal amount owed as of the Record Date on each Active
11 Aequitas Genesis Loan, as identified in the report provided to the People under paragraph 11, by
12 55% and discharge and cancel such principal and any accrued and unpaid interest, fees and
13 charges that are 30 or more days past due as of the Record Date.

14 20. Defendants, or the Receiver on behalf of Defendants, shall use commercially
15 reasonable efforts to obtain appropriate guidance from the Internal Revenue Service indicating
16 that the Receiver is not required to make federal tax filings (including sending 1099 forms to
17 Borrowers) as a result of the debt relief provided in this Judgment, prior to the time such forms
18 would be required to be sent. If the Receiver, in good-faith consultation with his counsel
19 determines that he may lawfully rely upon the Internal Revenue Service's guidance and proceed
20 accordingly, the Receiver shall not make applicable tax filings and shall not send Borrowers 1099
21 forms.

22 21. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower
23 of a Closed School Loan and each Borrower of a Defaulted Aequitas Genesis Loan with the
24 following notice within 90 days of the Effective Date. Nothing else but such notice shall be sent
25 in combination with the mailing of this notice and such mailing will be sent to the most recently
26 available postal address as contained on the servicer's system of record. The notice shall contain
27 the following information:

28 A. The outstanding amount that had been owed under each Aequitas Genesis

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1 Loan as of the Effective Date by such Borrower;

2 B. The fact that each such amount has been reduced, discharged, and canceled
3 in full and such Borrower no longer owes any amounts under his or her Aequitas Genesis Loan;

4 C. The fact that the reduction, discharge, and cancellation of the amounts
5 owed for each such Aequitas Genesis Loan is pursuant to this Judgment;

6 D. The fact that the Borrower will not be subjected to any new debt-collection
7 or credit-reporting activities related to each such Genesis Loan;

8 E. Any such reduction, discharge, or cancellation of principal may result in
9 tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities; and

10 F. No amounts that were due and owing and were paid prior to the Record
11 Date will be returned to the Borrower.

12 22. Within 90 days of the Effective Date, Defendants, or the Receiver on behalf of
13 Defendants, must provide each Borrower of an Active Aequitas Genesis Loan written notice (as
14 described in paragraph 24) of his/her option to either continue paying the Current Payment
15 Amount on the lowered principal balance or elect to have the loan re-amortized using the lowered
16 principal balance and remaining term of the subject loan, which will result in a Re-Amortization
17 Payment Amount. No such notice is required to a Borrower and no Re-Amortization Payment
18 Amount will be available to a Borrower, however, if such Borrower's Current Payment Amount
19 before re-amortization is less than \$20; in any event, a Borrower's Re-Amortization Payment
20 Amount will not be less than \$20.

21 23. Each Borrower of an Active Aequitas Genesis Loan will have 90 days from the
22 mailing date of such notice to make his/her election by completing the notice and returning it to
23 Defendants, the Receiver (on behalf of Defendants) or the applicable servicer. If the Borrower
24 does not make such an election, he or she will be required to pay the Current Payment Amount
25 and the loan will not be re-amortized. For Borrowers as to whom Defendants, the Receiver on
26 behalf of Defendants or the applicable servicer timely have received affirmative notice of election
27 of the Re-Amortization Payment Amount, within 30 days following the expiration of the 90-day
28 election period, Defendants, or the Receiver on behalf of Defendants, will re-amortize loans and

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1 adjust the monthly payment amount for all future unbilled and un-accrued loan payments to the
 2 Re-Amortization Payment Amount. Notwithstanding the foregoing, for any Active Aequitas
 3 Genesis Loan which already has been amended or modified pursuant to a forbearance plan to
 4 provide a Borrower with a monthly payment that is less than the applicable Re-Amortization
 5 Payment Amount and the Borrower has elected to accept the re-amortization option, Defendants,
 6 or the Receiver on behalf of Defendants, shall not be required to adjust the monthly payment until
 7 the end of the applicable forbearance period. Defendants, or the Receiver on behalf of Defendants,
 8 will adjust the monthly payment to a Re-Amortization Payment Amount based on the principal
 9 balance of the Borrower's loan at the end of the applicable forbearance period.

10 24. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower
 11 of an Active Aequitas Genesis Loan with the following notice pursuant to in paragraph 22.
 12 Nothing else but such notice shall be sent in combination with the mailing of this notice and such
 13 mailing will be sent to the most recently available postal address as contained on the servicer's
 14 system of record. The notice shall contain the following information:

- 15 A. Identification information that associates the loan to the Borrower;
- 16 B. The amount of principal owed as of the Record Date of each Active
 17 Aequitas Genesis Loan associated with such Borrower;
- 18 C. The amount of principal owed for each such Active Aequitas Genesis Loan
 19 after the reduction required in paragraph 19 has been applied;
- 20 D. A statement notifying the Borrower that the principal has been reduced by
 21 55% pursuant to this Judgment;
- 22 E. A Re-Amortization Payment Amount option whereby the Borrower has 90
 23 days from the mailing date of such notice to inform the servicer of his or her election to opt-in
 24 and have his or her loan re-amortized with the minimum monthly payment modified from the
 25 Current Payment Amount to a Re-Amortization Payment Amount;
- 26 F. The fact that if the Borrower does not make such an election by the
 27 required date, the Current Payment Amount will continue as the amount due on his or her loan
 28 each month;

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1 G. The fact that replacing the Current Payment Amount with the Re-
2 Amortization Payment Amount may reduce the amount such Borrower pays each month but will
3 cost the Borrower more over the life of the loan than if he or she continued with the Current
4 Payment Amount;

5 H. The fact that a Borrower's election will not waive any rights, claims, or
6 defenses that the Borrower and any co-borrower or guarantor may have with respect to the loan;

7 I. The fact that continuing to pay the Current Payment Amount (or more)
8 each month will result in full satisfaction of his or her loan before the payment term has expired,
9 and will cost the Borrower less overall than if he or she elected to use the Re-Amortization
10 Payment Amount;

11 J. The following specific information individualized for each Borrower on an
12 Active Aequitas Genesis Loan:

13 i. The estimated total amount of principal and interest the Borrower
14 will pay if the Borrower pays each current Payment Amount as scheduled, as well
15 as the estimated date of pay-off of the Active Aequitas Genesis Loan under these
16 circumstances;

17 ii. The estimated total amount of principal and interest that the
18 Borrower will pay if the Borrower elects his or her option to pay the Re-
19 Amortization Payment Amount and pays such Re-Amortization Payment Amount
20 as scheduled, as well as the estimated date of pay-off of the Active Aequitas
21 Genesis Loan under these circumstances;

22 K. Any reduction, discharge, or cancellation of principal may result in tax
23 liabilities of the borrower to the Internal Revenue Service and state taxing authorities;

24 L. A statement notifying the Borrower that, if the Borrower desires, the
25 Borrower at any time may make payments larger than the Re-Amortization Payment Amount,
26 which if the loan is current would result in a shorter payoff period and interest savings;

27 M. A statement notifying Borrowers on forbearance plans of their alternative
28 payment options as set forth in paragraph 23;

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1 N. A statement (1) notifying Borrowers that the relief described does not
 2 waive or extinguish any rights, claims, or defenses that the Borrower, any co-borrower, or
 3 guarantor may have with respect to his or her loan; and (2) directing Borrowers that for legal
 4 advice or representation, the Borrower may wish to contact a local legal-aid office, and for a
 5 referral, the Borrower should visit <http://lawhelpca.org/> and click on the “Find Legal Help” tab.

6 25. A proposed form of the notices required by paragraph 21 and 22 shall be provided
 7 to the People for their non-objection within 30 days of the Effective Date.

8 26. Defendants, or the Receiver on behalf of Defendants, shall include no materials
 9 other than the notices provided in paragraphs 21 and 22 in any envelope containing such notices,
 10 unless Defendants, or the Receiver on behalf of Defendants, has obtained written confirmation
 11 from the Office of the California Attorney General that the People do not object to the inclusion
 12 of such materials

13 VI. REPORTING REQUIREMENTS

14 27. Defendants, or during the pendency of the Receivership, the Receiver on behalf of
 15 Defendants, shall notify the People of any development that may affect their obligations arising
 16 under this Judgment, including, but not limited to, the replacement of the Receiver or the filing of
 17 any bankruptcy or insolvency proceeding by or against Defendants. Defendants, or the Receiver
 18 on behalf of Defendants, must provide this notice at least 30 days before the development or as
 19 soon as practicable after learning about the development, whichever is sooner.

20 28. Within 180 days of the Effective Date, and again one year after the Effective Date,
 21 Defendants, or the Receiver on behalf of Defendants, must submit to the People an accurate
 22 written compliance progress report, which, at a minimum shall include the following:

23 A. A detailed description of the manner and form in which Defendants, or the
 24 Receiver on behalf of Defendants, as applicable, have complied with this Judgment; and

25 B. A copy of each Judgment Acknowledgment obtained under Section VII,
 26 unless previously submitted to the People.

27 29. Defendants, or the Receiver on behalf of Defendants, in carrying out the
 28 provisions of this Judgment, are permitted to make such adjustments to loan balance amounts,

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1 accrual of interest and Borrower payment amounts and process refunds to Borrowers (including
 2 providing Borrower refunds or reimbursements not expressly required by this Judgment) as may
 3 be necessary to assure compliance with this Judgment, but in any event in a manner that is fair
 4 and transparent to Borrowers subject to such adjustments and in a manner that is otherwise in
 5 compliance with this Judgment.

VII. JUDGMENT DISTRIBUTION AND ACKNOWLEDGEMENT

7 30. Within 15 days of the Effective Date, Defendants, or the Receiver on behalf of
 8 Defendants, must deliver a copy of this Judgment to each employee or agent of the Receiver who
 9 or which is, as of the Effective Date, employed or retained by the Receiver and who or which has
 10 responsibilities that extend beyond the Effective Date related to the subject matter of this
 11 Judgment.

12 31. Within 30 days of the Effective Date, the Receiver shall provide a signed and
 13 dated statement to the People of the Receiver's compliance with paragraph 30, and shall provide a
 14 signed and dated statement from the servicer, or any other third-party service provider tasked with
 15 carrying out responsibilities under this Judgment, acknowledging receipt of this Judgment,
 16 ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15
 17 U.S.C. § 7001 et. seq.

VIII. RECORDKEEPING

19 32. Defendants, or the Receiver on behalf of Defendants, must maintain for three years
 20 from the Effective Date or the duration of the Receivership, whichever is lesser, all documents
 21 and records necessary to demonstrate full compliance with this Judgment, including all
 22 submissions to the People.

23 33. Aequis, or the Receiver on Aequis's behalf, must make the documents
 24 identified in paragraph 32 available to the Office of the California Attorney General upon the
 25 People's request

IX. NOTICES

27 34. Unless otherwise directed in writing by the People, Defendants, or the Receiver on
 28 behalf of Defendants, must provide all submissions, requests, communications, or other

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documents relating to this Judgment in writing, with the subject line *People v. Aequitas Management, LLC*, and shall be sent both by a nationally recognized overnight-courier service and by email to the named person (or such other person who may be designated by the relevant party from time to time) at the following address:

Michael E. Ellison,
Supervising Deputy Attorney General
Bernard A. Eskandari
Daniel A. Osborn
Deputy Attorneys General
Office of the California Attorney General
300 South Spring Street, Suite 1702
Los Angeles, CA 90013
michael.elisofon@doj.ca.gov
bernard.eskandari@doj.ca.gov
daniel.osborn@doj.ca.gov

X. COOPERATION WITH THE PEOPLE

35. Defendants, or during the pendency of the Receivership, the Receiver on behalf of Defendants, will cooperate fully with the People as necessary to achieve the goals and carry out the requirements of this Judgment.

36. Defendants, or during the pendency of the Receivership, the Receiver on behalf of Defendants, will cooperate fully to help the People to determine the identity and the location of, and the relief provided pursuant to this Judgment for each Affected Consumer, from the information within Defendants' or the Receiver's possession and control or a servicer's system of record

XI. MODIFICATIONS TO NON-MATERIAL REQUIREMENTS

37. Notwithstanding the provisions of paragraph 40 (section XIV), any time limits for performance fixed by this Judgment may be extended by mutual written agreement of the parties (or, as applicable, the Receiver) and without further Court approval. Additionally, details related to the administration of Sections VI through X of this Order may be modified by written agreement of the parties (or, as applicable, the Receiver) and without further Court approval. Any other modifications to this Order may be made only upon approval of the Court, upon motion by any party.

XII. RES JUDICATA EFFECT

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38. This Judgment shall have res judicata effect and shall resolve any claim by the People against Defendants that the People have or might have asserted based on the acts or practices described in the Complaint, to the extent such acts or practices occurred before the Effective Date and the People know about them as of the Effective Date. The People may use the acts or practices described in this Judgment in future enforcement actions against Defendants, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. Nothing herein precludes or affects any right of the People to determine and ensure compliance with this Judgment, or to seek penalties for any violations of this Judgment.

XIII. LIMITATION OF LIABILITY UNDER RECEIVERSHIP ORDER

39. Notwithstanding any other terms, conditions, or provisions of this Judgment, pursuant to the Receivership Order, the Receiver and the Retained Personnel are entitled to rely on all outstanding rules of law and the orders of the Receivership Court and shall not be liable to any person or party (including, without limitation, the People) for their own good-faith compliance with this Judgment. Under the Receivership Order, in no event shall the Receiver or Retained Personnel be liable to any person or party (including, without limitation, the People) for their good-faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by the Receivership Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties

XIV. RETENTION OF JURISDICTION

40. This Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Judgment.

41. The clerk is ordered to enter this Judgment forthwith.

ORDERED AND ADJUDGED at Los Angeles, California.

