

profit to Everglades College, Inc. for \$4,475,000.00.

35. The net proceeds from the sale of the Melbourne Property and the Daytona Property, as well as the net rental income from the Melbourne Property and the Daytona Property during all times in which the properties were owned by Parkland LP and Daytona LP, should have been distributed to all of the partners in Parkland GP and all of the members in Parkland LC in accordance with their respective ownership interests. Further, to the extent Arthur Keiser utilized Parkland GP and Parkland LC to acquire any other real estate interests (aside from the Melbourne Property and the Daytona Property) for the direct and indirect benefit of The Keiser School, Inc., or otherwise, Plaintiff should have also received net rental distributions from these properties in accordance with her respective ownership interest.

36. However, notwithstanding Plaintiff's five percent ownership interest in Parkland LC (which is a one percent owner of the Melbourne Property and the Daytona Property) and her one-third ownership interest in Parkland GP (which is a ninety-nine percent owner of the Melbourne Property and the Daytona Property, respectively), Arthur Keiser, individually, and on behalf of Parkland GP and Parkland, LLC, engaged in the following acts:

- (a) Failed to distribute to Plaintiff her allocable share of rental income from the Melbourne Property and Daytona Property while the properties were owned by Parkland LP and Daytona LP;
- (b) Failed to distribute to Plaintiff her allocable share of the net proceeds from the sale of the Melbourne Property and the Daytona Property;
- (c) Withheld Plaintiff's allocable share of the rental income from the properties as well as the Plaintiff's allocable share of proceeds from the sale of Melbourne Property and Daytona Property and kept the proceeds for himself and his wife and co-partner, Belinda Keiser;

- (c) Failed to distribute to Plaintiff her allocable share of the net proceeds from the sale of any properties other than the Melbourne Property and the Daytona Property that Arthur Keiser utilized Parkland GP and Parkland LC to acquire; and
- (d) Failed to distribute to Plaintiff her allocable share of rental income from other properties that Arthur Keiser utilized Parkland GP and Parkland LC to acquire.

37. Further, Arthur Keiser, *without* Plaintiff's knowledge or consent, and for no legitimate business purpose, utilized the assets and funds of Parkland GP and Parkland, LC to make political contributions which, if made in addition to individual political contributions by the partners in Parkland GP and the members of Parkland LC would exceed the legal limit for individual contributions. By doing so, Arthur Keiser has subjected Plaintiff to potential liability for improper and unlawful political contributions.

The Durable Power of Attorney

38. On June 7, 2017, Plaintiff executed and delivered a durable power of attorney ("POA") pursuant to Florida Statue Chapter 709, appointing and empowering her son, Jeffrey Keiser, and her daughter, Ellen Farren, to "act for me in my name and on my behalf to exercise the powers listed in this Durable Power of Attorney."

39. Specifically, the POA grants Jeffrey Keiser and Ellen Farren the right to, among other things, perform the following acts on behalf of and in the name of Plaintiff:

- (a) "to manage and conserve any real property, or any interest or incidents in real property, on my behalf as stated below...;"
- (b) "to engage in any form of litigation regarding the possession, ownership or liability involving such property...;"

- (c) “to manage and conserve any tangible personal property, or any interest in tangible personal property, including exempt property, on [Plaintiff’s] behalf, as follows;”
- (d) “to engage in any form of litigation regarding the possession, ownership or liability involving such property;”
- (e) “to exercise in person or by proxy, or enforce by litigation or otherwise, a right, power, privilege, or option [Plaintiff has] as the holder of stocks and bonds;”
- (f) “to initiate and pursue litigation...;”
- (g) “to sue in [Plaintiff’s] name and behalf for the recovery of any and all sums of money or other things of value...;”
- (h) “to participate and bind [Plaintiff] in any litigation...;” and
- (i) “to hire and compensate attorneys...”

40. Further, the POA, on its face, states that third parties may rely upon it in accordance with Fla. Stat. §709.2119.

41. Accordingly, this lawsuit has been brought, as is expressly authorized by the POA, in Plaintiff’s name, and on her behalf, to seek the relief pled herein.

Plaintiff Seeks Information about her Ownership and Financial Interest in Parkland GP and Parkland LC from Arthur Keiser and Plaintiff’s Request is Denied

42. Arthur Keiser, individually, and on behalf of Parkland GP and Parkland LC, has concealed material information which would have disclosed the existence of the causes of action pled herein by deliberately withholding financial information concerning Parkland GP and Parkland LC from Plaintiff for more than the past ten (10) years in contravention of his fiduciary duties owed to Plaintiff.

43. In 2019, Arthur Keiser attempted to conceal the actual sums owed by making a *mea culpa* admitting that he owed Plaintiff at least \$1,500,000, yet still to the present day failing and

refusing to pay this admittedly owed money to Plaintiff.

44. To confirm and verify whether Arthur Keiser's admittedly owed sum was the true and accurate extent of the liability to Plaintiff, prior to instituting this action, Plaintiff demanded that Arthur Keiser, individually, and on behalf of Parkland GP and Parkland LC, permit Plaintiff and her agents to inspect Parkland GP's and Parkland LC's bank records, income tax returns, as well as other business records, to enable Plaintiff to determine the historical and current financial interest that Plaintiff has and may have had without her knowledge in Parkland GP and Parkland LC, and what assets Parkland GP and Parkland LC have or may have acquired and conveyed.

45. However, Arthur Keiser, Parkland GP and Parkland LC have failed and refused to allow Plaintiff to inspect the requested relevant records.

46. The refusal to permit Plaintiff and her agents to inspect the business records of Parkland GP and Parkland LC is particularly suspicious considering the fact that Plaintiff is an equal general partner in Parkland GP and is, and has always been, equally entitled to all of Parkland GP's business records. Arthur Keiser's deliberate concealment of these partnership business records raises the question: What is Arthur Keiser trying to hide from his mother?

COUNT I - BREACH OF FIDUCIARY DUTY

(Against Arthur Keiser)

47. Plaintiff realleges and incorporates by reference paragraphs 1-46 as if set forth fully herein.

48. Pursuant to Fla. Stat. §620.8404, as the managing partner of Parkland GP, Arthur Keiser owed and owes fiduciary duties of loyalty, good faith, and due care to Plaintiff, who is also a partner of Parkland GP.

49. As described herein, Arthur Keiser breached the fiduciary duties that he owed and owes to the Plaintiff.

50. Arthur Keiser's actions were taken solely for the benefit of and to further his own interests to the detriment of Plaintiff.

51. Arthur Keiser's breaches were willful, intentional, and wrongful and were the direct and proximate cause of damages to Plaintiff.

52. Plaintiff reserves the right to amend this Complaint to assert claims for punitive damages against Arthur Keiser pursuant to Fla. Stat. §768.72, Florida Statutes.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for damages, prejudgment interest, costs, the imposition of a constructive trust, and/or any other relief as the Court deems just and proper.

COUNT II – CONSTRUCTIVE TRUST
(Against Arthur Keiser)

53. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 48-51 as if set forth fully herein.

54. This is a claim for equitable relief in the nature of a constructive trust concerning any property that Arthur Keiser improperly received from Parkland GP.

55. By reason of Arthur Keiser's breach of fiduciary duties to Plaintiff, Arthur Keiser has received property to which he is not entitled and has become unjustly enriched as a result thereof. This ill-gotten property must be held in a constructive trust for the benefit of Plaintiff and returned to Plaintiff.

56. Further, all benefits, proceeds or property usurped by Arthur Keiser, already paid to, or realized by Arthur Keiser, should be disgorged to Plaintiff.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for the imposition of a constructive trust on all of the property that Art and Belinda improperly received from Parkland GP and any other relief as the Court deems just and proper.

COUNT III – CONSTRUCTIVE TRUST

(Against Belinda Keiser)

57. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 48-51 as if set forth fully herein.

58. This is a claim for equitable relief in the nature of a constructive trust concerning any property that Belinda Keiser improperly received from Parkland GP.

59. By reason of Arthur Keiser's breach of fiduciary duties to Plaintiff, Belinda Keiser has received property to which she is not entitled and has become unjustly enriched as a result thereof. This ill-gotten property must be held in a constructive trust for the benefit of Plaintiff and returned to Plaintiff.

60. Further, all benefits, proceeds or property usurped by Belinda Keiser, already paid to, or realized by Belinda Keiser, should be disgorged to Plaintiff.

WHEREFORE, Plaintiff demands judgment against Belinda Keiser for the imposition of a constructive trust on all of the property that Art and Belinda improperly received from Parkland GP and any other relief as the Court deems just and proper.

COUNT IV – CONVERSION

(Against Arthur Keiser)

61. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 48-51 as if fully set forth herein.

62. Arthur Keiser having made a distribution of Parkland GP's profits to himself and his wife, was obligated to keep intact and deliver specific distributions to all the partners, including Plaintiff, in proportion to their allocable interest in Parkland GP.

63. Plaintiff, as a one-third owner of Parkland GP, has an immediate right of possession of her proportionate interest of all of the profits of Parkland GP and has demanded possession of

her respective interest of the profits.

64. Arthur Keiser continues to refuse to deliver to the Plaintiff all of her distributions in the profits of Parkland GP in proportion to her allocable ownership interest in Parkland GP.

65. Arthur Keiser continues to wrongfully exercise dominion and control over Plaintiff's distributions, which rightfully belong to the Plaintiff and, thus, Arthur Keiser is wrongfully depriving the Plaintiff of her legal right to ownership of said property.

66. Arthur Keiser wrongfully exercised dominion and control over Plaintiff's foregoing property with a present intent to deprive Plaintiff of her right to possession of such property.

67. As a direct and proximate result of Arthur Keiser's conversion, Plaintiff has been deprived the use of the foregoing property and has suffered damages.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT V – CONVERSION

(Against Parkland GP)

68. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 48-51 as if fully set forth herein.