DATED: _____

JUDGE OF THE SUPERIOR COURT

Schedule 1

Corinthian Closed School OPEID List (Per the Department of Education Listing)

OPEID	School Name	Location	Street Address	City	State	Corinthian School #
809000	Everest College	Everest College	2215 Mission Road	Alhambra	CA	180
1110700	Everest College	Everest College	511 North Brookhurst Street	Anaheim	CA	171
1112300	Everest College	Everest College	1045 Wt Redondo Beach Blvd	Gardena	CA	186
3072300	Everest College	Everest College	1460 S. Milliken Ave	Ontario	CA	245
449400	Everest College	Everest College	217 E. Club Center Drive, Ste A	San Bernardino	CA	182
449401	Everest College - Santa Ana	Everest College - Santa Ana	500 West Santa Ana Boulevard	Santa Ana	CA	172
449402	Everest College - Ontario	Everest College - Ontario	1819 South Excise Avenue	Ontario	CA	564
481100	Everest Institute	Everest Institute	1630 Portland Avenue	Rochester	NY	692
1110900	Everest College	Everest College	18040 Sherman Way	Reseda	CA	173
2295000	Everest College	Everest College	10400 North 25th Avenue	Phoenix	AZ	575, 975
2295002	Everest College	Everest College	5416 East Baseline	Mesa	AZ	576
3195400	Everest College	Everest College	1231 Cabrillo Avenue	Torrance	CA	155
723400	Heald College	Heald College	875 Howard Street	San Francisco	CA	11101
723401	Heald College - Honolulu	Heald College - Honolulu	1500 Kapliolani Boulevard	Honolulu	HI	11136
723402	Heald College	Heald College	6035 Northeast 78th Court	Portland	OR	11138
723403	Heald College - Kaneoche MCB	Heald College - Kaneoche MCB	Bldg 220, 5th St. Marine Corps	Kaneohe	HI	Unable to Identify
723404	Heald College - Concord	Heald College - Concord	5130 Commercial Circle	Concord	CA	11103, 11199
723405	Heald College - Milpitas	Heald College - Milpitas	341 Great Mall Parkway	Milpitas	CA	11105
723406	Heald College - Hayward	Heald College - Hayward	25500 Industrial Boulevard	Hayward	CA	11104
723407	Heald College - Modesto	Heald College - Modesto	5260 Pirrone Court	Salida	CA	11115
723408	Heald College - Roseville	Heald College - Roseville	Seven Sierra Gate Plaza	Roseville	CA	11156
723409	Heald College - Salinas	Heald College - Salinas	1450 North Main Street	Salinas	CA	11109
723410	Heald College - Stockton	Heald College - Stockton	1605 East March Lane	Stockton	CA	11114
723411	Heald College - Rancho Cordova	Heald College - Rancho Cordova	2910 Prospect Park Drive	Rancho Cordova	CA	11111
723412	Heald College - Fresno	Heald College - Fresno	255 West Bullard	Fresno	CA	11112
723413	Heald College - Fresno Satellite	Heald College - Fresno Satellite	255 East River Park Circle	Fresno	CA	11112
719000	WyoTech	WyoTech	200 Whitney Place	Fremont	CA	412
1287300	WyoTech	WyoTech	2161 Technology Place	Long Beach	CA	274
1287301	WyoTech	WyoTech	3000 S Robertson BLVD #300	Los Angeles	CA	Unable to Identify
1287302	WyoTech	WyoTech	12801 Crossroads Pkwy South	City of Industry	CA	Unable to Identify

Schedule 2

Zenith Closed School OPEID List						Corinthian "Zenith"
OPEID	SCHOOL NAME	LOCATION	ADDRESS	CITY	STATE	School #
2100401	EVEREST INSTITUTE	EVEREST INSTITUTE - KALAMAZOO	5177 WEST MAIN STREET	KALAMAZOO	MI	347
982809	EVEREST INSTITUTE	EVEREST INSTITUTE - CHELSEA	70 EVERETT AVENUE	CHELSEA	MA	315
2300105	EVEREST COLLEGE	EVEREST COLLEGE - EARTH CITY	3420 RIDER TRAIL SOUTH	EARTH CITY	MO	377
2617507	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST INSTITUTE - BENSLEM	3050 TILLMAN DRIVE	BENSLEM	PA	Unable to Identify
2100402	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE	8585 BROADWAY SUITE 200	MERRILLVILLE	IN	349
2100400	EVEREST INSTITUTE	EVEREST INSTITUTE	1750 WOODWORTH STREET NORTHEAST	GRAND RAPIDS	MI	345
2298501	EVEREST COLLEGE	EVEREST COLLEGE - FORT WORTH	5237 NORTH RIVERSIDE DRIVE SUITE 200	FORT WORTH	TX	613
149911	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - MERRIONETTE PARK	11560 SOUTH KEDZIE AVENUE	MERRIONETTE PARK	IL	344
2298500	EVEREST COLLEGE	EVEREST COLLEGE	3280 WEST 3500 SOUTH	SALT LAKE CITY	UT	572
450301	EVEREST COLLEGE	EVEREST COLLEGE - MCLEAN	8620 WESTWOOD CENTER DRIVE	VIENNA	VA	626
1185802	EVEREST COLLEGE	EVEREST COLLEGE - BURR RIDGE	6880 NORTH FRONTAGE ROAD SUITE 400	BURR RIDGE	IL	343
1185800	EVEREST COLLEGE	EVEREST COLLEGE	9811 WOODS DRIVE SUITE 200	SKOKIE	IL	341
1185803	EVEREST COLLEGE	EVEREST COLLEGE - MELROSE PARK	1101 WEST NORTH AVENUE SUITE 1	MELROSE PARK	IL	Unable to Identify
982810	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE- BEDFORD PARK	7414 SOUTH CICERO AVENUE	BEDFORD PARK	IL	Unable to Identify
709100	EVEREST INSTITUTE	EVEREST INSTITUTE	100 FORBES AVENUE KOSSMAN BUILDING SUITE 1200	PITTSBURGH	PA	656
450701	EVEREST COLLEGE	EVEREST COLLEGE- EVEREST COLLEGE AURORA	14280 EAST JEWELL AVENUE SUITE 100	AURORA	CO	509
982806	EVEREST INSTITUTE	EVEREST INSTITUTE - JONESBORO	6431 TARA BOULEVARD	JONESBORO	GA	353
2606200	EVEREST COLLEGE	EVEREST COLLEGE	981 POWELL AVENUE SW SUITE 200	RENTON	WA	116
982801	EVEREST INSTITUTE	EVEREST INSTITUTE- DEARBORN	23400 MICHIGAN AVENUE SUITE 200	DEARBORN	MI	337
907901	EVEREST COLLEGE	EVEREST COLLEGE	STONEMILL CENTER SUITE 130 120 NORTHEAST 136TH AVENUE	VANCOUVER	WA	548
907900	EVEREST COLLEGE	EVEREST COLLEGE	600 SW 10TH AVENUE SUITE 400	PORTLAND	OR	547
2617509	EVEREST COLLEGE	EVEREST COLLEGE	NORTHGATE MERIDIAN BUILDING 2111 NORTH NORTHGATE WAY SUITE 300	SEATTLE	WA	390
2300106	EVEREST COLLEGE	EVEREST COLLEGE	155 WASHINGTON AVENUE SUITE 200	BREMERTON	WA	397
149908	EVEREST UNIVERSITY	EVEREST UNIVERSITY - LAKELAND	995 EAST MEMORIAL BOULEVARD	LAKELAND	FL	765
149912	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - KANSAS CITY	1740 WEST 92ND STREET	KANSAS CITY	MO	320

CONSUMER PROTECTION DIVISION,
OFFICE OF THE ATTORNEY GENERAL

Plaintiff,

v.

AEQUITAS CAPITAL MANAGEMENT INC.,
et al.

Defendants.

* IN THE
* CIRCUIT COURT
* FOR
* BALTIMORE CITY
* Case No.

* * * * *

CONSENT JUDGMENT

This Consent Judgment is entered into between the Plaintiff, Consumer Protection Division of the Office of the Attorney General (the “Division”), and the Defendants, Aequitas Capital Management, Inc., Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Campus Student Funding, LLC, CSF Leverage I, LLC, Aequitas Income Opportunity Fund, LLC, and Aequitas Income Protection Fund, LLC including, except as otherwise provided herein, all of their respective subsidiaries, affiliates, successors, and assigns (collectively, “Aequitas” or “Defendants,” and, together with the Division, the “Parties”). This Consent Judgment resolves the Division’s concerns regarding Aequitas’s compliance with the Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101-13-501, with respect to Defendants’ funding, purchasing, and maintaining loans made to students at Corinthian Colleges, Inc. (Corinthian).

I. PARTIES

1. The Plaintiff is the Consumer Protection Division of the Office of the Maryland Attorney General. The Division is responsible for enforcement of Maryland consumer

protection laws including, but not limited to, the Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 through 13-501.

2. Aequitas Capital Management, Inc. (“Aequitas Capital”) is an Oregon corporation formed in 1993 with a principal place of business in Lake Oswego, Oregon. Aequitas Capital is the manager of Aequitas Commercial Finance, LLC. As the manager of Aequitas Commercial Finance, LLC, Aequitas Capital is responsible for the overall operations of Aequitas Commercial Finance, LLC, including the management of Aequitas Commercial Finance, LLC’s loan and investment portfolio.

3. Aequitas Management, LLC (“Aequitas Management”) is an Oregon limited liability company with a principal place of business in Lake Oswego, Oregon. Aequitas Management owns 84% of and exercises exclusive control over Aequitas Holdings, LLC, the sole owner and member of Aequitas Commercial Finance, LLC and the sole shareholder of Aequitas Capital.

4. Aequitas Holdings, LLC (“Aequitas Holdings”) is an Oregon limited liability company with a principal place of business in Lake Oswego, Oregon. Aequitas Holdings is the sole owner and member of Aequitas Commercial Finance, LLC and the sole shareholder of Aequitas Capital.

5. Aequitas Commercial Finance, LLC (“ACF”) is an Oregon limited liability company with a principal place of business in Lake Oswego, Oregon. ACF is the sole owner and member of at least seven subsidiaries that engage in the business of acquiring or investing in portfolios of trade receivables in the healthcare, education, transportation, and consumer credit sectors. ACF also holds ownership stakes in Aequitas Income Opportunity Fund, LLC and Aequitas Income Protection Fund, LLC (the “Aequitas Funds”) and a number of other Aequitas-affiliated companies. ACF also has directly held or currently holds title to Genesis student loan promissory

notes and/or the right to collect and receive existing and future principal and interest payments from the Genesis student loan promissory notes.

6. Campus Student Funding, LLC (“CSF”), formerly known as AFSG LLC, is an Oregon limited liability company with a principal place of business in Lake Oswego, Oregon. CSF is owned by ACF and was created as a special-purpose entity for purchasing student loans. CSF originally purchased all Genesis loan notes sold to Aequitas entities, whether directly from Corinthian, the loan servicer, or the issuing bank. Pursuant to Corinthian’s commitment to purchase delinquent loans from Defendants, CSF was also the seller of Genesis loan notes in the sale back to Corinthian. Thus, CSF has held or currently holds title to Genesis student loan promissory notes.

7. CSF Leverage I, LLC (“CSF Leverage”) was an Oregon limited liability company with a principal place of business in Lake Oswego, Oregon. CSF Leverage was owned by ACF and at one time held Genesis student loan promissory notes. CSF Leverage merged into CSF and no longer exists as a separate entity.

8. The Aequitas Funds are various funds owned by the Aequitas entities described above. Aequitas Income Opportunity Fund, LLC is owned by ACF and holds, or has held, the right to collect and receive Genesis student loan receivables. Aequitas Income Protection Fund, LLC is owned by ACF and CSF and holds, or has held, the right to collect and receive Genesis student loan receivables. CSF Leverage I, LLC f.k.a ASFG Leverage I, LLC is, upon information and belief, owned by ACF and CSF and has held the right to collect and receive Genesis student loan receivables.

II. COORDINATION WITH OTHER ACTIONS BY OTHER STATES ATTORNEYS GENERAL AND THE CONSUMER FINANCIAL PROTECTION BUREAU

9. The Parties acknowledge that this Consent Judgment is being filed simultaneously with similar judgments or settlements in other States and in the United States District Court for the District of Oregon. The Parties intend to coordinate implementation of the terms of this Consent Judgment with those referenced above.

III. DEFINITIONS

10. “**Affected Consumers**” means all Maryland consumers who were Borrowers of Aequitas Genesis Loans and have remaining unpaid amounts on such loans as of the Record Date.

11. “**Active Aequitas Genesis Loans**” means, as of the Record Date, all Aequitas Genesis Loans, with the exception of Defaulted Genesis Loans and Aequitas Closed School Loans.

12. “**Defendants**” means Aequitas Capital Management, Inc., Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Campus Student Funding, LLC, CSF Leverage I, LLC, Aequitas Income Opportunity Fund, LLC, and Aequitas Income Protection Fund, LLC as named in the Complaint.

13. “**Aequitas Genesis Loan**” means any private student loan referred to in the Complaint as either a Genesis loan or EducationPlus loan, which was made to a Borrower to pay for tuition, cost of living expenses and/or fees to attend a Corinthian school, and which as of the Record Date is still outstanding on the books and records of Defendants in the possession of the Receiver (or on the books and records of servicers of said loans).

14. “**Borrower**” means a Maryland consumer who was a borrower of an Aequitas Genesis Loan, and his/her/its successors or assigns.

15. “**Closed School Loan**” means an Aequis Genesis Loan to a Borrower who did not graduate or complete his/her course work and who (a) attended one of the Corinthian schools that Corinthian announced on April 27, 2015 would be closed and described on Schedule 1 to this Consent Judgment and was either attending such school when it closed or withdrew from such school on or after June 1, 2014, or (b) attended one of the Corinthian schools sold to Zenith as denoted on Schedule 2 to this Consent Judgment and whose loan is depicted on a list agreed upon between the Receiver, the Bureau, and the Division prior to the filing of the Complaint.

16. “**Bureau**” means the Consumer Financial Protection Bureau.

17. “**Defaulted Aequis Genesis Loan**” means an Aequis Genesis Loan that is 270 days or more past due, charged off, or cancelled as of the Record Date.

18. “**Current Payment Amount**” is the monthly payment amount designated for each Active Aequis Genesis Loan in order to keep the account current and non-delinquent.

19. “**Effective Date**” means the date on which this Consent Judgment is entered on the docket.

20. “**Re-Amortization Payment Amount**” is a new payment amount per month for each Active Aequis Genesis Loan, calculated based on the principal reduction provided for in paragraph 45 as of the Effective Date such that the Active Aequis Genesis Loan will be fully paid if the Re-Amortization Payment Amount is paid by the Borrower each month on time, by the end of that loan’s actual or, in the case of loans that have ever been in or are currently in a forbearance plan, estimated remaining term.

21. “**Receiver**” means Ronald Greenspan, receiver of Aequis, named as such in the Receivership Order, or any other receiver that is appointed by a superseding order in the same litigation.

22. “**Receivership Action**” means the matter of *SEC v. Aequitas Management, LLC, et al.*, No. 3:16-cv-438(PK) (D. Or.).

23. “**Receivership Court**” means the U.S. Federal District Court, D. Or., in which the Receivership Action is pending.

24. “**Receivership Order**” means the Order Appointing Receiver, ECF No. 156, *SEC v. Aequitas Management, LLC, et al.*, No. 3:16-cv-438(PK) (D. Or. Apr. 14, 2016).

25. “**Record Date**” means March 31, 2017.

26. “**Retained Personnel**” means the agents of the Receiver, as defined by the Receivership Order.

IV. FINDINGS

27. The Division’s Complaint alleges Defendants funded, maintained, and collected upon the private student loan program offered to Corinthian students as part of a scheme to allow Corinthian to present a façade of compliance with federal laws requiring that a certain portion of a for-profit school’s revenue come from sources other than federal student aid.

28. The Complaint also alleges that Defendants profited from this scheme, and in doing so, took unreasonable advantage of Corinthian’s student borrowers who were unaware of the scheme associated with this loan program, and therefore were unable to protect their interests in taking out such loans.

29. The Securities and Exchange Commission commenced the Receivership Action on March 10, 2016 to, among other things, obtain injunctive relief against Defendants for violation of certain federal securities laws, and place Defendants and certain other related parties in receivership for purposes of orderly liquidation.

30. The Receivership Court entered a preliminary injunction against Defendants on March 14, 2016, and by Order dated April 14, 2016 (Receivership Order) appointed the Receiver for

Defendants and certain other related parties. Pursuant to the Receivership Order, the Receiver has the power and authority to enter into this Consent Judgment and to perform certain duties set forth in this Consent Judgment during the pendency of the Receivership.

31. The Division makes no allegations against the Receiver, but only against Defendants. The Receiver is obligated under this Consent Judgment for the sole purpose of acting on behalf of the Defendants to grant certain monetary relief from the assets of the Receivership and to perform certain obligations to the Division set forth in this Consent Judgment.