69. Parkland GP having made a distribution of the Parkland GP's profits to Art and Belinda, was obligated to keep intact and deliver specific distributions to all the partners, including Plaintiff, in proportion to their allocable interest in Parkland GP.

70. Plaintiff, as a one-third owner of Parkland GP, has an immediate right of possession of her proportionate interest of all of the profits of Parkland GP and has demanded possession of her respective interest of the profits.

71. Parkland GP continues to refuse to deliver to the Plaintiff all of her distributions in the profits of Parkland GP in proportion to her allocable ownership interest in Parkland GP.

72. Parkland GP continues to wrongfully exercise dominion and control over Plaintiff's distributions, which rightfully belong to the Plaintiff and, thus, Parkland GP is wrongfully depriving the Plaintiff of her legal right to ownership of said property.

73. Parkland GP wrongfully exercised dominion and control over Plaintiff's foregoing property with a present intent to deprive Plaintiff of her right to possession of such property.

74. As a direct and proximate result of Parkland GP's conversion, Plaintiff has been deprived the use of the foregoing property and has suffered damages.

WHEREFORE, Plaintiff demands judgment against Parkland GP for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT VI – UNJUST ENRICHMENT

(Against Arthur Keiser)

75. Plaintiff realleges and incorporates by reference paragraphs 1-46, 48-51 and 62-67 as if set forth fully herein.

76. Arthur Keiser has obtained a benefit from Plaintiff. Specifically, during the time period in which Arthur Keiser was the managing partner of Parkland GP, Arthur Keiser, unlawfully misappropriated Parkland GP's assets and engaged in self-dealing to himself, which profited himself at Plaintiff's expense.

77. Arthur Keiser has actual knowledge of the benefit received.

78. Arthur Keiser has voluntarily accepted and retained these benefits conferred by Plaintiff.

79. Because of the facts and circumstances occurring between the parties described herein, it would be unequitable and unjust for Arthur Keiser to retain such benefit without compensation to Plaintiff.

80. Arthur Keiser has been unjustly enriched at the expense and to the detriment of

Plaintiff, no part of which has been paid, although duly demanded.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT VII – UNJUST ENRICHMENT

(Against Belinda Keiser)

81. Plaintiff realleges and incorporates by reference paragraphs 1-46, 48-51 and 62-67 as if set forth fully herein.

82. Belinda Keiser has obtained a benefit from Plaintiff. Specifically, during the time period in which Arthur Keiser was the managing partner of Parkland GP, Arthur Keiser, unlawfully misappropriated Parkland GP's assets and engaged in self-dealing to himself, and his wife and co-partner, Belinda Keiser, all of which profited himself and Belinda Keiser at Plaintiff's expense.

83. Belinda Keiser has actual knowledge of the benefit received.

84. Belinda Keiser has voluntarily accepted and retained these benefits conferred by Plaintiff.

85. Because of the facts and circumstances occurring between the parties described herein, it would be unequitable and unjust for Belinda Keiser to retain such benefit without compensation to Plaintiff.

86. Belinda Keiser has been unjustly enriched at the expense and to the detriment of Plaintiff, no part of which has been paid, although duly demanded.

WHEREFORE, Plaintiff demands judgment against Belinda Keiser for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT VIII- FRAUDULENT CONCEALMENT

(Against Arthur Keiser)

87. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 48-51 as if set

forth fully herein.

88. As described herein, Arthur Keiser, as the managing partner of Parkland GP, owed a fiduciary duty to the Plaintiff, a partner of Parkland GP.

89. Arthur Keiser made false affirmative representations to Plaintiff regarding the financial affairs of Parkland GP and deliberately withheld material information concerning the true financial affairs of Parkland GP for at least the past ten years, including but not limited to all of its actual investments, income, profits, and other material facts pertaining to the business of Parkland GP.

90. Arthur Keiser knew or should have known, that he was required to disclose to Plaintiff the true and entire financial affairs of Parkland GP.

91. Plaintiff did not know of such concealed facts.

92. Arthur Keiser intended that the concealments be acted upon so that Plaintiff would not know and, thus, not demand, the full amount of distributions that she was actually entitled to receive from her ownership interest in Parkland GP for over the past ten years.

93. Plaintiff detrimentally relied on the misinformation by refraining from (prior to this lawsuit) demanding the full amount of her distributions that she is actually entitled to receive pursuant to her respective ownership interest in Parkland GP and was damaged thereby.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT IX- FRAUDULENT CONCEALMENT
(Against Parkland GP)

94. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 48-51 as if set forth fully herein.

95. As described herein, Arthur Keiser, as the managing partner of Parkland GP, owed a

fiduciary duty to the Plaintiff, a partner of Parkland GP.

96. Arthur Keiser, on behalf of Parkland GP made false affirmative representations to Plaintiff regarding the financial affairs of Parkland GP and deliberately withheld material information concerning the true financial affairs of Parkland GP for at least the last ten years, including but not limited to all of its actual investments, income, profits, and other material facts pertaining to the business of Parkland GP.

97. Arthur Keiser, on behalf of Parkland GP, knew or should have known, that he was required to disclose to Plaintiff the true and entire financial affairs of Parkland GP.

98. Plaintiff did not know of such concealed facts.

99. Arthur Keiser, on behalf of Parkland GP, intended that the concealments be acted upon so that Plaintiff would not know and, thus, not demand, the full amount of distributions that she was actually entitled to receive from her ownership interest in Parkland GP for at least the last ten years.

100. Plaintiff detrimentally relied on the misinformation by refraining from (prior to this lawsuit) demanding the full amount of her distributions that she is actually entitled to receive pursuant to her respective ownership interest in Parkland GP and was damaged thereby.

WHEREFORE, Plaintiff demands judgment against Parkland GP for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT X – ACCOUNTING

(Against Parkland GP)

101. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 48-51 as if set forth fully herein.

102. Arthur Keiser has engaged in self-dealing and has breached his fiduciary duties to Plaintiff as the managing partner of Parkland GP and has profited from such unlawful activity in an

unknown amount.

103. Plaintiff, a partner of Parkland GP, cannot know the full extent of the self-dealing committed by Arthur Keiser unless he is compelled to submit to an accounting of all of the transactions of Parkland GP for the past ten (10) years. Plaintiff made written requests to inspect the books and records of Parkland GP in order to determine her rights, entitlement and ownership of Parkland GP's assets; however, Arthur Keiser, individually, and on behalf of Parkland GP, has refused to account to Plaintiff.

104. Plaintiff does not have a remedy at law that is as full, adequate, and expeditious as it is in equity.

WHEREFORE, Plaintiffs prays for the following relief: an accounting of Parkland GP transactions for the last at least ten years after full and complete access to full and accurate books of accounts for Parkland GP, judgment against Parkland GP for any sums found to be due Plaintiff from Parkland GP, and any other relief this Court deems necessary and proper.

COUNT XI - BREACH OF FIDUCIARY DUTY

(Against Arthur Keiser)

105. Plaintiff realleges and incorporates by reference paragraphs 1-46 as if set forth fully herein.

106. Pursuant to Fla. Stat. §605.04091, Arthur Keiser, as the managing member of Parkland LC, owed, and owes, fiduciary duties of loyalty and care to Plaintiff, who is also a member of Parkland LC.

107. As described herein, Arthur Keiser breached the fiduciary duties that he owed to the Plaintiff.

108. Arthur Keiser's actions were taken solely for the benefit of and to further his own interests to the detriment of Plaintiff.

109. Arthur Keiser's breaches were willful, intentional, and wrongful and were the direct and proximate cause of damages to Plaintiff.

110. Plaintiff reserves the right to amend this Complaint to assert claims for punitive damages against Arthur Keiser pursuant to Fla. Stat. §768.72, Florida Statutes.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for prejudgment interest, costs, the imposition of a constructive trust, and any other relief as the Court deems just and proper.

COUNT XII – CONSTRUCTIVE TRUST

(Against Arthur Keiser)

111. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 106-109 as if set forth fully herein.

112. This is a claim for equitable relief in the nature of a constructive trust concerning any property that Arthur Keiser improperly received from Parkland LC.

113. By reason of Arthur Keiser's breach of fiduciary duties to Plaintiff, Arthur Keiser has received property to which he is not entitled and has become unjustly enriched as a result thereof. This ill-gotten property must be held in a constructive trust for the benefit of Plaintiff and returned to Plaintiff.

114. Further, all benefits, proceeds, or property usurped by Arthur Keiser and already paid to or realized by Arthur Keiser, should be disgorged to Plaintiff.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for the imposition of a constructive trust on all of the property that Arthur Keiser improperly received from Plaintiff and any other relief as the Court deems just and proper.

COUNT XIII – CONSTRUCTIVE TRUST

(Against Belinda Keiser)

115. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 106-109 as if set

forth fully herein.

116. This is a claim for equitable relief in the nature of a constructive trust concerning any property that Belinda Keiser improperly received from Parkland LC.

117. By reason of Arthur Keiser's breach of fiduciary duties to Plaintiff, Belinda Keiser has received property to which she is not entitled and has become unjustly enriched as a result thereof. This ill-gotten property must be held in a constructive trust for the benefit of Plaintiff and returned to Plaintiff.

118. Further, all benefits, proceeds, or property usurped by Belinda Keiser and already paid to or realized by Belinda Keiser, should be disgorged to Plaintiff.

WHEREFORE, Plaintiff demands judgment against Belinda Keiser for the imposition of a constructive trust on all of the property that Arthur Keiser improperly received from Plaintiff and any other relief as the Court deems just and proper

COUNT XIV – CONVERSION

(Against Arthur)

119. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 106-109, and as if set forth fully herein.

120. Arthur Keiser, having made a distribution of the Parkland LC's profits to himself, was obligated to keep intact and deliver specific distributions to all the members, including Plaintiff, in proportion to their allocable interest in Parkland LC.

121. Plaintiff, as a five percent owner of Parkland LC, has an immediate right of possession of her proportionate interest of all of the profits of Parkland LC and has demanded possession of her respective interest.

122. Arthur Keiser continues to refuse to deliver to the Plaintiff all of her distributions in the profits of Parkland LC in proportion to her allocable ownership interest in Parkland LC.

123. Arthur Keiser continues to wrongfully exercise dominion and control over Plaintiff's distributions, which rightfully belong to the Plaintiff, and, thus, Arthur Keiser is wrongfully depriving the Plaintiff of her legal right to ownership of said property.

124. Arthur Keiser continues to deal with such property in a manner that is inconsistent with the rights of Plaintiff.

125. Arthur Keiser wrongfully exercised dominion and control over Plaintiff's foregoing property with a present intent to deprive Plaintiff of her right to possession of such property.

126. As a direct and proximate result of Arthur Keiser's conversion, Plaintiff has been deprived of the use of the foregoing property and has suffered damages.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for specific performance, damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT XV – CONVERSION
(Against Parkland LC)

127. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 106-109, and as if set forth fully herein.

128. Parkland LC, having made a distribution of the Parkland LC's profits to Arthur Keiser, was obligated to keep intact and deliver specific distributions to all the members, including Plaintiff, in proportion to their allocable interest in Parkland LC.

129. Plaintiff, as a five percent owner of Parkland LC, has an immediate right of possession of her proportionate interest of all of the profits of Parkland LC and has demanded possession of her respective interest.

130. Parkland LC continues to refuse to deliver to the Plaintiff all of her distributions in the profits of Parkland LC in proportion to her allocable ownership interest in Parkland LC.

131. Parkland LC continues to wrongfully exercise dominion and control over Plaintiff's

distributions, which rightfully belong to the Plaintiff, and, thus, Parkland LLC is wrongfully depriving the Plaintiff of her legal right to ownership of said property.

132. Parkland LC continues to deal with such property in a manner that is inconsistent with the rights of Plaintiff.

133. Parkland LC wrongfully exercised dominion and control over Plaintiff's foregoing property with a present intent to deprive Plaintiff of her right to possession of such property.

134. As a direct and proximate result of Parkland LC's conversion, Plaintiff has been deprived of the use of the foregoing property and has suffered damages.

WHEREFORE, Plaintiff demands judgment against Parkland LC for specific performance, damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT XVI – UNJUST ENRICHMENT

(Against Arthur Keiser)

135. Plaintiff realleges and incorporates by reference paragraphs 1-46, 106-109 and 120-126 as if set forth fully herein.

136. Arthur Keiser has obtained a benefit in derogation of the rights of Plaintiff. Specifically, during the time period in which Arthur Keiser was, and to the extent he continues to be the managing member of Parkland LC, Arthur Keiser unlawfully misappropriated Parkland LC's assets and engaged in self-dealing, all of which profited Arthur Keiser at Plaintiff's expense.

137. Arthur Keiser has actual knowledge of the benefit received.

138. Arthur Keiser has voluntarily accepted and retained this benefit in derogation of the rights of Plaintiff.

139. It would be unequitable and unjust for Arthur Keiser to retain such benefit without compensation to Plaintiff.

140. Arthur Keiser has been unjustly enriched at the expense and to the detriment of

Plaintiff, no part of which has been paid, although duly demanded.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT XVII – UNJUST ENRICHMENT

(Against Belinda Keiser)

141. Plaintiff realleges and incorporates by reference paragraphs 1-46, 106-109 and 120-126 as if set forth fully herein.

142. Belinda Keiser has obtained a benefit in derogation of the rights of Plaintiff. Specifically, during the time period in which Arthur Keiser was, and to the extent he continues to be the managing member of Parkland LC, Arthur Keiser unlawfully misappropriated Parkland LC's assets and engaged in self-dealing to himself and his wife and co-partner, Belinda Keiser, all of which profited Art and Belinda at Plaintiff's expense.

143. Belinda Keiser has actual knowledge of the benefit received.

144. Belinda Keiser has voluntarily accepted and retained this benefit in derogation of the rights of Plaintiff.

145. It would be unequitable and unjust for Belinda Keiser to retain such benefit without compensation to Plaintiff.

146. Belinda Keiser has been unjustly enriched at the expense and to the detriment of Plaintiff, no part of which has been paid, although duly demanded.

WHEREFORE, Plaintiff demands judgment against Belinda Keiser for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT XVIII- FRAUDULENT CONCEALMENT

(Against Arthur Keiser)

147. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 106-109 as if set

forth fully herein.

148. As described herein, Arthur Keiser, as the managing member of Parkland LC, owed a fiduciary duty to the Plaintiff, a member of Parkland LC.

149. Arthur Keiser made false affirmative representations to Plaintiff regarding the financial affairs of Parkland LC and deliberately withheld material information concerning the true financial affairs of Parkland LC for at least the last at least ten years, including but not limited to all of the actual investments, income, profits, and other material facts pertaining to the business of Parkland GP.

150. Arthur Keiser knew or should have known, that he was required to disclose to Plaintiff the true and entire financial affairs of Parkland LC.

151. Plaintiff did not know of such concealed facts.

152. Arthur Keiser intended that the concealments be acted upon so that Plaintiff would not know and, thus, not demand the full amount of distributions that she was actually entitled to receive from her ownership interest in Parkland LC over the last at least ten years.

153. Plaintiff detrimentally relied on the misinformation by refraining from demanding (prior to this lawsuit) payment of the full amount of her distributions that she is actually entitled to receive pursuant to her ownership interest in Parkland LC and was damaged by such reliance.

WHEREFORE, Plaintiff demands judgment against Arthur Keiser for damages, prejudgment interest, costs and any other relief as the Court deems just and proper.

COUNT XIX- FRAUDULENT CONCEALMENT

(Against Parkland LC)

154. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 106-109 as if set forth fully herein.

155. As described herein, Arthur Keiser, as the managing member of Parkland LC, owed

a fiduciary duty to the Plaintiff, a member of Parkland LC.

156. Arthur Keiser, on behalf of Parkland LC, made false affirmative representations to Plaintiff regarding the financial affairs of Parkland LC and deliberately withheld material information concerning the true financial affairs of Parkland GP for at least the last at least ten years, including but not limited to all of the actual investments, income, profits, and other material facts pertaining to the business of Parkland GP.

157. Arthur Keiser, on behalf of Parkland LC, knew or should have known, that he was required to disclose to Plaintiff the true and entire financial affairs of Parkland LC.

158. Plaintiff did not know of such concealed facts.

159. Arthur Keiser, on behalf of Parkland LC, intended that the concealments be acted upon so that Plaintiff would not know and, thus, not demand the full amount of distributions that she was actually entitled to receive from her ownership interest in Parkland LC at least the last ten years.

160. Plaintiff detrimentally relied on the misinformation by refraining from demanding (prior to this lawsuit) payment of the full amount of her distributions that she is actually entitled to receive pursuant to her ownership interest in Parkland LC and was damaged by such reliance.

WHEREFORE, Plaintiff demands judgment against Parkland LC for damages, prejudgment interest, costs and any other relief as the Court deems just and proper

COUNT XX– ACCOUNTING

(Against Parkland LC)

161. Plaintiff realleges and incorporates by reference paragraphs 1-46 and 106-109 as if set forth fully herein.

162. Arthur Keiser has engaged in self-dealing and has breached his fiduciary duties to Plaintiff as the managing member of Parkland LC and has profited from such unlawful activity in an

unknown amount.

163. Plaintiff, a member of Parkland LC, cannot know the full extent of the self-dealing committed by Arthur Keiser unless he is compelled to submit to and provide an accounting of all of the transactions of Parkland LC for the past ten (10) years. Plaintiff made written requests to inspect the books and records of Parkland LC in order to determine her rights, entitlement, and ownership of Parkland LC's assets. However, Arthur Keiser, individually and on behalf of Parkland LC, has refused to account to Plaintiff.

164. Plaintiff does not have a remedy at law that is as full, adequate, and expeditious as it is in equity.

WHEREFORE, Plaintiff prays for an accounting of Parkland LC transactions for at least the last ten years after full and complete access to all books of accounts and records of Parkland LC, judgment against Parkland LC for any sums found to be due Plaintiff from Parkland LC, and any other relief this Court deems necessary and proper.

ROSENTHAL LAW GROUP
2115 N. Commerce Parkway
Weston, Florida 33326
(954) 384-9200 Telephone
(954) 384-0017 Facsimile

By: /s/ Alex P. Rosenthal

Alex P. Rosenthal, Esq.

Fla. Bar No. 815160

alex@rosenthalcounsel.com

Amanda Jones, Esq.

Fla. Bar No. 26260

amanda@rosenthalcounsel.com



Flood Watch (Severe) - Kentucky: Fayette (https://www.wtvq.com/?p=1168007&alert=1802025&alert_type=banner).

American National Univ. found guilty of violating Ky Consumer Protection Act

June 18, 2019 by [Veronica Jean Seltzer](https://www.wtvq.com/author/veronica-jean-seltzer/) (<https://www.wtvq.com/author/veronica-jean-seltzer/>).

FRANKFORT, Ky. (WTVQ)- The Kentucky Court of Appeals has upheld a Fayette Circuit Court’s ruling that American National University, once known as National College of Kentucky, willfully violated the state’s Consumer Protection Act.

Attorney General Andy Beshear argued the school broke state law by making deceptive claims on its website about how many of its graduates had found jobs.

National had campuses in Danville, Florence, Lexington, Louisville, Pikeville and Richmond.

National had argued it wasn’t responsible for the claims because a different corporation made them. That corporation was affiliated with the school and owned by the same man, Frank Longaker.

“This is a win for Kentucky college students who deserve fair and accurate information about their future job prospects and not bogus, inflated numbers fabricated by a school,” Beshear said. “My office will continue to stand up to for-profit colleges that put profits ahead of the educational needs of our Kentucky families.”

The Office of the Attorney General filed its suit against national in Fayette Circuit Court in 2011. After a trial in 2018, National appealed to the Court of Appeals.