32. Defendants neither admit nor deny any allegation in the Complaint, except that for purposes of this Consent Judgment, Defendants admit the facts necessary to establish the Court's jurisdiction over Defendants and the subject matter of this action. The loan reductions, discharges and cancellations described in this judgment are based on alleged infirmities that relate back to the original sale of educational services by Corinthian and are for the purpose of correcting alleged unlawful business practices by the Defendants, including alleged unfair and deceptive acts and practices.

33. The parties, by and through respective counsel, have requested the Circuit Court for Baltimore City to enter this Consent Judgment to resolve all matters in dispute arising from the conduct alleged in the Complaint.

V. CONDUCT PROVISIONS

34. Defendants and their respective officers, agents, servants, employees and attorneys, shall cease and desist from engaging in any unfair or deceptive trade practices in violation of the Consumer Protection Act.

35. Defendants shall not make any express or implied representations that have the capacity, tendency or effect of deceiving or misleading consumers in connection with lending to students of for-profit schools.

36. Defendants shall inform consumers of any material facts, the omission of which would deceive or tend to deceive consumers, in connection with lending to students of for-profit schools.

37. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, shall obtain the following reports from servicers currently servicing the Aequitas Genesis Loans, with data as of the Record Date. Upon obtaining such reports, the Defendants or the Receiver on behalf of the Defendants shall provide copies of them to the Division. The following reports are to be obtained, to the extent the specified loan-level data are available:

a. a report of all Aequitas Genesis Loans including for each such Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Aequitas Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

b. a report of all Active Aequitas Genesis Loans including for each such Active Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Active Aequitas Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

c. a report of all Defaulted Aequitas Genesis Loans, including for each such Defaulted Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Defaulted Aequitas Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

d. a report of all Closed School Loans, including for each such Closed School Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Closed School Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

38. For each Closed School Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from:

a. Engaging in any collection activity with respect to each such Closed School Loan; however, Defendants (or the Receiver on behalf of the Defendants) will not be regarded as in violation of this Consent Judgment if they send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;

b. Accepting any future payment on any such Closed School Loan, including any future payment made in connection with any statement or notice permitted by subparagraph (a), provided, however, that in the event that such a payment is discovered to be accepted and processed, Defendants, or the Receiver acting on Defendants' behalf, will return the payment to the Borrower within a reasonable time; and

c. Reselling, transferring, or assigning any such Closed School Loan.

39. For each Defaulted Aequitas Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from:

a. Engaging in any collection activity with respect to each such Defaulted Aequitas Genesis Loan; however, Defendants will not be regarded as in violation of this Consent Judgment if they send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;

b. Accepting any future payment on any such Defaulted Aequis Genesis Loan, including any future payment made in connection with any statement or notice permitted by subparagraph (a), provided, however, that in the event that such a payment is discovered to be accepted and processed, Defendants, or the Receiver acting on Defendants' behalf, will return the payment to the Borrower within a reasonable time; and

c. Reselling, transferring, or assigning any such Defaulted Aequis Genesis Loan.

40. For each Active Aequis Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from:

a. Reselling, transferring, or assigning any such Active Aequis Genesis Loan, unless:

i. Defendants, or the Receiver on behalf of Defendants, ensure that the principal amount of each such loan sold, transferred or assigned reflects the reduction required in paragraph 45;

ii. Within five business days of reaching an agreement in principle to sell, transfer or assign any Active Aequis Genesis Loans, in which the terms have been agreed upon by the parties but the Receiver has not yet sought the authority of the Receivership Court to make such a sale, transfer, or assignment,

Defendants, or the Receiver on behalf of Defendants, must provide the Division:

1. notice of the fact that such agreement in principle has been reached;
2. the name of the proposed purchaser, transferee or assignee;

3. the list of Active Aequitas Genesis loans to be sold, transferred or assigned; and

4. the proposed written agreement memorializing the terms of the proposed sale, transfer, or assignment.

iii. Within five business days prior to filing a motion seeking court approval for any such sale, transfer or assignment of Active Aequitas Genesis Loans, Defendants, or the Receiver on behalf of Defendants, must provide the Division:

1. notice of its intention to file any such motion; and

2. the proposed motion papers, including any attachments thereto;

iv. Defendants, or the Receiver on behalf of Defendants, ensure that the final agreement memorializing any such sale, transfer or assignment of any Active Aequitas Genesis Loans contains a provision requiring the purchaser, transferee or assignee to adopt or abide by the terms and provisions of this Consent Judgment requiring ongoing performance for the Division ;

b. Any motion seeking approval for any such sale, transfer or assignment of Active Aequitas Genesis Loans shall (1) contain a request to the Receivership Court that the terms of this Consent Judgment requiring ongoing performance for the Division shall be enforceable against the purchaser, transferee or assignee; and (2) not seek to sell, transfer or assign such loans free and clear of rights, claims or defenses of any Borrower, co-borrower or guarantor on any such Loan.

41. For each Active Aequitas Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of 60 days after the Effective Date from:

a. Engaging in any collection activity with respect to each such Active Aequitas Genesis Loan that seeks an amount in principal greater than the amount identified in paragraph 47, including by:

- i. calculating interest or fees based on a principal amount greater than the amount identified in paragraph 47, however, in the event interest or fees have been calculated on a principal amount greater than the amount identified in paragraph 47 the excess amounts that have been paid by the Borrower will be applied to the Borrower's principal balance unless the Borrower seeks a refund of such improperly charged amounts, in which case the Borrower will be supplied a refund; and
- ii. representing to the Borrower of any such Active Aequitas Genesis Loan that the principal amount owed is greater than the amount identified in paragraph 47.

42. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must request and use commercially reasonable efforts to follow up with any servicer that furnished trade line information for Aequitas Genesis Loans to credit reporting agencies to furnish deletion codes to said credit reporting agencies to delete such information from subject Borrowers' credit reports. For Borrowers of Active Aequitas Genesis Loans who perform under such Loans after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer to report such performance to credit reporting agencies in accordance with applicable law. For any Borrowers who become or continue to be delinquent or in default after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer

to report such Borrowers' status to credit reporting agencies in accordance with applicable law; however, any such reporting shall reflect the balance as modified by this Consent Judgment.

43. Defendants, or the Receiver on behalf Defendants, shall direct any person or entity collecting on Active Aequitas Genesis Loans to fully comply with all applicable requirements of Maryland law in any such collection.

VI. REDRESS AND REMEDIATION

44. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, will discharge and cancel all amounts shown as owed in the report provided to the Bureau and to the Division under paragraph 37, including principal, interest, fees or any other amounts, in connection with:

- a. all Closed School Loans; and
- b. all Defaulted Aequitas Genesis Loans.

45. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, shall reduce the principal amount owed as of the Record Date on each Active Aequitas Genesis Loan, as identified in the report provided to the Bureau and to the Division under paragraph 37, by 55% and discharge and cancel such principal and any accrued and unpaid interest, fees and charges that are 30 or more days past due as of the Record Date.

46. Defendants, or the Receiver on behalf of Defendants, shall use commercially reasonable efforts to obtain guidance from the Internal Revenue Service that Receiver is not required to make federal tax filings (including sending 1099 forms to Borrowers) as a result of the debt relief provided in this Consent Judgment, prior to the time such forms would be required to be sent. If the Receiver, in consultation with his counsel, is satisfied that such guidance is reliable, the Receiver shall not make applicable federal tax filings and shall not send Borrowers 1099 forms.

47. Defendants, or the Receiver on behalf of Defendants, must provide each

Borrower of a Closed School Loan and each Borrower of a Defaulted Aequitas Genesis Loan with the following notice within 90 days of the Effective Date. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- a. The outstanding amount that had been owed under each Aequitas Genesis Loan as of the Record Date by such Borrower;
- b. The fact that each such amount has been reduced, discharged and canceled in full and such Borrower no longer owes any amounts under his or her Aequitas Genesis Loan;
- c. The fact that the cancellation of the amounts owed for each such Aequitas Genesis Loan is pursuant to this Consent Judgment ;
- d. The fact that the Borrower will not be subjected to any new debt-collection or credit-reporting activities related to each such Aequitas Genesis Loan;
- e. Any such discharge or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;
- f. No amounts that were due and owing and were paid prior to the Record Date will be returned to the Borrower.

48. Within 90 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of an Active Aequitas Genesis Loan written notice of his/her option to either continue paying the Current Payment Amount on the lowered principal balance or elect to have the loan re-amortized using the lowered principal balance and remaining term of the subject loan, which will result in a Re-Amortization Payment Amount. No such notice is required to a Borrower and no Re-Amortization Payment Amount will be available to a

Borrower, however, if such Borrower's Current Payment Amount before re-amortization is less than \$20; in any event, a Borrower's Re-Amortization Payment Amount will not be less than \$20.

49. Each Borrower of an Active Aequitas Genesis Loan will have 90 days from the mailing date of such notice to make his/her election by completing the notice and returning it to Defendants, the Receiver (on behalf of Defendants) or the applicable servicer. If the Borrower does not make such an election, he or she will be required to pay the Current Payment Amount and the loan will not be re-amortized. For Borrowers as to whom Defendants, the Receiver on behalf of Defendants or the applicable servicer timely have received affirmative notice of election of the Re-Amortization Payment Amount, within 30 days following the expiration of the 90 day election period, Defendants, or the Receiver on behalf of Defendants, will re-amortize loans and adjust the monthly payment amount for all future unbilled and un-accrued loan payments to the Re-Amortization Payment Amount. Notwithstanding the foregoing, for any Active Aequitas Genesis Loan which already has been amended or modified pursuant to a forbearance plan to provide a Borrower with a monthly payment that is less than the applicable Re-Amortization Payment Amount and the Borrower has elected to accept the re-amortization option, Defendants, or the Receiver on behalf of Defendants, shall not be required to adjust the monthly payment until the end of the applicable forbearance period. Defendants, or the Receiver on behalf of Defendants, will adjust the monthly payment to a Re-Amortization Payment Amount based on the principal balance of the Borrower's loan at the end of the applicable forbearance period.

50. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of an Active Aequitas Genesis Loan with the following notice. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most

recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- a. Identification information that associates the loan to the Borrower;
- b. The amount of principal owed as of the Record Date of each Active Aequitas Genesis Loan associated with such Borrower;
- c. The amount of principal owed for each such Active Aequitas Genesis Loan after the reduction required in paragraph 45 has been applied;
- d. A statement notifying the Borrower that the principal has been reduced by 55% pursuant to this Consent Judgment;
- e. A Re-Amortization Payment Amount option whereby the Borrower has 90 days from the mailing date of such notice to inform the servicer of his or her election to opt-in and have his or her loan re-amortized with the minimum monthly payment modified from the Current Payment Amount to a Re-Amortization Payment Amount;
- f. The fact that if the Borrower does not make such an election by the required date, the Current Payment Amount will continue as the amount due on his or her loan each month;
- g. The fact that replacing the Current Payment Amount with the Re-Amortization Payment Amount may reduce the amount such Borrower pays each month but will cost the Borrower more over the life of the loan than if he or she continued with the Current Payment Amount;
- h. The fact that a Borrower's election will not waive any rights, claims or defenses that the Borrower and any co-borrower, co-signer or guarantor may have with respect to the loan.

i. The fact that continuing to pay the Current Payment Amount (or more) each month will result in full satisfaction of his or her loan before the payment term has expired, and will cost the Borrower less overall than if he or she elected to use the Re-amortization Payment Amount;

j. The following specific information individualized for each Borrower on an Active Aequitas Genesis Loan:

i. The estimated total amount of principal and interest the Borrower will pay if the Borrower pays each current Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

ii. The estimated total amount of principal and interest that the Borrower will pay if the Borrower elects his or her option to pay the Re-Amortization Payment Amount and pays such Re-Amortization Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

k. Any reduction, discharge or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;

l. A statement notifying the Borrower that, if the Borrower desires, the Borrower at any time may make payments larger than the Re-Amortization Payment Amount, which if the loan is current would result in a shorter payoff period and interest savings; and

m. A statement notifying Borrowers on forbearance plans of their alternative payment options as set forth in paragraph 47.

n. A statement notifying Borrowers that the relief described does not waive or extinguish any rights, claims or defenses that the Borrower, any co-borrower and/or guarantor may have with respect to his or her loan.

51. A proposed form of the notices required by paragraph 47 and 48 shall be provided to the Division for non-objection within 30 days of the Effective Date.

52. Defendants, or the Receiver on behalf of Defendants, shall include no materials other than the notices provided in paragraphs 45 and 48 in any envelope containing such notices, unless Defendants, or the Receiver on behalf of Defendants, has obtained written confirmation from the Division that it does not object to the inclusion of such materials.

VII. REPORTING REQUIREMENTS

53. Defendants, or during the pendency of the Receivership Receiver on behalf of Defendants, shall notify the Division of any development that may affect their obligations arising under this Consent Judgment, including, but not limited to, the replacement of the Receiver or the filing of any bankruptcy or insolvency proceeding by or against Defendants. Defendants, or the Receiver on behalf of Defendants, must provide this notice at least 30 days before the development or as soon as practicable after learning about the development, whichever is sooner.

54. Within 180 days of the Effective Date, and again one year after the Effective Date, Defendants, or the Receiver on behalf of Defendants, must submit to the Division an accurate written compliance progress report, which, at a minimum:

- a. Describes in detail the manner and form in which Defendants, or the Receiver on behalf of Defendants, as applicable, have complied with this Consent Judgment; and
- b. Attaches a copy of each Acknowledgment obtained under Paragraph 58 and 59, unless previously submitted to the Division.

55. Defendants, or the Receiver on behalf of Defendants, in carrying out the provisions of this Consent Judgment, are permitted to make such adjustments to loan balance amounts, accrual of interest and Borrower payment amounts and process refunds to Borrowers (including providing Borrower refunds or reimbursements not expressly required by this Consent Judgment) as may be necessary to assure compliance with this Consent Judgment, but in any event in a manner that is fair and transparent to Borrowers subject to such adjustments and in a manner that is otherwise in compliance with this Consent Judgment.

VIII. RELEASE

56. The Division releases and discharges Defendants from all potential liability for law violations related to the allegations of the Complaint in this action that the Division has brought or could have brought against Defendants or any of their respective current or former affiliates, agents, representatives, or employees pursuant to Maryland's consumer protection statute (Md. Code Ann., Com. Law §§ 13-101 through 13-501 (2013 Repl. Vol. and 2015 Supp.)), to the extent such practices occurred before the Effective Date and the Division knows about them as of the Effective Date. The Division may use the practices described in this Consent Judgment in future enforcement actions against Defendants, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Division to determine and ensure compliance with the Consent Judgment, or to seek penalties for any violations of the Consent Judgment.

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

IX. MISCELLANEOUS PROVISIONS

58. Within 15 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must deliver a copy of this Consent Judgment to each employee or agent of the Receiver who or which is, as of the Effective Date, employed or retained by the Receiver and who or which has responsibilities that extend beyond the Effective Date related to the subject matter of this Consent Judgment.

59. Within 30 days of the Effective Date, the Receiver shall provide a signed and dated statement to the Division of the Receiver's compliance with paragraph 58, and shall provide a signed and dated statement from the servicer, or any other third-party service provider tasked with carrying out responsibilities under this Consent Judgment, acknowledging receipt of this Consent Judgment, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. §§ 7001 et. seq.

60. Defendants, or the Receiver on behalf of Defendants, must maintain for 3 years from the Effective Date or the duration of the Receivership, whichever is lesser, all documents and records necessary to demonstrate full compliance with this Consent Judgment, including all submissions to the Division.

61. Aequitas, or the Receiver on Aequitas's behalf, must make the documents identified in this Consent Judgment available to the Division upon the Division's request.