If you were misled by National’s employment success rate advertisements, Beshear’s office encourages you to apply to the U.S. Department of Education for loan forgiveness. under the “Borrower Defense to Repayment” regulation.

If you think a private college or loan servicer hasn’t treated you fairly, you can contact the Attorney General’s Office at 502-696-5300 or fill out a [complaint](https://secure.kentucky.gov/formservices/AttorneyGeneral/ConsumerComplaintForm) (<https://secure.kentucky.gov/formservices/AttorneyGeneral/ConsumerComplaintForm>). form.

SPONSORED CONTENT



Massachusetts Drivers With No DUI's Getting A Pay Day on Thursday

https://jadserve.postrelease.com/trk?ntv_at=813&ntv_ui=01e1a89b-6625-4b5f-8544-5c1e7a16b32a&ntv_a=AAAAAAAAA45kQA&ntv_fl=khZ7JShf6YYP7Y8ZEYA49xX4fwS27nxv_9drhUq_XXzwpv2CMSRlddNMX9wo5eFQar_ArWVYPz4Psvj4qxtx_b1jnIRaDjJabn6Uis5oVvaUZ-JwiiXY92wg-ZbZ_fzqFEG7XR1_dV_Oh8Hb2xsuUJA2k4L_5F1InJn3-tJyQeQ2tXSDj78Bu4CYTzWylYBreeeWc4Q01e1bsn7YnnGv8xfxUfLHZBamhCJNXHiF_74qMFOozUfE99_VJK6KDo9FfUse.mfadsrvr.com/click/jitFoLNdIYQjtCA2u2HbklMouZR0MC34lqN8dNXlly91vOLaAt2uvBJUVSe7TGXwkRdJzW63KzeHFrBSa5Si7i46NjqCL3IQPc0JJIGsu5S2f39Bb4zCx2iEYrdzld4KsvbcYpX0VjPInckzdarFuz7Z7161T9ecJuglntXwMfHfoyWCLzGHUqyTrvltKW9MzwOikxpHosXpZ_gjzLZ0gf5GdVswHcy-qbh9p-Geg3g83DMgVgwX4mBzJZTmxEjBzAYkVcY_jyV9HC33haqdd3KwWK3F1p_domain=articles.comparisons.org

Drivers With No Tickets In 3 Years Should Do This On March

News (<https://www.wtvq.com/category/news/>), State News (<https://www.wtvq.com/category/state-news/>)
Tags: American National University (<https://www.wtvq.com/tag/american-national-university/>), appeal (<https://www.wtvq.com/tag/appeal/>), Consumer Protection (<https://www.wtvq.com/tag/consumer-protection/>), Court (<https://www.wtvq.com/tag/court/>), Kentucky (<https://www.wtvq.com/tag/kentucky/>).

Leave a Reply

Your email address will not be published. Required fields are marked *

Comment

Warning: This report had more results than could be exported (up to 100,000 rows). Summary totals include all rows.

CMN Cases by School Owner - Open - 2020

As of 2020-04-16 15:24:44 Eastern Standard Time/EST • Generated by Colleen Nevin

Filtered By
 Show: All cases
 Units: Hours
 Resolution Action not equal to Duplicate - Customer Requesting Information, Duplicate - Existing Application, Customer Inquiry - No Existing Case, Non-Customer Inquiry/Request, Spam
 Line of Business equals BD
 School Owner not equal to
 Status equals 2.10 - Ready for EU Review, 2.11 - Narrative Needed, 2.20 - EU Review in Progress, 2.21 - Ready for Quality Control, 2.22 - Quality Control in Progress, 2.23 - Awaiting Evidence Check by ED Divisions, 2.30 - Final BD Review Complete, 2.32 - Awaiting Relief Implementation, 2.40 - Flagged for Approval - Confirm Loans, 2.50 - Ready for ED, 2.60 - Sent to ED

Primary School ↓	School Owner ↓	Status ↑	Record Count	
ITT Technical Institute	ITT Educational Services, Inc.	2.10 - Ready for EU Review	25114	
		2.20 - EU Review in Progress	804	
		2.21 - Ready for Quality Control	21	
		2.22 - Quality Control in Progress	63	
		2.23 - Awaiting Evidence Check by ED Divisions	23	
		2.40 - Flagged for Approval - Confirm Loans	4811	
		2.50 - Ready for ED	37	
		2.60 - Sent to ED	1	
Subtotal		30874		
Subtotal		30874		
University of Phoenix	Apollo Group, Inc (University Of Phoenix)	2.10 - Ready for EU Review	17291	
		2.11 - Narrative Needed	3	
		2.20 - EU Review in Progress	1001	
		2.21 - Ready for Quality Control	18	
		2.22 - Quality Control in Progress	6	
		2.23 - Awaiting Evidence Check by ED Divisions	31	
		2.40 - Flagged for Approval - Confirm Loans	2738	
Subtotal		21088		
Subtotal		21088		
DeVry University	Devry	2.10 - Ready for EU Review	16120	
		2.20 - EU Review in Progress	17	
Subtotal		16137		
Subtotal		16137		
Sanford-Brown College	CEC	2.10 - Ready for EU Review	3134	
		2.20 - EU Review in Progress	55	
		2.21 - Ready for Quality Control	21	
		2.22 - Quality Control in Progress	237	
		2.23 - Awaiting Evidence Check by ED Divisions	571	
		2.40 - Flagged for Approval - Confirm Loans	428	
		Subtotal		4446
		EDMC	2.10 - Ready for EU Review	18
Subtotal		18		
Subtotal		4464		
Purdue University Global	Graham Holdings Company (Kaplan)	2.10 - Ready for EU Review	3932	
		2.20 - EU Review in Progress	1	
		2.40 - Flagged for Approval - Confirm Loans	1	
Subtotal		3934		
Subtotal		3934		
Heald College	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	65	
		2.11 - Narrative Needed	3	
		2.20 - EU Review in Progress	82	
		2.21 - Ready for Quality Control	6	
		2.22 - Quality Control in Progress	46	
		2.23 - Awaiting Evidence Check by ED Divisions	194	
		2.40 - Flagged for Approval - Confirm Loans	2616	
		2.50 - Ready for ED	581	
		2.60 - Sent to ED	227	
		Subtotal		3820
		Heald	2.10 - Ready for EU Review	11
Subtotal		11		
Subtotal		3831		
Art Institute of Las Vegas (The)	EDMC	2.10 - Ready for EU Review	2257	
		2.20 - EU Review in Progress	65	
	Subtotal		2322	
	Dream Center Education Holdings (DCEH)	2.10 - Ready for EU Review	368	
		Subtotal		368
Subtotal		2690		
Argosy University	Dream Center Education Holdings (DCEH)	2.10 - Ready for EU Review	1871	
		2.20 - EU Review in Progress	3	
	Subtotal		1874	
	EDMC	2.10 - Ready for EU Review	736	
		2.20 - EU Review in Progress	66	
	Subtotal		802	
Subtotal		2676		
Le Cordon Bleu College of Culinary Arts	CEC	2.10 - Ready for EU Review	1773	

Case: 23-15049, 03/24/2023, ID: 12681444, DktEntry: 18-2, Page 430 of 484

(448 of 502)

		2.20 - EU Review in Progress	23
		2.21 - Ready for Quality Control	1
		2.22 - Quality Control in Progress	37
		2.23 - Awaiting Evidence Check by ED Divisions	181
		2.40 - Flagged for Approval - Confirm Loans	305
	Subtotal		2320
Subtotal			2320
Art Institute of Pittsburgh (The)	Dream Center Education Holdings (DCEH)	2.10 - Ready for EU Review	2130
	Subtotal		2130
	EDMC	2.10 - Ready for EU Review	41
	Subtotal		41
Subtotal			2171
Brightwood College	Willis Stein & Partners III, L.P.	2.10 - Ready for EU Review	2143
	Subtotal	2.20 - EU Review in Progress	24
			2167
Subtotal			2167
Virginia College	Willis Stein & Partners III, L.P.	2.10 - Ready for EU Review	1943
	Subtotal	2.20 - EU Review in Progress	25
			1968
Subtotal			1968
Westwood College - Denver North	Westwood	2.10 - Ready for EU Review	1670
	Subtotal	2.40 - Flagged for Approval - Confirm Loans	1
			1671
Subtotal			1671
Ashford University	Bridgepoint Education, Inc.	2.10 - Ready for EU Review	1632
	Subtotal	2.20 - EU Review in Progress	2
			1634
Subtotal			1634
American InterContinental University	CEC	2.10 - Ready for EU Review	1628
	Subtotal		1628
Subtotal			1628
Colorado Technical University	CEC	2.10 - Ready for EU Review	1565
	Subtotal		1565
Subtotal			1565
Minnesota School of Business	Globe University/Minnesota School Of Business	2.10 - Ready for EU Review	1428
	Subtotal	2.20 - EU Review in Progress	62
			1490
Subtotal			1490
Westwood College - Los Angeles	Westwood	2.10 - Ready for EU Review	1304
	Subtotal	2.20 - EU Review in Progress	1
		2.60 - Sent to ED	1
			1306
Subtotal			1306
Illinois Institute of Art (The)	EDMC	2.10 - Ready for EU Review	1205
	Subtotal		1205
Subtotal			1205
Altierus Career College	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	10
		2.11 - Narrative Needed	5
		2.20 - EU Review in Progress	40
		2.21 - Ready for Quality Control	13
		2.22 - Quality Control in Progress	5
		2.23 - Awaiting Evidence Check by ED Divisions	73
		2.40 - Flagged for Approval - Confirm Loans	17
		2.50 - Ready for ED	506
		2.60 - Sent to ED	532
	Subtotal		1201
Subtotal			1201
Marinello School of Beauty	Marinello School Of Beauty	2.10 - Ready for EU Review	903
		2.20 - EU Review in Progress	21
		2.40 - Flagged for Approval - Confirm Loans	1
		2.50 - Ready for ED	249
	Subtotal		1174
Subtotal			1174
Everest College	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	43
		2.11 - Narrative Needed	1
		2.20 - EU Review in Progress	50
		2.21 - Ready for Quality Control	10
		2.22 - Quality Control in Progress	12
		2.23 - Awaiting Evidence Check by ED Divisions	61
		2.40 - Flagged for Approval - Confirm Loans	10
		2.50 - Ready for ED	306
		2.60 - Sent to ED	609
	Subtotal		1102
Subtotal			1102
Art Institute of Atlanta (The)	EDMC	2.10 - Ready for EU Review	887
	Subtotal	2.20 - EU Review in Progress	133
			1020
Subtotal			1020
Charlotte School of Law	Infilaw Holding, LLC	2.10 - Ready for EU Review	945
	Subtotal	2.50 - Ready for ED	26
			971
Subtotal			971
Walden University	Wengen Alberta, Limited Partnership (Laureate Education)	2.10 - Ready for EU Review	938