62. Unless otherwise agreed in writing by the Division, Defendants, or the Receiver on behalf of the Defendants, shall provide to the Division all submissions, requests, communications or other documents relating to this Consent Judgment in writing, via email and Overnight Mail to:

William Gruhn
Chief
Consumer Protection Division

200 St. Paul Place, 16th Floor
Baltimore, MD 21202
Email: cmadaio@oag.state.md.us

63. Defendants, or during the pendency of the Receivership the Receiver on behalf of Defendants, will cooperate fully with the Division as necessary to achieve the goals and carry out the requirements of this Consent Judgment.

64. Defendants, or during the pendency of the Receivership the Receiver on behalf of Defendants, will cooperate fully to help the Division determine the identity and the location of, and the relief provided pursuant to this Consent Judgment for each Affected Consumer, from the information within Defendants' or the Receiver's possession and control or a servicer's system of record.

65. Notwithstanding any other provision of this agreement, any time limits for performance fixed by this Consent Judgment may be extended by mutual written agreement of the parties (or, as applicable, the Receiver) and without further Court approval. Additionally, details related to the administration of Sections V. through VII. of this Consent Judgment may be modified by written agreement of the parties (or, as applicable, the Receiver) and without further Circuit Court approval. Any other modifications to this Consent Judgment may be made only upon approval of the Circuit Court, upon motion by any party.

66. Notwithstanding any other terms, conditions or provisions of this Consent Judgment, pursuant to the Receivership Order, the Receiver and the Retained Personnel are entitled to rely on all outstanding rules of law and the orders of the Receivership Court and shall not be liable to any person or party (including, without limitation, the Division) for their own good faith compliance with this Consent Judgment. Pursuant to the Receivership Order, in no event shall the Receiver or Retained Personnel be liable to any person or party (including, without

limitation, the Division) for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by the Receivership Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

67. This Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Consent Judgment.

68. Defendants shall be liable for all court costs.

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

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

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

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

permission for Defendants to engage in any acts or practices prohibited by such laws, regulations, or rules

AGREED TO:
FOR DEFENDANTS

RONALD F. GREENSPAN, IN HIS SOLE CAPACITY AS RECEIVER

FOR PLAINTIFF

BRIAN E. FROSH
Maryland Attorney General

By:

William D. Gruhn
Chief, Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
(410) 576-6374

IT IS SO ORDERED, ADJUDGED AND DECREED this ____ day of

_____, 2017

JUDGE

Schedule 1

Corinthian Closed School OPEID List (Per the Department of Education Listing)

OPEID	School Name	Location	Street Address	City	State	Corinthian School #
809000	Everest College	Everest College	2215 Mission Road	Alhambra	CA	180
1110700	Everest College	Everest College	511 North Brookhurst Street	Anaheim	CA	171
1112300	Everest College	Everest College	1045 Wt Redondo Beach Blvd	Gardena	CA	186
3072300	Everest College	Everest College	1460 S. Milliken Ave	Ontario	CA	245
449400	Everest College	Everest College	217 E. Club Center Drive, Ste A	San Bernardino	CA	182
449401	Everest College - Santa Ana	Everest College - Santa Ana	500 West Santa Ana Boulevard	Santa Ana	CA	172
449402	Everest College - Ontario	Everest College - Ontario	1819 South Excise Avenue	Ontario	CA	564
481100	Everest Institute	Everest Institute	1630 Portland Avenue	Rochester	NY	692
1110900	Everest College	Everest College	18040 Sherman Way	Reseda	CA	173
2295000	Everest College	Everest College	10400 North 25th Avenue	Phoenix	AZ	575, 975
2295002	Everest College	Everest College	5416 East Baseline	Mesa	AZ	576
3195400	Everest College	Everest College	1231 Cabrillo Avenue	Torrance	CA	155
723400	Heald College	Heald College	875 Howard Street	San Francisco	CA	11101
723401	Heald College - Honolulu	Heald College - Honolulu	1500 Kapliolani Boulevard	Honolulu	HI	11136
723402	Heald College	Heald College	6035 Northeast 78th Court	Portland	OR	11138
723403	Heald College - Kaneoche MCB	Heald College - Kaneoche MCB	Bldg 220, 5th St. Marine Corps	Kaneohe	HI	Unable to Identify
723404	Heald College - Concord	Heald College - Concord	5130 Commercial Circle	Concord	CA	11103, 11199
723405	Heald College - Milpitas	Heald College - Milpitas	341 Great Mall Parkway	Milpitas	CA	11105
723406	Heald College - Hayward	Heald College - Hayward	25500 Industrial Boulevard	Hayward	CA	11104
723407	Heald College - Modesto	Heald College - Modesto	5260 Pirrone Court	Salida	CA	11115
723408	Heald College - Roseville	Heald College - Roseville	Seven Sierra Gate Plaza	Roseville	CA	11156
723409	Heald College - Salinas	Heald College - Salinas	1450 North Main Street	Salinas	CA	11109
723410	Heald College - Stockton	Heald College - Stockton	1605 East March Lane	Stockton	CA	11114
723411	Heald College - Rancho Cordova	Heald College - Rancho Cordova	2910 Prospect Park Drive	Rancho Cordova	CA	11111
723412	Heald College - Fresno	Heald College - Fresno	255 West Bullard	Fresno	CA	11112
723413	Heald College - Fresno Satellite	Heald College - Fresno Satellite	255 East River Park Circle	Fresno	CA	11112
719000	WyoTech	WyoTech	200 Whitney Place	Fremont	CA	412
1287300	WyoTech	WyoTech	2161 Technology Place	Long Beach	CA	274
1287301	WyoTech	WyoTech	3000 S Robertson BLVD #300	Los Angeles	CA	Unable to Identify
1287302	WyoTech	WyoTech	12801 Crossroads Pkwy South	City of Industry	CA	Unable to Identify

Schedule 2

Zenith Closed School OPEID List						Corinthian "Zenith"
OPEID	SCHOOL NAME	LOCATION	ADDRESS	CITY	STATE	School #
2100401	EVEREST INSTITUTE	EVEREST INSTITUTE - KALAMAZOO	5177 WEST MAIN STREET	KALAMAZOO	MI	347
982809	EVEREST INSTITUTE	EVEREST INSTITUTE - CHELSEA	70 EVERETT AVENUE	CHELSEA	MA	315
2300105	EVEREST COLLEGE	EVEREST COLLEGE - EARTH CITY	3420 RIDER TRAIL SOUTH	EARTH CITY	MO	377
2617507	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST INSTITUTE - BENSALAM	3050 TILLMAN DRIVE	BENSALAM	PA	Unable to Identify
2100402	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE	8585 BROADWAY SUITE 200	MERRILLVILLE	IN	349
2100400	EVEREST INSTITUTE	EVEREST INSTITUTE	1750 WOODWORTH STREET NORTHEAST	GRAND RAPIDS	MI	345
2298501	EVEREST COLLEGE	EVEREST COLLEGE - FORT WORTH	5237 NORTH RIVERSIDE DRIVE SUITE 200	FORT WORTH	TX	613
149911	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - MERRIONETTE PARK	11560 SOUTH KEDZIE AVENUE	MERRIONETTE PARK	IL	344
2298500	EVEREST COLLEGE	EVEREST COLLEGE	3280 WEST 3500 SOUTH	SALT LAKE CITY	UT	572
450301	EVEREST COLLEGE	EVEREST COLLEGE - MCLEAN	8620 WESTWOOD CENTER DRIVE	VIENNA	VA	626
1185802	EVEREST COLLEGE	EVEREST COLLEGE - BURR RIDGE	6880 NORTH FRONTAGE ROAD SUITE 400	BURR RIDGE	IL	343
1185800	EVEREST COLLEGE	EVEREST COLLEGE	9811 WOODS DRIVE SUITE 200	SKOKIE	IL	341
1185803	EVEREST COLLEGE	EVEREST COLLEGE - MELROSE PARK	1101 WEST NORTH AVENUE SUITE 1	MELROSE PARK	IL	Unable to Identify
982810	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE - BEDFORD PARK	7414 SOUTH CICERO AVENUE	BEDFORD PARK	IL	Unable to Identify
709100	EVEREST INSTITUTE	EVEREST INSTITUTE	100 FORBES AVENUE KOSSMAN BUILDING SUITE 1200	PITTSBURGH	PA	656
450701	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST COLLEGE AURORA	14280 EAST JEWELL AVENUE SUITE 100	AURORA	CO	509
982806	EVEREST INSTITUTE	EVEREST INSTITUTE - JONESBORO	6431 TARA BOULEVARD	JONESBORO	GA	353
2606200	EVEREST COLLEGE	EVEREST COLLEGE	981 POWELL AVENUE SW SUITE 200	RENTON	WA	116
982801	EVEREST INSTITUTE	EVEREST INSTITUTE - DEARBORN	23400 MICHIGAN AVENUE SUITE 200	DEARBORN	MI	337
907901	EVEREST COLLEGE	EVEREST COLLEGE	STONEMILL CENTER SUITE 130 120 NORTHEAST 136TH AVENUE	VANCOUVER	WA	548
907900	EVEREST COLLEGE	EVEREST COLLEGE	600 SW 10TH AVENUE SUITE 400	PORTLAND	OR	547
2617509	EVEREST COLLEGE	EVEREST COLLEGE	NORTHGATE MERIDIAN BUILDING 2111 NORTH NORTHGATE WAY SUITE 300	SEATTLE	WA	390
2300106	EVEREST COLLEGE	EVEREST COLLEGE	155 WASHINGTON AVENUE SUITE 200	BREMERTON	WA	397
149908	EVEREST UNIVERSITY	EVEREST UNIVERSITY - LAKELAND	995 EAST MEMORIAL BOULEVARD	LAKELAND	FL	765
149912	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - KANSAS CITY	1740 WEST 92ND STREET	KANSAS CITY	MO	320

DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, CO 80202 <hr/> STATE OF COLORADO, ex rel. CYNTHIA H. COFFMAN, ATTORNEY GENERAL Plaintiff, v. AEQUITAS CAPITAL MANAGEMENT INC., AEQUITAS MANAGEMENT LLC, AEQUITAS HOLDINGS LLC, AEQUITAS COMMERCIAL FINANCE LLC, CAMPUS STUDENT FUNDING LLC, CSF LEVERAGE I, LLC, AEQUITAS INCOME OPPORTUNITY FUND, AEQUITAS INCOME PROTECTION FUND, Defendants.	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
CYNTHIA H. COFFMAN, Attorney General JAY B. SIMONSON, 24077* First Assistant Attorney General Ralph L. Carr Judicial Center 1300 Broadway, 10 th Floor Denver, CO 80203 Telephone: (720) 508-6000 FAX: (720) 508-6040 *Counsel of Record	Case No. Div.:
STIPULATED CONSENT JUDGMENT	

Plaintiff, the State of Colorado, upon relation of Cynthia H. Coffman, Attorney General for the State of Colorado has filed, simultaneously with this Stipulated Consent Judgment, a Complaint for a permanent injunction and other relief in this matter pursuant to the Colorado Consumer Protection Act, §§ 6-1-101 *et seq.*, C.R.S. ("CCPA"), alleging Defendants, Aequitas Capital Management Inc., Aequitas Management LLC, Aequitas Holdings LLC, Aequitas Commercial Finance

LLC, Campus Student Funding LLC, CSF Leverage I, LLC, Aequitas Income Opportunity Fund, Aequitas Income Protection Fund, (“Defendants”), committed violations of the CCPA.

Plaintiff and Defendants have agreed to the Court’s entry of this Stipulated Consent Judgment (“Consent Judgment”) without trial or adjudication of any issue of fact or law or finding of wrongdoing or liability of any kind. This Consent Judgment is for settlement purposes only, and it is the intent of the parties that nothing herein shall constitute, or be admissible, in evidence as any admission.

NOW THEREFORE, on the basis of these findings, and for the purpose of effecting this Stipulated Consent Judgment, IT IS HEREBY ORDERED AND DECREED AS FOLLOWS:

JURISDICTION

1. The Court has jurisdiction over the subject-matter of this action and of the parties, and venue is proper in this Court.

2. The State’s Complaint sets forth a cause of action against Defendants under the Colorado Consumer Protection Act, §§ 6-1-101 *et seq.*, C.R.S. (“CCPA”).

STIPULATION

3. This STIPULATED CONSENT JUDGMENT is entered into between the State of Colorado, by the Office of the Attorney General (“State” or “Plaintiff), and Defendants AEQUITAS CAPITAL MANAGEMENT, INC., AEQUITAS MANAGEMENT, LLC, AEQUITAS HOLDINGS, LLC, AEQUITAS COMMERCIAL FINANCE, LLC, CAMPUS STUDENT FUNDING, LLC, CSF LEVERAGE I, LLC, AEQUITAS INCOME OPPORTUNITY FUND, and AEQUITAS INCOME PROTECTION FUND (collectively, “Defendants,” and, together with the State, the “Parties”). This Judgment resolves Plaintiff’s concerns regarding Defendants’ compliance with the CCPA.

DEFINITIONS

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

(a) “Affected Consumers” means all consumers who were Borrowers of Aequitas Genesis Loans and have remaining unpaid amounts on such loans as of the Record Date.

(b) “Active Aequitas Genesis Loans” means, as of the Record Date, all Aequitas Genesis Loans, with the exception of Defaulted Genesis Loans and Aequitas Closed School Loans.

(c) “Defendants” means Aequitas Capital Management, Inc., Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Campus Student Funding, LLC, CSF Leverage I, LLC, Aequitas Income Opportunity Fund, and Aequitas Income Protection Fund, as named in the Complaint.

(d) “Aequitas Genesis Loan” means any private student loan referred to in the Complaint as either a Genesis loan or EducationPlus loan, which was made to a Borrower to pay for tuition, cost of living expenses, or fees to attend a Corinthian school, and which as of the Record Date is still outstanding on the books and records of Defendants in the possession of the Receiver (or on the books and records of servicers of said loans).

(e) “Borrower” means a consumer who was a borrower of an Aequitas Genesis Loan, and his/her/its successors or assigns.

(f) “Closed School Loan ” means an Aequitas Genesis Loan to a Borrower who did not graduate or complete his/her course work and who (a) attended one of the Corinthian schools that Corinthian announced on April 27, 2015, would be closed and described on Schedule 1 to this Judgment and was either attending such school when it closed or withdrew from such school on or

after June 1, 2014, or (b) attended one of the Corinthian schools sold to Zenith as denoted on Schedule 2 to this Judgment and whose loan is depicted on a list agreed upon between the Receiver and the State prior to the filing of the Complaint.

(g) “Corinthian” means Corinthian Colleges, Inc., and all predecessors, successors, subsidiaries, affiliates, and parents, including Heald, WyoTech, and Everest Colleges.

(h) “Defaulted Aequitas Genesis Loan” means an Aequitas Genesis Loan that is 270 days or more past due, charged off, or cancelled as of the Record Date.

(i) “Current Payment Amount” is the monthly payment amount designated for each Active Aequitas Genesis Loan in order to keep the account current and non-delinquent.

(j) “Effective Date” means the date on which this Judgment is entered by the Court.

(k) “Re-Amortization Payment Amount” is a new payment amount per month for each Active Aequitas Genesis Loan, calculated based on the principal reduction provided for in paragraph 14 as of the Effective Date such that the Active Aequitas Genesis Loan will be fully paid if the Re-Amortization Payment Amount is paid by the Borrower each month on time, by the end of that loan’s actual or, in the case of loans that have ever been in or are currently in a forbearance plan, estimated remaining term.