	Subtotal		938
Subtotal			938
Art Institute of California - Los Angeles (The)	EDMC	2.10 - Ready for EU Review	872
	Subtotal		872
Subtotal			872
Vatterott College	Vatterott Education, Inc.	2.10 - Ready for EU Review	776
		2.20 - EU Review in Progress	55
		2.40 - Flagged for Approval - Confirm Loans	1
	Subtotal		832
Subtotal			832
Globe University	Globe University/Minnesota School Of Business	2.10 - Ready for EU Review	801
		2.20 - EU Review in Progress	14
		2.50 - Ready for ED	1
	Subtotal		816
Subtotal			816
ATI Career Training Center	Ati Career Training	2.10 - Ready for EU Review	794
	Subtotal		794
Subtotal			794
Anthem College	Anthem College	2.10 - Ready for EU Review	785
		2.20 - EU Review in Progress	7
	Subtotal		792
Subtotal			792
Keller Graduate School of Management	Devry	2.10 - Ready for EU Review	791
	Subtotal		791
Subtotal			791
Everest Institute	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	55
		2.11 - Narrative Needed	4
		2.20 - EU Review in Progress	62
		2.21 - Ready for Quality Control	5
		2.22 - Quality Control in Progress	3
		2.23 - Awaiting Evidence Check by ED Divisions	47
		2.40 - Flagged for Approval - Confirm Loans	6
		2.50 - Ready for ED	187
		2.60 - Sent to ED	378
	Subtotal		747
Subtotal			747
Brooks Institute	CEC	2.10 - Ready for EU Review	489
		2.20 - EU Review in Progress	10
		2.21 - Ready for Quality Control	15
		2.22 - Quality Control in Progress	80
		2.23 - Awaiting Evidence Check by ED Divisions	101
	Subtotal		695
Subtotal			695
Capella University	Capella Education Company	2.10 - Ready for EU Review	679
	Subtotal		679
Subtotal			679
Art Institute of Philadelphia (The)	EDMC	2.10 - Ready for EU Review	675
	Subtotal		675
Subtotal			675
Art Institute of Fort Lauderdale (The)	EDMC	2.10 - Ready for EU Review	654
	Subtotal		654
Subtotal			654
WyoTech	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	27
		2.11 - Narrative Needed	1
		2.20 - EU Review in Progress	69
		2.21 - Ready for Quality Control	9
		2.22 - Quality Control in Progress	19
		2.23 - Awaiting Evidence Check by ED Divisions	77
		2.40 - Flagged for Approval - Confirm Loans	14
		2.50 - Ready for ED	128
		2.60 - Sent to ED	305
	Subtotal		649
Subtotal			649
Universal Technical Institute	Universal Technical Institute	2.10 - Ready for EU Review	557
		2.20 - EU Review in Progress	75
		2.23 - Awaiting Evidence Check by ED Divisions	1
	Subtotal		633
Subtotal			633
Star Career Academy	Star Career Academy	2.10 - Ready for EU Review	558
		2.20 - EU Review in Progress	48
	Subtotal		606
Subtotal			606
Lincoln Technical Institute	Lincoln Technical Institute, Inc.	2.10 - Ready for EU Review	17
		2.20 - EU Review in Progress	587
	Subtotal		604
Subtotal			604
United Education Institute	Sp/Palm Iec Holdings LLC (United Education Institute)	2.10 - Ready for EU Review	578
		2.20 - EU Review in Progress	25
	Subtotal		603
Subtotal			603
South University	EDMC	2.10 - Ready for EU Review	539
		2.20 - EU Review in Progress	53
	Subtotal		592

Subtotal			592
Wright Career College	Wright Business School	2.10 - Ready for EU Review	24
		2.30 - Final BD Review Complete	1
		2.40 - Flagged for Approval - Confirm Loans	214
		2.50 - Ready for ED	321
		2.60 - Sent to ED	10
	Subtotal		570
Subtotal			570
Everest University	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	31
		2.11 - Narrative Needed	2
		2.20 - EU Review in Progress	49
		2.21 - Ready for Quality Control	4
		2.22 - Quality Control in Progress	6
		2.23 - Awaiting Evidence Check by ED Divisions	30
		2.40 - Flagged for Approval - Confirm Loans	9
		2.50 - Ready for ED	149
		2.60 - Sent to ED	282
	Subtotal		562
Subtotal			562
Westwood College - O'Hare Airport	Westwood	2.10 - Ready for EU Review	470
		2.20 - EU Review in Progress	85
	Subtotal		555
Subtotal			555
Art Institute of Colorado (The)	EDMC	2.10 - Ready for EU Review	549
		2.20 - EU Review in Progress	1
	Subtotal		550
Subtotal			550
Full Sail University	Full Sail Recorders, Inc.	2.10 - Ready for EU Review	545
	Subtotal		545
Subtotal			545
Grand Canyon University	Grand Canyon Education, Inc	2.10 - Ready for EU Review	536
		2.20 - EU Review in Progress	1
	Subtotal		537
Subtotal			537
Keiser University	Everglades College, Inc.	2.10 - Ready for EU Review	511
	Subtotal		511
Subtotal			511
Strayer University	Strayer Education Inc.	2.10 - Ready for EU Review	16
		2.11 - Narrative Needed	1
		2.20 - EU Review in Progress	1
		2.40 - Flagged for Approval - Confirm Loans	492
	Subtotal		510
Subtotal			510
Westwood College - DuPage	Westwood	2.10 - Ready for EU Review	509
	Subtotal		509
Subtotal			509
Brown Mackie College-Cincinnati	EDMC	2.10 - Ready for EU Review	504
		2.20 - EU Review in Progress	1
	Subtotal		505
Subtotal			505
Fortis College	Fortis College	2.10 - Ready for EU Review	486
	Subtotal		486
Subtotal			486
Brightwood Career Institute	Willis Stein & Partners III, L.P.	2.10 - Ready for EU Review	445
		2.20 - EU Review in Progress	36
		2.30 - Final BD Review Complete	1
	Subtotal		482
Subtotal			482
ICDC College	International Career Development Center	2.10 - Ready for EU Review	452
		2.20 - EU Review in Progress	1
	Subtotal		453
Subtotal			453
Heritage College	Weston Educational, Inc.	2.10 - Ready for EU Review	403
		2.20 - EU Review in Progress	49
	Subtotal		452
Subtotal			452
Bryman School of Arizona (The)	Everest	2.10 - Ready for EU Review	73
		2.20 - EU Review in Progress	367
	Subtotal		440
Subtotal			440
Devry Institute of Technology	Devry	2.10 - Ready for EU Review	436
	Subtotal		436
Subtotal			436
Art Institute of California - San Diego	EDMC	2.10 - Ready for EU Review	434
	Subtotal		434
Subtotal			434
New England Institute of Art (The)	EDMC	2.10 - Ready for EU Review	427
		2.23 - Awaiting Evidence Check by ED Divisions	1
	Subtotal		428
Subtotal			428
Career Point College	Career Point College	2.10 - Ready for EU Review	408
		2.20 - EU Review in Progress	19
	Subtotal		427

Subtotal			427
Art Institute of Houston (The)	EDMC	2.10 - Ready for EU Review	418
	Subtotal		418
Subtotal			418
Lincoln College of Technology	Lincoln Technical Institute, Inc.	2.10 - Ready for EU Review	403
		2.20 - EU Review in Progress	8
	Subtotal		411
Subtotal			411
Medtech College	Jtc Education, Inc.	2.10 - Ready for EU Review	375
		2.20 - EU Review in Progress	33
	Subtotal		408
Subtotal			408
Miami International University of Art & Design	EDMC	2.10 - Ready for EU Review	402
	Subtotal		402
Subtotal			402
Academy of Art University	Academy Of Art University	2.10 - Ready for EU Review	399
	Subtotal		399
Subtotal			399
Carrington College	Devry	2.10 - Ready for EU Review	274
		2.20 - EU Review in Progress	112
	Subtotal		386
Subtotal			386
Westwood College - South Bay	Westwood	2.10 - Ready for EU Review	342
		2.20 - EU Review in Progress	31
	Subtotal		373
Subtotal			373
Art Institute of Seattle (The)	Dream Center Education Holdings (DCEH)	2.10 - Ready for EU Review	323
		2.20 - EU Review in Progress	46
	Subtotal		369
Subtotal			369
American College for Medical Careers	Premier Education Group L.P.	2.10 - Ready for EU Review	192
		2.20 - EU Review in Progress	167
	Subtotal		359
Subtotal			359
Art Institute of New York City (The)	EDMC	2.10 - Ready for EU Review	352
	Subtotal		352
Subtotal			352
Art Institutes International Minnesota (The)	EDMC	2.10 - Ready for EU Review	344
		2.20 - EU Review in Progress	2
	Subtotal		346
Subtotal			346
Florida Career College	Sp/Palm Iec Holdings LLC (United Education Institute)	2.10 - Ready for EU Review	332
		2.20 - EU Review in Progress	10
	Subtotal		342
Subtotal			342
Regency Beauty Institute	Regency Corporation	2.10 - Ready for EU Review	341
	Subtotal		341
Subtotal			341
Daymar College	The Mark A. Gabis Revocable Inter Vivos Trust	2.10 - Ready for EU Review	322
		2.50 - Ready for ED	4
	Subtotal		326
Subtotal			326
Le Cordon Bleu Institute of Culinary Arts	CEC	2.10 - Ready for EU Review	207
		2.20 - EU Review in Progress	7
		2.22 - Quality Control in Progress	5
		2.23 - Awaiting Evidence Check by ED Divisions	28
		2.40 - Flagged for Approval - Confirm Loans	60
	Subtotal		307
Subtotal			307
Harrison College	Educational Management Corporation (Not Education Management Corp.)	2.10 - Ready for EU Review	304
	Subtotal		304
Subtotal			304
Art Institute of Charlotte (The)	EDMC	2.10 - Ready for EU Review	287
		2.20 - EU Review in Progress	1
	Subtotal		288
Subtotal			288
Brown Mackie College-South Bend	EDMC	2.10 - Ready for EU Review	286
	Subtotal		286
Subtotal			286
Art Institute of Portland (The)	EDMC	2.10 - Ready for EU Review	286
	Subtotal		286
Subtotal			286
Kaplan College	Willis Stein & Partners III, L.P.	2.10 - Ready for EU Review	143
		2.20 - EU Review in Progress	5
		2.60 - Sent to ED	19
	Subtotal		167
	Graham Holdings Company (Kaplan)	2.10 - Ready for EU Review	111
	Subtotal		111
Subtotal			278
Stevens Henager College	Collegeamerica Services, Inc.	2.10 - Ready for EU Review	272
	Subtotal		272
Subtotal			272
Dade Medical College	Dade Medical College	2.10 - Ready for EU Review	4

		2.11 - Narrative Needed	21
		2.40 - Flagged for Approval - Confirm Loans	241
	Subtotal		266
Subtotal			266
Brown Mackie College-Findlay	EDMC	2.10 - Ready for EU Review	260
	Subtotal		260
Subtotal			260
Briarcliffe College	CEC	2.10 - Ready for EU Review	165
		2.20 - EU Review in Progress	22
		2.22 - Quality Control in Progress	1
		2.23 - Awaiting Evidence Check by ED Divisions	8
		2.40 - Flagged for Approval - Confirm Loans	63
	Subtotal		259
Subtotal			259
Collins College	CEC	2.10 - Ready for EU Review	88
		2.20 - EU Review in Progress	8
		2.21 - Ready for Quality Control	4
		2.23 - Awaiting Evidence Check by ED Divisions	15
		2.40 - Flagged for Approval - Confirm Loans	139
	Subtotal		254
Subtotal			254
Branford Hall Career Institute	Premier Education Group L.P.	2.10 - Ready for EU Review	244
	Subtotal		244
Subtotal			244
Brown Mackie College (The)	EDMC	2.10 - Ready for EU Review	239
	Subtotal		239
Subtotal			239
ATI- Career Training Center	Ati Career Training	2.10 - Ready for EU Review	234
	Subtotal		234
Subtotal			234
Art Institute of California-Hollywood (The)	EDMC	2.10 - Ready for EU Review	228
	Subtotal		228
Subtotal			228
Le Cordon Bleu College of Culinary Arts in Chicago	CEC	2.10 - Ready for EU Review	158
		2.20 - EU Review in Progress	4
		2.22 - Quality Control in Progress	5
		2.23 - Awaiting Evidence Check by ED Divisions	30
		2.40 - Flagged for Approval - Confirm Loans	30
	Subtotal		227
Subtotal			227
American National University	American National University Group	2.10 - Ready for EU Review	41
		2.20 - EU Review in Progress	184
	Subtotal		225
Subtotal			225
Mountain State University	Mountain State University	2.10 - Ready for EU Review	91
		2.20 - EU Review in Progress	125
		2.60 - Sent to ED	1
	Subtotal		217
Subtotal			217
Career Colleges of America	Career Colleges Of America	2.10 - Ready for EU Review	89
		2.20 - EU Review in Progress	125
	Subtotal		214
Subtotal			214
ATI Technical Training Center	Ati Career Training	2.10 - Ready for EU Review	209
		2.20 - EU Review in Progress	1
	Subtotal		210
Subtotal			210
Miller - Motte Technical College	Delta Cec	2.10 - Ready for EU Review	165
		2.20 - EU Review in Progress	33
	Subtotal		198
Subtotal			198
Computer Systems Institute	Computer Systems Institute	2.10 - Ready for EU Review	196
	Subtotal		196
Subtotal			196
National American University	National American University Holdings, Inc.	2.10 - Ready for EU Review	33
		2.20 - EU Review in Progress	162
	Subtotal		195
Subtotal			195
Concorde Career College	Concorde Career Colleges, Inc.	2.10 - Ready for EU Review	119
		2.20 - EU Review in Progress	76
	Subtotal		195
Subtotal			195
McCann School of Business & Technology	Delta Cec	2.10 - Ready for EU Review	171
		2.20 - EU Review in Progress	21
	Subtotal		192
Subtotal			192
Heritage Institute	Weston Educational, Inc.	2.10 - Ready for EU Review	191
	Subtotal		191
Subtotal			191
Bryant & Stratton College	Bryant & Stratton College, Inc.	2.10 - Ready for EU Review	2
		2.20 - EU Review in Progress	120
		2.40 - Flagged for Approval - Confirm Loans	69
	Subtotal		191

Subtotal			191
Fortis Institute	Fortis College	2.10 - Ready for EU Review	189
	Subtotal		189
Subtotal			189
Altierus Career Education	Corinthian Colleges, Inc.	2.11 - Narrative Needed	1
		2.20 - EU Review in Progress	10
		2.21 - Ready for Quality Control	2
		2.23 - Awaiting Evidence Check by ED Divisions	9
		2.40 - Flagged for Approval - Confirm Loans	3
		2.50 - Ready for ED	45
		2.60 - Sent to ED	118
	Subtotal		188
Subtotal			188
Pittsburgh Career Institute	Career Education Corp.	2.10 - Ready for EU Review	26
		2.20 - EU Review in Progress	86
		2.22 - Quality Control in Progress	3
		2.23 - Awaiting Evidence Check by ED Divisions	7
		2.40 - Flagged for Approval - Confirm Loans	58
	Subtotal		180
Subtotal			180
Everest University - Pompano Beach	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	14
		2.20 - EU Review in Progress	17
		2.22 - Quality Control in Progress	2
		2.23 - Awaiting Evidence Check by ED Divisions	12
		2.50 - Ready for ED	44
		2.60 - Sent to ED	88
	Subtotal		177
Subtotal			177
Brooks College	Brooks College	2.10 - Ready for EU Review	162
		2.22 - Quality Control in Progress	8
		2.23 - Awaiting Evidence Check by ED Divisions	5
	Subtotal		175
Subtotal			175
Business Career Training Institute	Business Career Training Institute	2.10 - Ready for EU Review	6
		2.20 - EU Review in Progress	166
	Subtotal		172
Subtotal			172
UEI College	Sp/Palm Iec Holdings LLC (United Education Institute)	2.10 - Ready for EU Review	103
		2.20 - EU Review in Progress	59
	Subtotal		162
Subtotal			162
Remington College	Remington College	2.10 - Ready for EU Review	117
		2.20 - EU Review in Progress	45
	Subtotal		162
Subtotal			162
Kaplan Career Institute	Willis Stein & Partners III, L.P.	2.10 - Ready for EU Review	100
	Subtotal		100
	Graham Holdings Company (Kaplan)	2.10 - Ready for EU Review	53
	Subtotal		53
Subtotal			153
Centura College	Employment Services, Inc.	2.20 - EU Review in Progress	150
	Subtotal		150
Subtotal			150
Art Institute of Dallas (The)	EDMC	2.10 - Ready for EU Review	149
	Subtotal		149
Subtotal			149
Sanford-Brown Institute	CEC	2.10 - Ready for EU Review	96
		2.20 - EU Review in Progress	8
		2.22 - Quality Control in Progress	16
		2.23 - Awaiting Evidence Check by ED Divisions	9
		2.40 - Flagged for Approval - Confirm Loans	16
	Subtotal		145
Subtotal			145
Mount Washington College	Graham Holdings Company (Kaplan)	2.10 - Ready for EU Review	142
	Subtotal		142
Subtotal			142
Rasmussen College	Rasmussen College, Inc.	2.10 - Ready for EU Review	136
		2.20 - EU Review in Progress	5
	Subtotal		141
Subtotal			141
Katharine Gibbs School	Gibbs College	2.10 - Ready for EU Review	123
		2.20 - EU Review in Progress	18
	Subtotal		141
Subtotal			141
Bryman College	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	2
		2.20 - EU Review in Progress	10
		2.21 - Ready for Quality Control	4
		2.23 - Awaiting Evidence Check by ED Divisions	7
		2.40 - Flagged for Approval - Confirm Loans	2
		2.50 - Ready for ED	37
		2.60 - Sent to ED	79
	Subtotal		141
Subtotal			141