(l) “Receiver” means Ronald Greenspan, receiver of Aequitas, named as such in the Receivership Order, or any other receiver that is appointed by a superseding order in the same litigation.

(m) “Receivership Action” means the matter of *SEC v. Aequitas Management, LLC, et al.*, No. 3:16-cv-438(PK), in the Receivership Court.

(n) “Receivership Court” means the United States District Court for the District of Oregon.

(o) “Receivership Order” means the Order Appointing Receiver, Doc. No. 156, in the Receivership Action.

(p) “Record Date” means March 31, 2017.

(q) “Retained Personnel” means the agents of the Receiver, as defined by the Receivership Order.

ENJOINED CONDUCT

Pursuant to the CCPA, Defendants are hereby enjoined as follows:

5. Defendants and their respective officers, agents, servants, employees and attorneys, who have actual notice of this Judgment, whether acting directly or indirectly, may not violate the CCPA, §§ 6-1-101 *et seq.*, C.R.S., including by engaging in deceptive trade practices in connection with lending to students of for-profit schools.

6. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, shall obtain the following reports from servicers currently servicing the Aequitas Genesis Loans, with data as of the Record Date. Upon obtaining such reports, the Defendants or the Receiver on behalf of the Defendants shall provide copies of them to the State. The following reports are to be obtained, to the extent the specified loan-level data are available:

(a) A report of all Aequitas Genesis Loans including for each such Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Aequitas Genesis Loan, the associated Borrower’s name, a unique identifying number, and most currently available postal address, phone number, and email address.

(b) A report of all Active Aequitas Genesis Loans including for each such Active Aequitas Genesis Loan, the amount of principal, interest, fees,

and any other amount due and owing as of the Record Date on such Active Aequitas Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

(c) A report of all Defaulted Aequitas Genesis Loans, including for each such Defaulted Aequitas Genesis Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Defaulted Aequitas Genesis Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

(d) A report of all Closed School Loans, including for each such Closed School Loan, the amount of principal, interest, fees, and any other amount due and owing as of the Record Date on such Closed School Loan, the associated Borrower's name, a unique identifying number, and most currently available postal address, phone number, and email address.

7. For each Closed School Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from the following:

(a) Engaging in any collection activity with respect to each such Closed School Loan; however, Defendants will not be regarded as in violation of this Judgment if they send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;

(b) Accepting any future payment on any such Closed School Loan, including any future payment made in connection with any statement or notice permitted by subparagraph (a), provided, however, that in the event that such a payment is discovered to be accepted and processed, Defendants, or the Receiver acting on Defendants' behalf, will return the payment to the

Borrower within a reasonable time; and

(c) Reselling, transferring, or assigning any such Closed School Loan.

8. For each Defaulted Aequis Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from the following:

(a) Engaging in any collection activity with respect to each such Defaulted Aequis Genesis Loan; however, Defendants will not be regarded as in violation of this Judgment if they send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date;

(b) Accepting any future payment on any such Defaulted Aequis Genesis Loan, including any future payment made in connection with any statement or notice permitted by subparagraph (a), provided, however, that in the event that such a payment is discovered to be accepted and processed, Defendants, or the Receiver acting on Defendants' behalf, will return the payment to the Borrower within a reasonable time; and

(c) Reselling, transferring, or assigning any such Defaulted Aequis Genesis Loan.

9. For each Active Aequis Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from the following:

(a) Reselling, transferring, or assigning any such Active Aequis Genesis Loan, unless the following:

(i) Defendants, or the Receiver on behalf of Defendants, ensure that the principal amount of each such loan sold, transferred or

assigned reflects the reduction required in paragraph 14;

(ii) Within five business days of reaching an agreement in principle to sell, transfer or assign any Active Aequitas Genesis Loans, in which the terms have been agreed upon by the parties but the Receiver has not yet sought the authority of the Receivership Court to make such a sale, transfer, or assignment, Defendants, or the Receiver on behalf of Defendants, must provide the State with the following:

Notice of the fact that such agreement in principle has been reached;

The name of the proposed purchaser, transferee or assignee;

The list of Active Aequitas Genesis loans to be sold, transferred or assigned; and

The proposed written agreement memorializing the terms of the proposed sale, transfer, or assignment.

(iii) Within five business days prior to filing a motion seeking court approval for any such sale, transfer or assignment of Active Aequitas Genesis Loans, Defendants, or the Receiver on behalf of Defendants, must provide the State with the following:

Notice of its intention to file any such motion; and

The proposed motion papers, including any attachments thereto;

(iv) Defendants, or the Receiver on behalf of Defendants, ensure that the final agreement memorializing any such sale, transfer or assignment of any Active Aequitas Genesis Loans contains a provision requiring the purchaser, transferee or assignee to adopt or abide by the terms and provisions of this Judgment requiring ongoing

performance for the State;

(b) Any motion seeking approval for any such sale, transfer or assignment of Active Aequitas Genesis Loans shall (1) contain a request to the Receivership Court that the terms of this Judgment requiring ongoing performance for the State shall be enforceable against the purchaser, transferee or assignee; and (2) not seek to sell, transfer or assign such loans free and clear of rights, claims or defenses of any borrower, co-borrower, or guarantor on any such Loan.

10. For each Active Aequitas Genesis Loan, Defendants, and the Receiver on behalf of Defendants, are permanently restrained and enjoined as of 60 days after the Effective Date from the following:

(a) Engaging in any collection activity with respect to each such Active Aequitas Genesis Loan that seeks an amount in principal greater than the amount identified in paragraph 14, including by means of the following:

i. Calculating interest or fees based on a principal amount greater than the amount identified in paragraph 14, however, in the event interest or fees have been calculated on a principal amount greater than the amount identified in paragraph 14, the excess amounts that have been paid by the Borrower will be applied to the Borrower's principal balance unless the Borrower seeks a refund of such improperly charged amounts, in which case the Borrower will be supplied a refund; and

ii. Representing to the Borrower of any such Active Aequitas Genesis Loan that the principal amount owed is greater than the amount identified in paragraph 14.

11. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must request that and use commercially efforts to follow up

with any servicer that furnished trade line information for Aequis Genesis Loans to credit reporting agencies to furnish deletion codes to said credit reporting agencies to delete such information from subject Borrowers' credit reports. For Borrowers of Active Aequis Genesis Loans who perform under such Loans after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer to report such performance to credit reporting agencies in accordance with applicable law. For any Borrowers who become or continue to be delinquent or in default after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer to report such Borrowers' status to credit reporting agencies in accordance with applicable law; however, any such reporting shall reflect the balance as modified by this Judgment.

12. Defendants, or the Receiver on behalf Defendants, shall direct any person or entity collecting on Active Aequis Genesis Loans to fully comply with all applicable requirements of the Colorado Fair Debt Collection Practices Act, Colorado Revised Statutes section 5-16-101 *et seq.*, in any such collection.

REMEDICATION AND REDRESS

13. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, will discharge and cancel all amounts shown as owed in the report provided to the State under paragraph 6, including principal, interest, fees, or any other amounts, in connection with the following:

- (a) All Closed School Loans; and
- (b) All Defaulted Aequis Genesis Loans.

14. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, shall reduce the principal amount owed as of the Record Date on each Active Aequis Genesis Loan, as identified in the report provided to the State under paragraph 6, by 55% and discharge and cancel such principal and any accrued and unpaid interest, fees and charges that are 30 or more days past due as

of the Record Date.

15. Defendants, or the Receiver on behalf of Defendants, shall use commercially reasonable efforts to obtain guidance from the Internal Revenue Service indicating that the Receiver is not required to make federal tax filings (including sending 1099 forms to Borrowers) as a result of the debt relief provided in this Order, prior to the time such forms would be required to be sent. If the Receiver, in consultation with his counsel, is satisfied that such guidance is reliable, the Receiver shall not make applicable federal tax filings and shall not send Borrowers 1099 forms.

16. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of a Closed School Loan and each Borrower of a Defaulted Aequitas Genesis Loan with the following notice within 90 days of the Effective Date. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- (a) The outstanding amount that had been owed under each Aequitas Genesis Loan as of the Record Date by such Borrower;
- (b) The fact that each such amount has been reduced, discharged, and canceled in full and such Borrower no longer owes any amounts under his or her Aequitas Genesis Loan;
- (c) The fact that the reduction, discharge, and cancellation of the amounts owed for each such Aequitas Genesis Loan is pursuant to this Judgment;
- (d) The fact that the Borrower will not be subjected to any new debt-collection or credit-reporting activities related to each such Genesis Loan;

(e) Any such reduction, discharge, or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities; and

(f) No amounts that were due and owing and were paid prior to the Record Date will be returned to the Borrower.

17. Within 90 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of an Active Aequis Genesis Loan written notice (as described in paragraph 19) of his/her option to either continue paying the Current Payment Amount on the lowered principal balance or elect to have the loan re-amortized using the lowered principal balance and remaining term of the subject loan, which will result in a Re-Amortization Payment Amount. No such notice is required to a Borrower and no Re-Amortization Payment Amount will be available to a Borrower, however, if such Borrower's Current Payment Amount before re-amortization is less than \$20; in any event, a Borrower's Re-Amortization Payment Amount will not be less than \$20.

18. Each Borrower of an Active Aequis Genesis Loan will have 60 days from the mailing date of such notice to make his/her election by completing the notice and returning it to Defendants, the Receiver (on behalf of Defendants) or the applicable servicer. If the Borrower does not make such an election, he or she will be required to pay the Current Payment Amount and the loan will not be re-amortized. For Borrowers as to whom Defendants, the Receiver on behalf of Defendants or the applicable servicer timely have received affirmative notice of election of the Re-Amortization Payment Amount, within 30 days following the expiration of the 60-day election period, Defendants, or the Receiver on behalf of Defendants, will re-amortize loans and adjust the monthly payment amount for all future unbilled and un-accrued loan payments to the Re-Amortization Payment Amount.

Notwithstanding the foregoing, for any Active Aequis Genesis Loan which already

has been amended or modified pursuant to a forbearance plan to provide a Borrower with a monthly payment that is less than the applicable Re-Amortization Payment Amount and the Borrower has elected to accept the re-amortization option, Defendants, or the Receiver on behalf of Defendants, shall not be required to adjust the monthly payment until the end of the applicable forbearance period. Defendants, or the Receiver on behalf of Defendants, will adjust the monthly payment to a Re-Amortization Payment Amount based on the principal balance of the Borrower's loan at the end of the applicable forbearance period.

19. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of an Active Aequitas Genesis Loan with the following notice pursuant to paragraph 17. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- (a) Identification information that associates the loan to the Borrower;
- (b) The amount of principal owed as of the Record Date of each Active Aequitas Genesis Loan associated with such Borrower;
- (c) The amount of principal owed for each such Active Aequitas Genesis Loan after the reduction required in paragraph 14 has been applied;
- (d) A statement notifying the Borrower that the principal has been reduced by 55% pursuant to this Judgment;
- (e) A Re-Amortization Payment Amount option whereby the Borrower has 90 days from the mailing date of such notice to inform the servicer of his or her election to opt-in and have his or her loan re-amortized with the minimum monthly payment modified from the Current Payment Amount to a Re-Amortization Payment Amount;

(f) The fact that if the Borrower does not make such an election by the required date, the Current Payment Amount will continue as the amount due on his or her loan each month;

(g) The fact that replacing the Current Payment Amount with the Re-Amortization Payment Amount may reduce the amount such Borrower pays each month but will cost the Borrower more over the life of the loan than if he or she continued with the Current Payment Amount;

(h) The fact that a Borrower's election will not waive any rights, claims or defenses that the Borrower and any co-borrower or guarantor may have with respect to the loan;

(i) The fact that continuing to pay the Current Payment Amount (or more) each month will result in full satisfaction of his or her loan before the payment term has expired, and will cost the Borrower less overall than if he or she elected to use the Re-amortization Payment Amount;

(j) The following specific information individualized for each Borrower on an Active Aequitas Genesis Loan:

(i) The estimated total amount of principal and interest the Borrower will pay if the Borrower pays each current Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

(ii) The estimated total amount of principal and interest that the Borrower will pay if the Borrower elects his or her option to pay the Re-Amortization Payment Amount and pays such Re-Amortization Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

(k) Any reduction, discharge, or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state

taxing authorities;

(l) A statement notifying the Borrower that, if the Borrower desires, the Borrower at any time may make payments larger than the Re-Amortization Payment Amount, which if the loan is current would result in a shorter payoff period and interest savings;

(m) A statement notifying Borrowers on forbearance plans of their alternative payment options as set forth in paragraph 18;

(n) A statement (1) notifying Borrowers that the relief described does not waive or extinguish any rights, claims, or defenses that the Borrower, any co-signer, or guarantor may have with respect to his or her loan.

20. A proposed form of the notices required by paragraph 16 and 17 shall be provided to the State for its non-objection within 30 days of the Effective Date.

21. Defendants, or the Receiver on behalf of Defendants, shall include no materials other than the notices provided in paragraphs 16 and 17 in any envelope containing such notices, unless Defendants, or the Receiver on behalf of Defendants, has obtained written confirmation from the Colorado Attorney General's Office that the State does not object to the inclusion of such materials.

REPORTING REQUIREMENTS

22. Defendants, or during the pendency of the Receivership, the Receiver on behalf of Defendants, shall notify the State of any development that may affect their obligations arising under this this Judgment, including, but not limited to, the replacement of the Receiver or the filing of any bankruptcy or insolvency proceeding by or against Defendants. Defendants, or the Receiver on behalf of Defendants, must provide this notice at least 30 days before the development or as soon as practicable after learning about the development, whichever is sooner.

23. Within 180 days of the Effective Date, and again one year after the

Effective Date, Defendants, or the Receiver on behalf of Defendants, must submit to the State an accurate written compliance progress report, which, at a minimum shall include the following:

- (a) A detailed description of the manner and form in which Defendants, or the Receiver on behalf of Defendants, as applicable, have complied with this Judgment; and
- (b) A copy of each Judgment Acknowledgment obtained under paragraphs 24-25, unless previously submitted to the State.

JUDGMENT DISTRIBUTION AND ACKNOWLEDGMENT

24. Within 15 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must deliver a copy of this Judgment to each employee or agent of the Receiver who or which is, as of the Effective Date, employed or retained by the Receiver and who or which has responsibilities that extend beyond the Effective Date related to the subject matter of this Judgment.

25. Within 30 days of the Effective Date, the Receiver shall provide a signed and dated statement to the State of the Receiver's compliance with paragraph 24, and shall provide a signed and dated statement from the servicer, or any other third-party service provider tasked with carrying out responsibilities under this Judgment, acknowledging receipt of this Judgment, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*

RECORDKEEPING

26. Defendants, or the Receiver on behalf of Defendants, must maintain for 3 years from the Effective Date or the duration of the Receivership, whichever is lesser, all documents and records necessary to demonstrate full compliance with this Judgment, including all submissions to the State.

27. Aequitas, or the Receiver on Aequitas's behalf, must make the documents identified in paragraph 26 available to the Colorado Attorney General's Office upon the State's request.