SBI Campus - an affiliate of Sanford-Brown	CEC	2.10 - Ready for EU Review	100
		2.20 - EU Review in Progress	13
		2.22 - Quality Control in Progress	2
		2.23 - Awaiting Evidence Check by ED Divisions	11
		2.40 - Flagged for Approval - Confirm Loans	10
Subtotal			136
Subtotal			136
Miller-Motte Technical College	Delta Career Education Corporation	2.10 - Ready for EU Review	83
		2.20 - EU Review in Progress	42
Subtotal			125
Subtotal			125
Jones International University	Jones International University	2.10 - Ready for EU Review	121
		Subtotal	121
Subtotal			121
American Career Institute	ACI	2.10 - Ready for EU Review	121
		Subtotal	121
Subtotal			121
American Career College	David Pyle Trust	2.10 - Ready for EU Review	102
		2.23 - Awaiting Evidence Check by ED Divisions	14
Subtotal			116
Subtotal			116
Pima Medical Institute	Vocational Training Institute, Inc.	2.10 - Ready for EU Review	111
		Subtotal	111
Subtotal			111
Everest College Phoenix	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	9
		2.20 - EU Review in Progress	5
		2.23 - Awaiting Evidence Check by ED Divisions	13
		2.50 - Ready for ED	26
		2.60 - Sent to ED	54
Subtotal			107
Subtotal			107
Western International University	Apollo Group, Inc (University Of Phoenix)	2.10 - Ready for EU Review	30
		2.20 - EU Review in Progress	76
Subtotal			106
Subtotal			106
ATI College of Health	Ati Career Training	2.10 - Ready for EU Review	22
		2.20 - EU Review in Progress	84
Subtotal			106
Subtotal			106
Arizona Summit Law School	Infilaw Holding, LLC	2.10 - Ready for EU Review	106
		Subtotal	106
Subtotal			106
ECPI University	Novateur Education, Inc.	2.10 - Ready for EU Review	12
		2.40 - Flagged for Approval - Confirm Loans	73
		2.60 - Sent to ED	20
Subtotal			105
Subtotal			105
Remington College - Tampa Campus	Remington College	2.10 - Ready for EU Review	101
		Subtotal	101
Subtotal			101
Missouri College	Weston Educational, Inc.	2.10 - Ready for EU Review	101
		Subtotal	101
Subtotal			101
Brown Mackie College	EDMC	2.10 - Ready for EU Review	100
		Subtotal	100
Subtotal			100
Art Institute of York (The) - Pennsylvania	EDMC	2.10 - Ready for EU Review	9
		2.20 - EU Review in Progress	91
		Subtotal	100
Subtotal			100
Harris School of Business	Premier Education Group L.P.	2.10 - Ready for EU Review	96
		2.50 - Ready for ED	2
Subtotal			98
Subtotal			98
Westech College	Marinello School Of Beauty	2.10 - Ready for EU Review	3
		2.50 - Ready for ED	26
		2.60 - Sent to ED	68
Subtotal			97
Subtotal			97
Fortis Institute - Towson	Fortis College	2.10 - Ready for EU Review	95
		Subtotal	95
Subtotal			95
Subtotal			95
Remington College - Mobile Campus	Remington College	2.10 - Ready for EU Review	90
		Subtotal	90
Subtotal			90
Milan Institute	Amarillo College Of Hairdressing, Inc.	2.10 - Ready for EU Review	14
		2.20 - EU Review in Progress	1
		2.40 - Flagged for Approval - Confirm Loans	74
		2.50 - Ready for ED	1
		Subtotal	90
Subtotal			90
DeVry College of Technology	Devry	2.10 - Ready for EU Review	82
		Subtotal	82
Subtotal			82

Subtotal			82
ASA College	Asa Inst Of Bus & Comptr Tech, Inc.	2.10 - Ready for EU Review	81
	Subtotal		81
Subtotal			81
Lehigh Valley College	CEC	2.10 - Ready for EU Review	30
		2.23 - Awaiting Evidence Check by ED Divisions	3
		2.40 - Flagged for Approval - Confirm Loans	47
	Subtotal		80
Subtotal			80
International Academy of Design and Technology	CEC	2.10 - Ready for EU Review	15
		2.20 - EU Review in Progress	4
		2.21 - Ready for Quality Control	4
		2.22 - Quality Control in Progress	6
		2.23 - Awaiting Evidence Check by ED Divisions	17
		2.40 - Flagged for Approval - Confirm Loans	33
	Subtotal		79
Subtotal			79
Chamberlain University	Devry	2.10 - Ready for EU Review	2
		2.20 - EU Review in Progress	72
	Subtotal		74
Subtotal			74
Berkeley College	Berkeley Educ. Serv. Of Ny, Inc.	2.10 - Ready for EU Review	73
	Subtotal		73
Subtotal			73
Gwinnett College	LTT Enterprises, Inc	2.10 - Ready for EU Review	70
	Subtotal		70
Subtotal			70
Gibbs College	Gibbs College	2.10 - Ready for EU Review	67
		2.23 - Awaiting Evidence Check by ED Divisions	1
		2.50 - Ready for ED	2
	Subtotal		70
Subtotal			70
Spencerian College	Sullivan University Systems	2.10 - Ready for EU Review	11
		2.20 - EU Review in Progress	58
	Subtotal		69
Subtotal			69
Harrington College of Design	CEC	2.10 - Ready for EU Review	39
		2.20 - EU Review in Progress	1
		2.21 - Ready for Quality Control	4
		2.23 - Awaiting Evidence Check by ED Divisions	1
		2.40 - Flagged for Approval - Confirm Loans	24
	Subtotal		69
Subtotal			69
Platt College	Stvt-Aai Education Inc.	2.10 - Ready for EU Review	44
	Subtotal		44
	Caltius Equity Partners III, LP	2.10 - Ready for EU Review	24
	Subtotal		24
Subtotal			68
Sullivan University	Sullivan University Systems	2.10 - Ready for EU Review	7
		2.20 - EU Review in Progress	57
	Subtotal		64
Subtotal			64
Concorde Career Institute	Concorde Career Colleges, Inc.	2.10 - Ready for EU Review	14
		2.20 - EU Review in Progress	42
	Subtotal		56
Subtotal			56
Brown Mackie College-Merrillville	EDMC	2.10 - Ready for EU Review	55
		2.20 - EU Review in Progress	1
	Subtotal		56
Subtotal			56
Florida Coastal School of Law	Infilaw Holding, LLC	2.20 - EU Review in Progress	54
		2.21 - Ready for Quality Control	1
	Subtotal		55
Subtotal			55
FastTrain of Miami	Fasttrain	2.10 - Ready for EU Review	30
		2.20 - EU Review in Progress	23
		2.50 - Ready for ED	1
	Subtotal		54
Subtotal			54
Las Vegas College	Corinthian Colleges, Inc.	2.10 - Ready for EU Review	6
		2.20 - EU Review in Progress	6
		2.22 - Quality Control in Progress	2
		2.23 - Awaiting Evidence Check by ED Divisions	2
		2.50 - Ready for ED	9
		2.60 - Sent to ED	28
	Subtotal		53
Subtotal			53
All-State Career	Fortis College	2.10 - Ready for EU Review	53
	Subtotal		53
Subtotal			53
Bryan University	Bryan College	2.10 - Ready for EU Review	52
	Subtotal		52
Subtotal			52

Court Reporting Institute of St Louis	Vatterott Education, Inc.	2.10 - Ready for EU Review	26
		2.20 - EU Review in Progress	24
	Subtotal		50
Subtotal			50
Northcentral University	Innova Management Group, Inc.	2.10 - Ready for EU Review	5
		2.20 - EU Review in Progress	43
	Subtotal		48
Subtotal			48
CollegeAmerica Denver	Collegeamerica Services, Inc.	2.10 - Ready for EU Review	24
		2.20 - EU Review in Progress	24
	Subtotal		48
Subtotal			48
University of the Rockies	Bridgepoint Education, Inc.	2.10 - Ready for EU Review	47
			47
	Subtotal		47
Subtotal			47
Court Reporting Institute, Inc	Court Reporting Institute, Inc	2.10 - Ready for EU Review	41
		2.20 - EU Review in Progress	4
		2.40 - Flagged for Approval - Confirm Loans	2
	Subtotal		47
Subtotal			47
Bryan College	Bryan College	2.10 - Ready for EU Review	5
		2.20 - EU Review in Progress	41
	Subtotal		46
Subtotal			46
Los Angeles Film School (The)	Phelps Education West, LLC	2.10 - Ready for EU Review	45
			45
	Subtotal		45
Subtotal			45
Remington College - Lafayette Campus	Remington College	2.10 - Ready for EU Review	42
			42
	Subtotal		42
Subtotal			42
Remington College - Cleveland Campus	Remington College	2.10 - Ready for EU Review	41
			41
	Subtotal		41
Subtotal			41
FastTrain of Fort Lauderdale	Fasttrain	2.10 - Ready for EU Review	13
		2.20 - EU Review in Progress	28
	Subtotal		41
Subtotal			41
Thomas Jefferson School of Law	Thomas Jefferson School Of Law	2.10 - Ready for EU Review	6
		2.20 - EU Review in Progress	30
	Subtotal		36
Subtotal			36
Santa Fe University of Art and Design	Wengen Alberta, Limited Partnership (Laureate Education)	2.10 - Ready for EU Review	4
		2.20 - EU Review in Progress	31
	Subtotal		35
Subtotal			35
FastTrain of Tampa	Fasttrain	2.10 - Ready for EU Review	34
			34
	Subtotal		34
Subtotal			34
FastTrain of Jacksonville	Fasttrain	2.10 - Ready for EU Review	32
			32
	Subtotal		32
Subtotal			32
Beckfield College	Quad Partners III-A LP	2.10 - Ready for EU Review	26
		2.50 - Ready for ED	5
	Subtotal		31
Subtotal			31
Masters of Cosmetology College	Masters Of Cosmetology College	2.10 - Ready for EU Review	4
		2.20 - EU Review in Progress	26
	Subtotal		30
Subtotal			30
Chicago School of Professional Psychology	Tcs Education System	2.10 - Ready for EU Review	14
		2.20 - EU Review in Progress	11
		2.60 - Sent to ED	2
	Subtotal		27
Subtotal			27
Everglades University	Everglades College, Inc.	2.10 - Ready for EU Review	24
			24
	Subtotal		24
Subtotal			24
ATI College	Ati Career Training	2.10 - Ready for EU Review	5
		2.20 - EU Review in Progress	19
	Subtotal		24
Subtotal			24
Tucson College	Delta Cec	2.10 - Ready for EU Review	4
		2.20 - EU Review in Progress	17
		2.50 - Ready for ED	2
	Subtotal		23
Subtotal			23
Ross University, School of Medicine	Devry	2.10 - Ready for EU Review	5
		2.20 - EU Review in Progress	3
		2.30 - Final BD Review Complete	4
		2.40 - Flagged for Approval - Confirm Loans	11
	Subtotal		23
Subtotal			23
Herzing University	Herzing, Inc.	2.10 - Ready for EU Review	19