NOTICES

28. Unless otherwise directed in writing by the State, Defendants, or the Receiver on behalf of Defendants, must provide all submissions, requests, communications, or other documents relating to this Judgment in writing, with the subject line *Colorado v. Aequitas Capital Management, Inc.*, and shall be sent both by a nationally recognized overnight-courier service and by email to the named person (or such other person who may be designated by the relevant party from time to time) at the following address:

Jay B. Simonson
First Assistant Attorney General
Colorado Attorney General's Office
1300 Broadway, 7th Fl.
Denver, CO 80237
jay.simonson@coag.gov

COOPERATION

29. Defendants, or during the pendency of the Receivership, the Receiver on behalf of Defendants, will cooperate fully with the State as necessary to achieve the goals and carry out the requirements of this Judgment.

30. Defendants, or during the pendency of the Receivership, the Receiver on behalf of Defendants, will cooperate fully to help the State to determine the identity and the location of, and the relief provided pursuant to this Judgment for each Affected Consumer, from the information within Defendants' or the Receiver's possession and control or a servicer's system of record

MODIFICATIONS TO NON-MATERIAL REQUIREMENTS

31. Defendants, or the Receiver on behalf of Defendants, in carrying out the provisions of this Judgment, are permitted to make such adjustments to loan

balance amounts, accrual of interest and Borrower payment amounts and process refunds to Borrowers (including providing Borrower refunds or reimbursements not expressly required by this Judgment) as may be necessary to assure compliance with this Judgment, but in any event in a manner that is fair and transparent to Borrowers subject to such adjustments and in a manner that is otherwise in compliance with this Judgment.

32. Any time limits for performance fixed by this Judgment may be extended by mutual written agreement of the parties (or, as applicable, the Receiver) and without further Court approval. Additionally, details related to the administration of paragraphs 22-30 of this Judgment may be modified by written agreement of the parties (or, as applicable, the Receiver) and without further Court approval. Any other modifications to this Judgment may be made only upon approval of the Court, upon motion by any party.

RELEASE

33. The State releases and discharges Defendants from all potential liability for law violations that the State has or might have asserted based on the practices described in the Complaint, to the extent such practices occurred before the Effective Date and the State knows about them as of the Effective Date. This release shall be construed to benefit Defendants and their legal successors and assigns only, and shall not be construed to create any third-party beneficiary rights or to discharge the liability of any entity or person other than Defendants. The State may use the practices described in this Judgment in future enforcement actions against Defendants, including, without limitation, to establish a pattern or practice of violations or a continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the State to determine and ensure compliance with the Judgment, or to seek penalties for any violation of the Judgment.

LIMITATION OF LIABILITY UNDER RECEIVERSHIP ORDER

34. The State makes no allegations against the Receiver, but only against Defendants. The Receiver is obligated under this Judgment for the sole purpose of acting on behalf of the Defendants to grant certain monetary relief from the assets of the Receivership and to perform certain obligations to the State set forth in this Judgment. Defendants neither admit nor deny any allegation in the Complaint, except that for purposes of this Judgment, Defendants admit the facts necessary to establish the Court's jurisdiction over Defendants and the subject matter of this action.

35. Notwithstanding any other terms, conditions, or provisions of this Judgment, pursuant to the Receivership Order, the Receiver and the Retained Personnel are entitled to rely on all outstanding rules of law and the orders of the Receivership Court and shall not be liable to any person or party (including, without limitation, the State) for their own good-faith compliance with this Judgment. Under the Receivership Order, in no event shall the Receiver or Retained Personnel be liable to any person or party (including, without limitation, the State) for their good-faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by the Receivership Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

RETENTION OF JURISDICTION

36. This Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Judgment.

37. The clerk is ordered to enter this Judgment forthwith.

IT IS SO ORDERED, ADJUDGED, AND DECREED:

District Court Judge
City and County of Denver

State of Colorado

AGREED HERETO BY THE PARTIES:

FOR DEFENDANTS

AEQUITAS CAPITAL MANAGEMENT, INC.

By:
Its:

AEQUITAS MANAGEMENT, LLC

By:
Its:

AEQUITAS HOLDINGS, LLC

By:
Its:

AEQUITAS COMMERCIAL FINANCE, LLC

By:
Its:

CAMPUS STUDENT FUNDING LLC

By:

Its:

CSF LEVERAGE I, LLC

By:

Its:

AEQUITAS INCOME OPPORTUNITY FUND

By:

Its:

AEQUITAS INCOME PROTECTION FUND

By:

Its:

COUNSEL FOR DEFENDANTS

By:

FOR PLAINTIFF

STATE OF COLORADO

Jay B. Simonson
First Assistant Attorney General
Consumer Fraud Unit
Colorado Attorney General's Office
1300 Broadway
Denver, CO 80202
Phone: 720-508-6205
jay.simonson@coag.gov

Schedule 1

Corinthian Closed School OPEID List (Per the Department of Education Listing)

OPEID	School Name	Location	Street Address	City	State	Corinthian School #
809000	Everest College	Everest College	2215 Mission Road	Alhambra	CA	180
1110700	Everest College	Everest College	511 North Brookhurst Street	Anaheim	CA	171
1112300	Everest College	Everest College	1045 Wt Redondo Beach Blvd	Gardena	CA	186
3072300	Everest College	Everest College	1460 S. Milliken Ave	Ontario	CA	245
449400	Everest College	Everest College	217 E. Club Center Drive, Ste A	San Bernardino	CA	182
449401	Everest College - Santa Ana	Everest College - Santa Ana	500 West Santa Ana Boulevard	Santa Ana	CA	172
449402	Everest College - Ontario	Everest College - Ontario	1819 South Excise Avenue	Ontario	CA	564
481100	Everest Institute	Everest Institute	1630 Portland Avenue	Rochester	NY	692
1110900	Everest College	Everest College	18040 Sherman Way	Reseda	CA	173
2295000	Everest College	Everest College	10400 North 25th Avenue	Phoenix	AZ	575, 975
2295002	Everest College	Everest College	5416 East Baseline	Mesa	AZ	576
3195400	Everest College	Everest College	1231 Cabrillo Avenue	Torrance	CA	155
723400	Heald College	Heald College	875 Howard Street	San Francisco	CA	11101
723401	Heald College - Honolulu	Heald College - Honolulu	1500 Kapliolani Boulevard	Honolulu	HI	11136
723402	Heald College	Heald College	6035 Northeast 78th Court	Portland	OR	11138
723403	Heald College - Kaneoche MCB	Heald College - Kaneoche MCB	Bldg 220, 5th St. Marine Corps	Kaneohe	HI	Unable to Identify
723404	Heald College - Concord	Heald College - Concord	5130 Commercial Circle	Concord	CA	11103, 11199
723405	Heald College - Milpitas	Heald College - Milpitas	341 Great Mall Parkway	Milpitas	CA	11105
723406	Heald College - Hayward	Heald College - Hayward	25500 Industrial Boulevard	Hayward	CA	11104
723407	Heald College - Modesto	Heald College - Modesto	5260 Pirrone Court	Salida	CA	11115
723408	Heald College - Roseville	Heald College - Roseville	Seven Sierra Gate Plaza	Roseville	CA	11156
723409	Heald College - Salinas	Heald College - Salinas	1450 North Main Street	Salinas	CA	11109
723410	Heald College - Stockton	Heald College - Stockton	1605 East March Lane	Stockton	CA	11114
723411	Heald College - Rancho Cordova	Heald College - Rancho Cordova	2910 Prospect Park Drive	Rancho Cordova	CA	11111
723412	Heald College - Fresno	Heald College - Fresno	255 West Bullard	Fresno	CA	11112
723413	Heald College - Fresno Satellite	Heald College - Fresno Satellite	255 East River Park Circle	Fresno	CA	11112
719000	WyoTech	WyoTech	200 Whitney Place	Fremont	CA	412
1287300	WyoTech	WyoTech	2161 Technology Place	Long Beach	CA	274
1287301	WyoTech	WyoTech	3000 S Robertson BLVD #300	Los Angeles	CA	Unable to Identify
1287302	WyoTech	WyoTech	12801 Crossroads Pkwy South	City of Industry	CA	Unable to Identify

Schedule 2

Zenith Closed School OPEID List						Corinthian "Zenith" School #
OPEID	SCHOOL NAME	LOCATION	ADDRESS	CITY	STATE	
2100401	EVEREST INSTITUTE	EVEREST INSTITUTE - KALAMAZOO	5177 WEST MAIN STREET	KALAMAZOO	MI	347
982809	EVEREST INSTITUTE	EVEREST INSTITUTE - CHELSEA	70 EVERETT AVENUE	CHELSEA	MA	315
2300105	EVEREST COLLEGE	EVEREST COLLEGE - EARTH CITY	3420 RIDER TRAIL SOUTH	EARTH CITY	MO	377
2617507	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST INSTITUTE - BENSLEM	3050 TILLMAN DRIVE	BENSLEM	PA	Unable to Identify
2100402	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE	8585 BROADWAY SUITE 200	MERRILLVILLE	IN	349
2100400	EVEREST INSTITUTE	EVEREST INSTITUTE	1750 WOODWORTH STREET NORTHEAST	GRAND RAPIDS	MI	345
2298501	EVEREST COLLEGE	EVEREST COLLEGE - FORT WORTH	5237 NORTH RIVERSIDE DRIVE SUITE 200	FORT WORTH	TX	613
149911	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - MERRIONETTE PARK	11560 SOUTH KEDZIE AVENUE	MERRIONETTE PARK	IL	344
2298500	EVEREST COLLEGE	EVEREST COLLEGE	3280 WEST 3500 SOUTH	SALT LAKE CITY	UT	572
450301	EVEREST COLLEGE	EVEREST COLLEGE - MCLEAN	8620 WESTWOOD CENTER DRIVE	VIENNA	VA	626
1185802	EVEREST COLLEGE	EVEREST COLLEGE - BURR RIDGE	6880 NORTH FRONTAGE ROAD SUITE 400	BURR RIDGE	IL	343
1185800	EVEREST COLLEGE	EVEREST COLLEGE	9811 WOODS DRIVE SUITE 200	SKOKIE	IL	341
1185803	EVEREST COLLEGE	EVEREST COLLEGE - MELROSE PARK	1101 WEST NORTH AVENUE SUITE 1	MELROSE PARK	IL	Unable to Identify
982810	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE - BEDFORD PARK	7414 SOUTH CICERO AVENUE	BEDFORD PARK	IL	Unable to Identify
709100	EVEREST INSTITUTE	EVEREST INSTITUTE	100 FORBES AVENUE KOSSMAN BUILDING SUITE 1200	PITTSBURGH	PA	656
450701	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST COLLEGE AURORA	14280 EAST JEWELL AVENUE SUITE 100	AURORA	CO	509
982806	EVEREST INSTITUTE	EVEREST INSTITUTE - JONESBORO	6431 TARA BOULEVARD	JONESBORO	GA	353
2606200	EVEREST COLLEGE	EVEREST COLLEGE	981 POWELL AVENUE SW SUITE 200	RENTON	WA	116
982801	EVEREST INSTITUTE	EVEREST INSTITUTE - DEARBORN	23400 MICHIGAN AVENUE SUITE 200	DEARBORN	MI	337
907901	EVEREST COLLEGE	EVEREST COLLEGE	STONEMILL CENTER SUITE 130 120 NORTHEAST 136TH AVENUE	VANCOUVER	WA	548
907900	EVEREST COLLEGE	EVEREST COLLEGE	600 SW 10TH AVENUE SUITE 400	PORTLAND	OR	547
2617509	EVEREST COLLEGE	EVEREST COLLEGE	NORTHGATE MERIDIAN BUILDING 2111 NORTH NORTHGATE WAY SUITE 300	SEATTLE	WA	390
2300106	EVEREST COLLEGE	EVEREST COLLEGE	155 WASHINGTON AVENUE SUITE 200	BREMERTON	WA	397
149908	EVEREST UNIVERSITY	EVEREST UNIVERSITY - LAKELAND	995 EAST MEMORIAL BOULEVARD	LAKELAND	FL	765
149912	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - KANSAS CITY	1740 WEST 92ND STREET	KANSAS CITY	MO	320

IN THE CIRCUIT COURT FOR THE STATE OF OREGON
FOR THE COUNTY OF MULTNOMAH

STATE OF OREGON, ex rel. ELLEN F.
ROSENBLUM, Attorney General for the state
of Oregon,

Plaintiff,

v.

AEQUITAS CAPITAL MANAGEMENT,
INC., AEQUITAS MANAGEMENT, LLC,
AEQUITAS HOLDINGS, LLC, AEQUITAS
COMMERCIAL FINANCE, LLC, CAMPUS
STUDENT FUNDING, LLC, CSF
LEVERAGE I, LLC, AEQUITAS INCOME
OPPORTUNITY FUND, AND AEQUITAS
INCOME PROTECTION FUND,

Defendants.

Case No.

**STIPULATION AND GENERAL
JUDGMENT**

ORS 20.140 – State fees deferred at filing.

**[Non-Executed Version Submitted For
Approval Purposes]**

JURISDICTION

1. The Court has jurisdiction over the subject-matter of this action and of the parties,
and venue is proper in this Court.

2. The State’s Complaint sets forth a cause of action against defendants under the
Oregon Unlawful Trade Practices Act, Or. Rev. Stat. §646.605, *et seq.* (hereinafter “UTPA”).

STIPULATION

3. This STIPULATION & GENERAL JUDGMENT (hereinafter “Judgment”) is
entered into between the State of Oregon, by the Office of the Attorney General (“State” or
“Plaintiff”), and defendants AEQUITAS CAPITAL MANAGEMENT, INC., AEQUITAS
MANAGEMENT, LLC, AEQUITAS HOLDINGS, LLC, AEQUITAS COMMERCIAL

Page 1 of 19 - STIPULATED GENERAL JUDGMENT – Non-Executed Version Submitted For
Approval Purposes
DM#8372377

1 FINANCE, LLC, CAMPUS STUDENT FUNDING, LLC, CSF LEVERAGE I, LLC,
 2 AEQUITAS INCOME OPPORTUNITY FUND, and AEQUITAS INCOME PROTECTION
 3 FUND (collectively, “Defendants,” and, together with the State, the “Parties”). This Judgment
 4 resolves Plaintiff’s concerns regarding Defendants’ compliance with the UTPA.

5 DEFINITIONS

6 4. Whenever the terms listed below are used in this Judgment, the following
 7 definitions shall apply:

8 (a) “Affected Consumers” means all consumers who were Borrowers of
 9 Aequitas Genesis Loans and have remaining unpaid amounts on such loans as of the
 10 Record Date.

11 (b) “Active Aequitas Genesis Loans” means, as of the Record Date, all
 12 Aequitas Genesis Loans, with the exception of Defaulted Genesis Loans and Aequitas
 13 Closed School Loans.

14 (c) “Defendants” means Aequitas Capital Management, Inc., Aequitas
 15 Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC,
 16 Campus Student Funding, LLC, CSF Leverage I, LLC, Aequitas Income Opportunity
 17 Fund, and Aequitas Income Protection Fund, as named in the Complaint.

18 (d) “Aequitas Genesis Loan” means any private student loan referred to in the
 19 Complaint as either a Genesis loan or EducationPlus loan, which was made to a Borrower
 20 to pay for tuition, cost of living expenses, or fees to attend a Corinthian school, and which
 21 as of the Record Date is still outstanding on the books and records of Defendants in the
 22 possession of the Receiver (or on the books and records of servicers of said loans).

23 (e) “Borrower” means a consumer who was a borrower of an Aequitas
 24 Genesis Loan, and his/her/its successors or assigns.

25 (f) “Closed School Loan ” means an Aequitas Genesis Loan to a Borrower
 26 who did not graduate or complete his/her course work and who (a) attended one of the

1 Corinthian schools that Corinthian announced on April 27, 2015, would be closed and
 2 described on Schedule 1 to this Judgment and was either attending such school when it
 3 closed or withdrew from such school on or after June 1, 2014, or (b) attended one of the
 4 Corinthian schools sold to Zenith as denoted on Schedule 2 to this Judgment and whose
 5 loan is depicted on a list agreed upon between the Receiver and the State prior to the filing
 6 of the Complaint.

7 (g) “Corinthian” means Corinthian Colleges, Inc., and all predecessors,
 8 successors, subsidiaries, affiliates, and parents, including Heald, WyoTech, and Everest
 9 Colleges.

10 (h) “Defaulted Aequitas Genesis Loan” means an Aequitas Genesis Loan that
 11 is 270 days or more past due, charged off, or cancelled as of the Record Date.

12 (i) “Current Payment Amount” is the monthly payment amount designated
 13 for each Active Aequitas Genesis Loan in order to keep the account current and non-
 14 delinquent.

15 (j) “Effective Date” means the date on which this Judgment is entered by the
 16 Court.

17 (k) “Re-Amortization Payment Amount” is a new payment amount per month
 18 for each Active Aequitas Genesis Loan, calculated based on the principal reduction
 19 provided for in paragraph 14 as of the Effective Date such that the Active Aequitas
 20 Genesis Loan will be fully paid if the Re-Amortization Payment Amount is paid by the
 21 Borrower each month on time, by the end of that loan’s actual or, in the case of loans that
 22 have ever been in or are currently in a forbearance plan, estimated remaining term.

23 (l) “Receiver” means Ronald Greenspan, receiver of Aequitas, named as such
 24 in the Receivership Order, or any other receiver that is appointed by a superseding order in
 25 the same litigation.

26 (m) “Receivership Action” means the matter of *SEC v. Aequitas Management*,

1 *LLC, et al.*, No. 3:16-cv-438(PK), in the Receivership Court.

2 (n) "Receivership Court" means the United States District Court for the
3 District of Oregon.

4 (o) "Receivership Order" means the Order Appointing Receiver, Doc. No.
5 156, in the Receivership Action.

6 (p) "Record Date" means March 31, 2017.

7 (q) "Retained Personnel" means the agents of the Receiver, as defined by the
8 Receivership Order.

9 **ENJOINED CONDUCT**

10 Pursuant to the UTPA, Defendants are hereby enjoined as follows:

11 5. Defendants and their respective officers, agents, servants, employees and
12 attorneys, who have actual notice of this Judgment, whether acting directly or indirectly, may not
13 violate the UTPA, ORS 646.605, *et seq.*, including by engaging in abusive acts or practices in
14 connection with lending to students of for-profit schools.

15 6. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of
16 Defendants, shall obtain the following reports from servicers currently servicing the Aequitas
17 Genesis Loans, with data as of the Record Date. Upon obtaining such reports, the Defendants or
18 the Receiver on behalf of the Defendants shall provide copies of them to the State. The following
19 reports are to be obtained, to the extent the specified loan-level data are available:

20 (a) A report of all Aequitas Genesis Loans including for each such Aequitas
21 Genesis Loan, the amount of principal, interest, fees, and any other amount due and
22 owing as of the Record Date on such Aequitas Genesis Loan, the associated Borrower's
23 name, a unique identifying number, and most currently available postal address, phone
24 number, and email address.

25 (b) A report of all Active Aequitas Genesis Loans including for each such
26 Active Aequitas Genesis Loan, the amount of principal, interest, fees, and any other

1 amount due and owing as of the Record Date on such Active Aequitas Genesis Loan, the
 2 associated Borrower's name, a unique identifying number, and most currently available
 3 postal address, phone number, and email address.

4 (c) A report of all Defaulted Aequitas Genesis Loans, including for each such
 5 Defaulted Aequitas Genesis Loan, the amount of principal, interest, fees, and any other
 6 amount due and owing as of the Record Date on such Defaulted Aequitas Genesis Loan,
 7 the associated Borrower's name, a unique identifying number, and most currently
 8 available postal address, phone number, and email address.

9 (d) A report of all Closed School Loans, including for each such Closed
 10 School Loan, the amount of principal, interest, fees, and any other amount due and owing
 11 as of the Record Date on such Closed School Loan, the associated Borrower's name, a
 12 unique identifying number, and most currently available postal address, phone number,
 13 and email address.

14 7. For each Closed School Loan, Defendants, and the Receiver on behalf of
 15 Defendants, are permanently restrained and enjoined as of the Effective Date from the following:

16 (a) Engaging in any collection activity with respect to each such Closed
 17 School Loan; however, Defendants will not be regarded as in violation of this Judgment
 18 if they send out routine statements or notices that could be considered collection activity
 19 within 20 days after the Effective Date;

20 (b) Accepting any future payment on any such Closed School Loan, including
 21 any future payment made in connection with any statement or notice permitted by
 22 subparagraph (a), provided, however, that in the event that such a payment is discovered
 23 to be accepted and processed, Defendants, or the Receiver acting on Defendants' behalf,
 24 will return the payment to the Borrower within a reasonable time; and

25 (c) Reselling, transferring, or assigning any such Closed School Loan.

26 8. For each Defaulted Aequitas Genesis Loan, Defendants, and the Receiver on

1 behalf of Defendants, are permanently restrained and enjoined as of the Effective Date from the
2 following:

3 (a) Engaging in any collection activity with respect to each such Defaulted
4 Aequitas Genesis Loan; however, Defendants will not be regarded as in violation of this
5 Judgment if they send out routine statements or notices that could be considered
6 collection activity within 20 days after the Effective Date;

7 (b) Accepting any future payment on any such Defaulted Aequitas Genesis
8 Loan, including any future payment made in connection with any statement or notice
9 permitted by subparagraph (a), provided, however, that in the event that such a payment
10 is discovered to be accepted and processed, Defendants, or the Receiver acting on
11 Defendants' behalf, will return the payment to the Borrower within a reasonable time;
12 and

13 (c) Reselling, transferring, or assigning any such Defaulted Aequitas Genesis
14 Loan.

15 9. For each Active Aequitas Genesis Loan, Defendants, and the Receiver on behalf
16 of Defendants, are permanently restrained and enjoined as of the Effective Date from the
17 following:

18 (a) Reselling, transferring, or assigning any such Active Aequitas Genesis
19 Loan, unless the following:

20 Defendants, or the Receiver on behalf of Defendants, ensure that the
21 principal amount of each such loan sold, transferred or assigned reflects the
22 reduction required in paragraph 14;

23 Within five business days of reaching an agreement in principle to sell,
24 transfer or assign any Active Aequitas Genesis Loans, in which the terms have
25 been agreed upon by the parties but the Receiver has not yet sought the authority
26 of the Receivership Court to make such a sale, transfer, or assignment,
27 Defendants, or the Receiver on behalf of Defendants, must provide the State with

1 the following:

2 Notice of the fact that such agreement in principle has been
3 reached;

4 The name of the proposed purchaser, transferee or assignee;

5 The list of Active Aequitas Genesis loans to be sold, transferred or
6 assigned; and

7 The proposed written agreement memorializing the terms of the
8 proposed sale, transfer, or assignment.

9 Within five business days prior to filing a motion seeking court approval
10 for any such sale, transfer or assignment of Active Aequitas Genesis Loans,
11 Defendants, or the Receiver on behalf of Defendants, must provide the State with
12 the following:

13 Notice of its intention to file any such motion; and

14 The proposed motion papers, including any attachments thereto;

15 Defendants, or the Receiver on behalf of Defendants, ensure that the final
16 agreement memorializing any such sale, transfer or assignment of any Active
17 Aequitas Genesis Loans contains a provision requiring the purchaser, transferee
18 or assignee to adopt or abide by the terms and provisions of this Judgment
19 requiring ongoing performance for the State;

20 (b) Any motion seeking approval for any such sale, transfer or assignment of
21 Active Aequitas Genesis Loans shall (1) contain a request to the Receivership Court that
22 the terms of this Judgment requiring ongoing performance for the State shall be
23 enforceable against the purchaser, transferee or assignee; and (2) not seek to sell, transfer
24 or assign such loans free and clear of rights, claims or defenses of any borrower, co-
25 borrower, or guarantor on any such Loan.

26 10. For each Active Aequitas Genesis Loan, Defendants, and the Receiver on behalf

1 of Defendants, are permanently restrained and enjoined as of 60 days after the Effective Date
 2 from the following:

3 (a) Engaging in any collection activity with respect to each such Active
 4 Aequis Genesis Loan that seeks an amount in principal greater than the amount
 5 identified in paragraph 14, including by means of the following:

6 i. Calculating interest or fees based on a principal amount greater
 7 than the amount identified in paragraph 14, however, in the event interest or fees
 8 have been calculated on a principal amount greater than the amount identified in
 9 paragraph 14, the excess amounts that have been paid by the Borrower will be
 10 applied to the Borrower's principal balance unless the Borrower seeks a refund of
 11 such improperly charged amounts, in which case the Borrower will be supplied a
 12 refund; and

13 ii. Representing to the Borrower of any such Active Aequis Genesis
 14 Loan that the principal amount owed is greater than the amount identified in
 15 paragraph 14.

16 11. Within 30 days of the Effective Date, Defendants, or the Receiver on behalf of
 17 Defendants, must request that and use commercially efforts to follow up with any servicer that
 18 furnished trade line information for Aequis Genesis Loans to credit reporting agencies to
 19 furnish deletion codes to said credit reporting agencies to delete such information from subject
 20 Borrowers' credit reports. For Borrowers of Active Aequis Genesis Loans who perform under
 21 such Loans after the Effective Date, Defendants, or the Receiver on behalf of Defendants, may
 22 direct the servicer to report such performance to credit reporting agencies in accordance with
 23 applicable law. For any Borrowers who become or continue to be delinquent or in default after
 24 the Effective Date, Defendants, or the Receiver on behalf of Defendants, may direct the servicer
 25 to report such Borrowers' status to credit reporting agencies in accordance with applicable law;
 26 however, any such reporting shall reflect the balance as modified by this Judgment.

12. Defendants, or the Receiver on behalf Defendants, shall direct any person or entity collecting on Active Aequitas Genesis Loans to fully comply with all applicable requirements of the Oregon Unlawful Collection Practices Act, Oregon Revised Statutes section 646.639 et seq., in any such collection.

5 REMEDIATION AND REDRESS

13. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, will discharge and cancel all amounts shown as owed in the report provided to the State under paragraph 6, including principal, interest, fees, or any other amounts, in connection with the following:

- (a) All Closed School Loans; and
- (b) All Defaulted Aequitas Genesis Loans.

14. Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of Defendants, shall reduce the principal amount owed as of the Record Date on each Active Aequitas Genesis Loan, as identified in the report provided to the State under paragraph 6, by 55% and discharge and cancel such principal and any accrued and unpaid interest, fees and charges that are 30 or more days past due as of the Record Date.

15. Defendants, or the Receiver on behalf of Defendants, shall use commercially reasonable efforts to obtain guidance from the Internal Revenue Service indicating that the Receiver is not required to make federal tax filings (including sending 1099 forms to Borrowers) as a result of the debt relief provided in this Judgment, prior to the time such forms would be required to be sent. If the Receiver, in consultation with his counsel, is satisfied that such guidance is reliable, the Receiver shall not send Borrowers 1099 forms.

16. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of a Closed School Loan and each Borrower of a Defaulted Aequitas Genesis Loan with the following notice within 90 days of the Effective Date. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently

1 available postal address as contained on the servicer's system of record. The notice shall contain
2 the following information:

3 (a) The outstanding amount that had been owed under each Aequitas Genesis
4 Loan as of the Record Date by such Borrower;

5 (b) The fact that each such amount has been reduced, discharged, and
6 canceled in full and such Borrower no longer owes any amounts under his or her
7 Aequitas Genesis Loan;

8 (c) The fact that the reduction, discharge, and cancellation of the amounts
9 owed for each such Aequitas Genesis Loan is pursuant to this Judgment;

10 (d) The fact that the Borrower will not be subjected to any new debt-
11 collection or credit-reporting activities related to each such Genesis Loan;

12 (e) Any such reduction, discharge, or cancellation of principal may result in
13 tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;
14 and

15 (f) No amounts that were due and owing and were paid prior to the Effective
16 Date will be returned to the Borrower.

17 17. Within 90 days of the Effective Date, Defendants, or the Receiver on behalf of
18 Defendants, must provide each Borrower of an Active Aequitas Genesis Loan written notice (as
19 described in paragraph 19) of his/her option to either continue paying the Current Payment
20 Amount on the lowered principal balance or elect to have the loan re-amortized using the
21 lowered principal balance and remaining term of the subject loan, which will result in a Re-
22 Amortization Payment Amount. No such notice is required to a Borrower and no Re-
23 Amortization Payment Amount will be available to a Borrower, however, if such Borrower's
24 Current Payment Amount before re-amortization is less than \$20; in any event, a Borrower's Re-
25 Amortization Payment Amount will not be less than \$20.

26 18. Each Borrower of an Active Aequitas Genesis Loan will have 90 days from the

mailing date of such notice to make his/her election by completing the notice and returning it to Defendants, the Receiver (on behalf of Defendants) or the applicable servicer. If the Borrower does not make such an election, he or she will be required to pay the Current Payment Amount and the loan will not be re-amortized. For Borrowers as to whom Defendants, the Receiver on behalf of Defendants or the applicable servicer timely have received affirmative notice of election of the Re-Amortization Payment Amount, within 30 days following the expiration of the 90-day election period, Defendants, or the Receiver on behalf of Defendants, will re-amortize loans and adjust the monthly payment amount for all future unbilled and un-accrued loan payments to the Re-Amortization Payment Amount. Notwithstanding the foregoing, for any Active Aequis Genesis Loan which already has been amended or modified pursuant to a forbearance plan to provide a Borrower with a monthly payment that is less than the applicable Re-Amortization Payment Amount and the Borrower has elected to accept the re-amortization option, Defendants, or the Receiver on behalf of Defendants, shall not be required to adjust the monthly payment until the end of the applicable forbearance period. Defendants, or the Receiver on behalf of Defendants, will adjust the monthly payment to a Re-Amortization Payment Amount based on the principal balance of the Borrower's loan at the end of the applicable forbearance period.

19. Defendants, or the Receiver on behalf of Defendants, must provide each Borrower of an Active Aequis Genesis Loan with the following notice pursuant to paragraph 17. Nothing else but such notice shall be sent in combination with the mailing of this notice and such mailing will be sent to the most recently available postal address as contained on the servicer's system of record. The notice shall contain the following information:

- (a) Identification information that associates the loan to the Borrower;
- (b) The amount of principal owed as of the Record Date of each Active Aequis Genesis Loan associated with such Borrower;
- (c) The amount of principal owed for each such Active Aequis Genesis Loan after the reduction required in paragraph 14 has been applied;

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1 (d) A statement notifying the Borrower that the principal has been reduced by
2 55% pursuant to this Judgment;

3 (e) A Re-Amortization Payment Amount option whereby the Borrower has 90
4 days from the mailing date of such notice to inform the servicer of his or her election to
5 opt-in and have his or her loan re-amortized with the minimum monthly payment
6 modified from the Current Payment Amount to a Re-Amortization Payment Amount;

7 (f) The fact that if the Borrower does not make such an election by the
8 required date, the Current Payment Amount will continue as the amount due on his or her
9 loan each month;

10 (g) The fact that replacing the Current Payment Amount with the Re-
11 Amortization Payment Amount may reduce the amount such Borrower pays each month
12 but will cost the Borrower more over the life of the loan than if he or she continued with
13 the Current Payment Amount;

14 (h) The fact that a Borrower's election will not waive any rights, claims or
15 defenses that the Borrower and any co-borrower or guarantor may have with respect to
16 the loan;

17 (i) The fact that continuing to pay the Current Payment Amount (or more)
18 each month will result in full satisfaction of his or her loan before the payment term has
19 expired, and will cost the Borrower less overall than if he or she elected to use the Re-
20 amortization Payment Amount;

21 (j) The following specific information individualized for each Borrower on
22 an Active Aequitas Genesis Loan:

23 (i) The estimated total amount of principal and interest the Borrower
24 will pay if the Borrower pays each current Payment Amount as scheduled, as well
25 as the estimated date of pay-off of the Active Aequitas Genesis Loan under these
26 circumstances;

(ii) The estimated total amount of principal and interest that the Borrower will pay if the Borrower elects his or her option to pay the Re-Amortization Payment Amount and pays such Re-Amortization Payment Amount as scheduled, as well as the estimated date of pay-off of the Active Aequitas Genesis Loan under these circumstances;

(k) Any reduction, discharge, or cancellation of principal may result in tax liabilities of the borrower to the Internal Revenue Service and state taxing authorities;

(l) A statement notifying the Borrower that, if the Borrower desires, the Borrower at any time may make payments larger than the Re-Amortization Payment Amount, which if the loan is current would result in a shorter payoff period and interest savings;

(m) A statement notifying Borrowers on forbearance plans of their alternative payment options as set forth in paragraph 18;

(n) A statement (1) notifying Borrowers that the relief described does not waive or extinguish any rights, claims, or defenses that the Borrower, any co-signer, or guarantor may have with respect to his or her loan.

20. A proposed form of the notices required by paragraph 16 and 17 shall be provided to the State for its non-objection within 30 days of the Effective Date.

21. Defendants, or the Receiver on behalf of Defendants, shall include no materials other than the notices provided in paragraphs 16 and 17 in any envelope containing such notices, unless Defendants, or the Receiver on behalf of Defendants, has obtained written confirmation from the Oregon Department of Justice that the State does not object to the inclusion of such materials.

REPORTING REQUIREMENTS

22. Defendants, or during the pendency of the Receivership, the Receiver on behalf of Defendants, shall notify the State of any development that may affect their obligations arising

under this this Judgment, including, but not limited to, the replacement of the Receiver or the filing of any bankruptcy or insolvency proceeding by or against Defendants. Defendants, or the Receiver on behalf of Defendants, must provide this notice at least 30 days before the development or as soon as practicable after learning about the development, whichever is sooner.

23. Within 180 days of the Effective Date, and again one year after the Effective Date, Defendants, or the Receiver on behalf of Defendants, must submit to the State an accurate written compliance progress report, which, at a minimum shall include the following:

(a) A detailed description of the manner and form in which Defendants, or the Receiver on behalf of Defendants, as applicable, have complied with this Judgment; and

(b) A copy of each Judgment Acknowledgment obtained under paragraphs 24-25, unless previously submitted to the State.

JUDGMENT DISTRIBUTION AND ACKNOWLEDGMENT

24. Within 15 days of the Effective Date, Defendants, or the Receiver on behalf of Defendants, must deliver a copy of this Judgment to each employee or agent of the Receiver who or which is, as of the Effective Date, employed or retained by the Receiver and who or which has responsibilities that extend beyond the Effective Date related to the subject matter of this Judgment.

25. Within 30 days of the Effective Date, the Receiver shall provide a signed and dated statement to the State of the Receiver's compliance with paragraph 24, and shall provide a signed and dated statement from the servicer, or any other third-party service provider tasked with carrying out responsibilities under this Judgment, acknowledging receipt of this Judgment, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et. seq..

RECORDKEEPING

26. Defendants, or the Receiver on behalf of Defendants, must maintain for 3 years from the Effective Date or the duration of the Receivership, whichever is lesser, all documents

1 and records necessary to demonstrate full compliance with this Judgment, including all
2 submissions to the State.

3 27. Aequis, or the Receiver on Aequis's behalf, must make the documents
4 identified in paragraph 26 available to the Oregon Department of Justice upon the State's
5 request.

6 NOTICES

7 28. Unless otherwise directed in writing by the State, Defendants, or the Receiver on
8 behalf of Defendants, must provide all submissions, requests, communications, or other
9 documents relating to this Judgment in writing, with the subject line *Oregon v. Aequis Capital*
10 *Management, Inc.*, and shall be sent both by a nationally recognized overnight-courier service
11 and by email to the named person (or such other person who may be designated by the relevant
12 party from time to time) at the following address:

13 Brian A. de Haan
14 Assistant Attorney General
15 Oregon Department of Justice
16 100 SW Market Street
Portland, OR 97201
brian.a.dehaan@doj.state.or.us

17 COOPERATION

18 29. Defendants, or during the pendency of the Receivership, the Receiver on behalf of
19 Defendants, will cooperate fully with the State as necessary to achieve the goals and carry out
20 the requirements of this Judgment.

21 30. Defendants, or during the pendency of the Receivership, the Receiver on behalf of
22 Defendants, will cooperate fully to help the State to determine the identity and the location of,
23 and the relief provided pursuant to this Judgment for each Affected Consumer, from the
24 information within Defendants' or the Receiver's possession and control or a servicer's system
25 of record

26 MODIFICATIONS TO NON-MATERIAL REQUIREMENTS

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Oregon Department of Justice
100 SW Market Street
Portland, OR 97201
971-673-1880 / Fax: 971-673-1888

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14

RELEASE

26 ///

LIMITATION OF LIABILITY UNDER RECEIVERSHIP ORDER

34. The State makes no allegations against the Receiver, but only against Defendants. The Receiver is obligated under this Judgment for the sole purpose of acting on behalf of the Defendants to grant certain monetary relief from the assets of the Receivership and to perform certain obligations to the State set forth in this Judgment. Defendants neither admit nor deny any allegation in the Complaint, except that for purposes of this Judgment, Defendants admit the facts necessary to establish the Court's jurisdiction over Defendants and the subject matter of this action.

35. Notwithstanding any other terms, conditions, or provisions of this Judgment, pursuant to the Receivership Order, the Receiver and the Retained Personnel are entitled to rely on all outstanding rules of law and the orders of the Receivership Court and shall not be liable to any person or party (including, without limitation, the State) for their own good-faith compliance with this Judgment. Under the Receivership Order, in no event shall the Receiver or Retained Personnel be liable to any person or party (including, without limitation, the State) for their good-faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by the Receivership Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties

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RETENTION OF JURISDICTION

36. This Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Judgment.

37. The clerk is ordered to enter this Judgment forthwith.

IT IS SO ORDERED, ADJUDGED, AND DECREED:

Circuit Court Judge, Multnomah County

State of Oregon

AGREED HERETO BY THE PARTIES:

FOR DEFENDANTS AEQUITAS CAPITAL MANAGEMENT, INC., AEQUITAS MANAGEMENT, LLC, AEQUITAS HOLDINGS, LLC, AEQUITAS COMMERCIAL FINANCE, LLC, CAMPUS STUDENT FUNDING LLC, CSF LEVERAGE I, LLC, AEQUITAS INCOME OPPORTUNITY FUND, AEQUITAS INCOME PROTECTION FUND

By: Ronald F. Greenspan
Receiver

1 FOR PLAINTIFF STATE OF OREGON

2
3
4 Brian A. de Haan
5 Assistant Attorney General
6 Oregon Department of Justice
7 100 SW Market Street
8 Portland, OR 97201
9 Phone: 971-673-1880
10 Fax: 971-673-1888
11 brian.a.dehaan@doj.state.or.us
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100 SW Market Street
Portland, OR 97201
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Schedule 1

Corinthian Closed School OPEID List (Per the Department of Education Listing)

OPEID	School Name	Location	Street Address	City	State	Corinthian School #
809000	Everest College	Everest College	2215 Mission Road	Alhambra	CA	180
1110700	Everest College	Everest College	511 North Brookhurst Street	Anaheim	CA	171
1112300	Everest College	Everest College	1045 Wt Redondo Beach Blvd	Gardena	CA	186
3072300	Everest College	Everest College	1460 S. Milliken Ave	Ontario	CA	245
449400	Everest College	Everest College	217 E. Club Center Drive, Ste A	San Bernardino	CA	182
449401	Everest College - Santa Ana	Everest College - Santa Ana	500 West Santa Ana Boulevard	Santa Ana	CA	172
449402	Everest College - Ontario	Everest College - Ontario	1819 South Excise Avenue	Ontario	CA	564
481100	Everest Institute	Everest Institute	1630 Portland Avenue	Rochester	NY	692
1110900	Everest College	Everest College	18040 Sherman Way	Reseda	CA	173
2295000	Everest College	Everest College	10400 North 25th Avenue	Phoenix	AZ	575, 975
2295002	Everest College	Everest College	5416 East Baseline	Mesa	AZ	576
3195400	Everest College	Everest College	1231 Cabrillo Avenue	Torrance	CA	155
723400	Heald College	Heald College	875 Howard Street	San Francisco	CA	11101
723401	Heald College - Honolulu	Heald College - Honolulu	1500 Kapiolani Boulevard	Honolulu	HI	11136
723402	Heald College	Heald College	6035 Northeast 78th Court	Portland	OR	11138
723403	Heald College - Kaneoche MCB	Heald College - Kaneoche MCB	Bldg 220, 5th St. Marine Corps	Kaneohe	HI	Unable to Identify
723404	Heald College - Concord	Heald College - Concord	5130 Commercial Circle	Concord	CA	11103, 11199
723405	Heald College - Milpitas	Heald College - Milpitas	341 Great Mall Parkway	Milpitas	CA	11105
723406	Heald College - Hayward	Heald College - Hayward	25500 Industrial Boulevard	Hayward	CA	11104
723407	Heald College - Modesto	Heald College - Modesto	5260 Pirrone Court	Salida	CA	11115
723408	Heald College - Roseville	Heald College - Roseville	Seven Sierra Gate Plaza	Roseville	CA	11156
723409	Heald College - Salinas	Heald College - Salinas	1450 North Main Street	Salinas	CA	11109
723410	Heald College - Stockton	Heald College - Stockton	1605 East March Lane	Stockton	CA	11114
723411	Heald College - Rancho Cordova	Heald College - Rancho Cordova	2910 Prospect Park Drive	Rancho Cordova	CA	11111
723412	Heald College - Fresno	Heald College - Fresno	255 West Bullard	Fresno	CA	11112
723413	Heald College - Fresno Satellite	Heald College - Fresno Satellite	255 East River Park Circle	Fresno	CA	11112
719000	WyoTech	WyoTech	200 Whitney Place	Fremont	CA	412
1287300	WyoTech	WyoTech	2161 Technology Place	Long Beach	CA	274
1287301	WyoTech	WyoTech	3000 S Robertson BLVD #300	Los Angeles	CA	Unable to Identify
1287302	WyoTech	WyoTech	12801 Crossroads Pkwy South	City of Industry	CA	Unable to Identify

Schedule 2

Zenith Closed School OPEID List						Corinthian "Zenith"
OPEID	SCHOOL NAME	LOCATION	ADDRESS	CITY	STATE	School #
2100401	EVEREST INSTITUTE	EVEREST INSTITUTE - KALAMAZOO	5177 WEST MAIN STREET	KALAMAZOO	MI	347
982809	EVEREST INSTITUTE	EVEREST INSTITUTE - CHELSEA	70 EVERETT AVENUE	CHELSEA	MA	315
2300105	EVEREST COLLEGE	EVEREST COLLEGE - EARTH CITY	3420 RIDER TRAIL SOUTH	EARTH CITY	MO	377
2617507	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST INSTITUTE - BENSALAM	3050 TILLMAN DRIVE	BENSALAM	PA	Unable to Identify
2100402	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE	8585 BROADWAY SUITE 200	MERRILLVILLE	IN	349
2100400	EVEREST INSTITUTE	EVEREST INSTITUTE	1750 WOODWORTH STREET NORTHEAST	GRAND RAPIDS	MI	345
2298501	EVEREST COLLEGE	EVEREST COLLEGE - FORT WORTH	5237 NORTH RIVERSIDE DRIVE SUITE 200	FORT WORTH	TX	613
149911	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - MERRIONETTE PARK	11560 SOUTH KEDZIE AVENUE	MERRIONETTE PARK	IL	344
2298500	EVEREST COLLEGE	EVEREST COLLEGE	3280 WEST 3500 SOUTH	SALT LAKE CITY	UT	572
450301	EVEREST COLLEGE	EVEREST COLLEGE - MCLEAN	8620 WESTWOOD CENTER DRIVE	VIENNA	VA	626
1185802	EVEREST COLLEGE	EVEREST COLLEGE - BURR RIDGE	6880 NORTH FRONTAGE ROAD SUITE 400	BURR RIDGE	IL	343
1185800	EVEREST COLLEGE	EVEREST COLLEGE	9811 WOODS DRIVE SUITE 200	SKOKIE	IL	341
1185803	EVEREST COLLEGE	EVEREST COLLEGE - MELROSE PARK	1101 WEST NORTH AVENUE SUITE 1	MELROSE PARK	IL	Unable to Identify
982810	EVEREST INSTITUTE	EVEREST INSTITUTE - EVEREST COLLEGE - BEDFORD PARK	7414 SOUTH CICERO AVENUE	BEDFORD PARK	IL	Unable to Identify
709100	EVEREST INSTITUTE	EVEREST INSTITUTE	100 FORBES AVENUE KOSSMAN BUILDING SUITE 1200	PITTSBURGH	PA	656
450701	EVEREST COLLEGE	EVEREST COLLEGE - EVEREST COLLEGE AURORA	14280 EAST JEWELL AVENUE SUITE 100	AURORA	CO	509
982806	EVEREST INSTITUTE	EVEREST INSTITUTE - JONESBORO	6431 TARA BOULEVARD	JONESBORO	GA	353
2606200	EVEREST COLLEGE	EVEREST COLLEGE	981 POWELL AVENUE SW SUITE 200	RENTON	WA	116
982801	EVEREST INSTITUTE	EVEREST INSTITUTE - DEARBORN	23400 MICHIGAN AVENUE SUITE 200	DEARBORN	MI	337
907901	EVEREST COLLEGE	EVEREST COLLEGE	STONEMILL CENTER SUITE 130 120 NORTHEAST 136TH AVENUE	VANCOUVER	WA	548
907900	EVEREST COLLEGE	EVEREST COLLEGE	600 SW 10TH AVENUE SUITE 400	PORTLAND	OR	547
2617509	EVEREST COLLEGE	EVEREST COLLEGE	NORTHGATE MERIDIAN BUILDING 2111 NORTH NORTHGATE WAY SUITE 300	SEATTLE	WA	390
2300106	EVEREST COLLEGE	EVEREST COLLEGE	155 WASHINGTON AVENUE SUITE 200	BREMERTON	WA	397
149908	EVEREST UNIVERSITY	EVEREST UNIVERSITY - LAKELAND	995 EAST MEMORIAL BOULEVARD	LAKELAND	FL	765
149912	EVEREST UNIVERSITY	EVEREST UNIVERSITY - EVEREST COLLEGE - KANSAS CITY	1740 WEST 92ND STREET	KANSAS CITY	MO	320