		2.20 - EU Review in Progress	3
		2.50 - Ready for ED	1
	Subtotal		23
Subtotal			23
Bauder College	Graham Holdings Company (Kaplan)	2.20 - EU Review in Progress	19
		2.40 - Flagged for Approval - Confirm Loans	3
	Subtotal		22
Subtotal			22
Remington College - San Diego Campus	Remington College	2.10 - Ready for EU Review	21
	Subtotal		21
Subtotal			21
National College	National College	2.20 - EU Review in Progress	4
		2.30 - Final BD Review Complete	1
		2.60 - Sent to ED	15
	Subtotal		20
Subtotal			20
Heald College, School of Business	Heald	2.10 - Ready for EU Review	20
	Subtotal		20
Subtotal			20
Lincoln Technical Institute - Hartford	Lincoln Technical Institute, Inc.	2.20 - EU Review in Progress	19
	Subtotal		19
Subtotal			19
Ross Medical Education Center	Ross Education, LLC	2.10 - Ready for EU Review	1
		2.30 - Final BD Review Complete	6
		2.60 - Sent to ED	11
	Subtotal		18
Subtotal			18
Heald Institute of Technology	Heald	2.10 - Ready for EU Review	18
	Subtotal		18
Subtotal			18
California College San Diego	CollegeAmerica Services, Inc.	2.10 - Ready for EU Review	18
	Subtotal		18
Subtotal			18
Milan Institute of Cosmetology	Amarillo College Of Hairdressing, Inc.	2.10 - Ready for EU Review	3
		2.40 - Flagged for Approval - Confirm Loans	13
	Subtotal		16
Subtotal			16
Lincoln Technical Institute - East Windsor	Lincoln Technical Institute, Inc.	2.20 - EU Review in Progress	16
	Subtotal		16
Subtotal			16
Dowling College	Dowling College (Private)	2.10 - Ready for EU Review	7
		2.20 - EU Review in Progress	8
		2.60 - Sent to ED	1
	Subtotal		16
Subtotal			16
CollegeAmerica - Flagstaff	CollegeAmerica Services, Inc.	2.10 - Ready for EU Review	2
		2.20 - EU Review in Progress	12
	Subtotal		14
Subtotal			14
American Public University System	American Public Education, Inc.	2.10 - Ready for EU Review	1
		2.23 - Awaiting Evidence Check by ED Divisions	1
		2.60 - Sent to ED	12
	Subtotal		14
Subtotal			14
West Coast University	David Pyle Trust	2.10 - Ready for EU Review	5
		2.20 - EU Review in Progress	7
	Subtotal		12
Subtotal			12
South Texas Vocational Technical Institute	Stvt-Aai Education Inc.	2.10 - Ready for EU Review	12
	Subtotal		12
Subtotal			12
San Joaquin Valley College	San Joaquin Valley College, Inc	2.10 - Ready for EU Review	4
		2.60 - Sent to ED	8
	Subtotal		12
Subtotal			12
King's College	Bradford Schools, Inc.	2.60 - Sent to ED	11
	Subtotal		11
Subtotal			11
Globe Institute of Technology	Globe University/Minnesota School Of Business	2.10 - Ready for EU Review	2
		2.20 - EU Review in Progress	8
		2.60 - Sent to ED	1
	Subtotal		11
Subtotal			11
Fashion Institute of Design & Merchandising	Fashion Institute Of Design & Merchandising	2.10 - Ready for EU Review	10
		2.23 - Awaiting Evidence Check by ED Divisions	1
	Subtotal		11
Subtotal			11
Wright Business School	Wright Business School	2.40 - Flagged for Approval - Confirm Loans	3
		2.50 - Ready for ED	6
		2.60 - Sent to ED	1
	Subtotal		10
Subtotal			10
Dorsey School of Business	Quad Partners III-A LP	2.20 - EU Review in Progress	9

		2.23 - Awaiting Evidence Check by ED Divisions	1
	Subtotal		10
Subtotal			10
All-State Career School	Education Affiliates, LLC	2.10 - Ready for EU Review	10
	Subtotal		10
Subtotal			10
Western State University College of Law	EDMC	2.10 - Ready for EU Review	2
		2.20 - EU Review in Progress	7
	Subtotal		9
Subtotal			9
Ross University School of Veterinary Medicine	Devry	2.10 - Ready for EU Review	8
		2.20 - EU Review in Progress	1
	Subtotal		9
Subtotal			9
Saybrook University	Tcs Education System	2.60 - Sent to ED	8
	Subtotal		8
Subtotal			8
National University	National University System	2.10 - Ready for EU Review	2
		2.20 - EU Review in Progress	6
	Subtotal		8
Subtotal			8
International Business College	Bradford Schools, Inc.	2.10 - Ready for EU Review	3
		2.23 - Awaiting Evidence Check by ED Divisions	5
	Subtotal		8
Subtotal			8
Heald College-School of Business	Heald	2.10 - Ready for EU Review	8
	Subtotal		8
Subtotal			8
Remington College - New Orleans Campus	Remington College	2.10 - Ready for EU Review	1
		2.20 - EU Review in Progress	6
	Subtotal		7
Subtotal			7
Kendall College	Wengen Alberta, Limited Partnership (Laureate Education)	2.20 - EU Review in Progress	7
	Subtotal		7
Subtotal			7
Heald College-School of Technology	Heald	2.10 - Ready for EU Review	6
		2.20 - EU Review in Progress	1
	Subtotal		7
Subtotal			7
Charter College	Charter College	2.10 - Ready for EU Review	1
		2.20 - EU Review in Progress	3
		2.21 - Ready for Quality Control	3
	Subtotal		7
Subtotal			7
Centura Institute	Employment Services, Inc.	2.20 - EU Review in Progress	7
	Subtotal		7
Subtotal			7
Bradford School	Bradford Schools, Inc.	2.10 - Ready for EU Review	7
	Subtotal		7
Subtotal			7
American International College	CEC	2.10 - Ready for EU Review	1
		2.23 - Awaiting Evidence Check by ED Divisions	6
	Subtotal		7
Subtotal			7
YTI Career Institute	The Porter And Chester Inst., Inc.	2.20 - EU Review in Progress	6
	Subtotal		6
Subtotal			6
Paul Mitchell the School Salt Lake City	John Paul Mitchell Systems	2.20 - EU Review in Progress	6
	Subtotal		6
Subtotal			6
National Aviation Academy - New England	Corinthian Colleges, Inc.	2.20 - EU Review in Progress	4
		2.50 - Ready for ED	1
		2.60 - Sent to ED	1
	Subtotal		6
Subtotal			6
Empire Beauty School	Regis Corp.	2.20 - EU Review in Progress	1
		2.23 - Awaiting Evidence Check by ED Divisions	4
	Subtotal		5
	Regis Corporation	2.23 - Awaiting Evidence Check by ED Divisions	1
	Subtotal		1
Subtotal			6
Cortiva Institute	Steiner Leisure Ltd.	2.23 - Awaiting Evidence Check by ED Divisions	6
	Subtotal		6
Subtotal			6
Art Institute of Tucson (The)	EDMC	2.10 - Ready for EU Review	1
		2.20 - EU Review in Progress	4
	Subtotal		5
Subtotal			5
International Technical Institute	Lincoln Technical Institute, Inc.	2.10 - Ready for EU Review	1
		2.20 - EU Review in Progress	3
	Subtotal		4
Subtotal			4
Columbia Southern University	Columbia Southern Education Group, Inc.	2.40 - Flagged for Approval - Confirm Loans	4

Case: 23-15049, 03/24/2023, ID: 12681444, DktEntry: 18-2, Page 441 of 484

(459 of 502)

	Subtotal		4
Subtotal			4
Post University	Post University, Inc.	2.10 - Ready for EU Review	3
	Subtotal		3
Subtotal			3
Katherine Gibbs School	Gibbs College	2.10 - Ready for EU Review	3
	Subtotal		3
Subtotal			3
Florida Technical College	Leeds Equity Partners IV, L.P.	2.10 - Ready for EU Review	2
		2.21 - Ready for Quality Control	1
	Subtotal		3
Subtotal			3
American University of the Caribbean	Devry	2.10 - Ready for EU Review	1
		2.20 - EU Review in Progress	2
	Subtotal		3
Subtotal			3
Wood Tobe - Coburn School	Bradford Schools, Inc.	2.10 - Ready for EU Review	1
		2.20 - EU Review in Progress	1
	Subtotal		2
Subtotal			2
Seacoast Career Schools	Premier Education Group L.P.	2.10 - Ready for EU Review	2
	Subtotal		2
Subtotal			2
Sawyer College	Corinthian Colleges, Inc.	2.60 - Sent to ED	2
	Subtotal		2
Subtotal			2
Radians College	Jtc Education, Inc.	2.10 - Ready for EU Review	2
	Subtotal		2
Subtotal			2
Monroe College	Monroe College, Ltd.	2.10 - Ready for EU Review	2
	Subtotal		2
Subtotal			2
Instituto de Banca y Comercio	Leeds Equity Partners IV, L.P.	2.10 - Ready for EU Review	1
		2.11 - Narrative Needed	1
	Subtotal		2
Subtotal			2
City University of Seattle	National University System	2.10 - Ready for EU Review	2
	Subtotal		2
Subtotal			2
Vista College	Education Futures Management Co.	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Vet Tech Institute	Bradford Schools, Inc.	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
St. Paul's School of Nursing	Education Affiliates, LLC	2.23 - Awaiting Evidence Check by ED Divisions	1
	Subtotal		1
Subtotal			1
St. George's University, School of Medicine	St. George'S University, Ltd.	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Saba University School of Medicine	Equinox Eic Partners LLC	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Rocky Mountain College of Art + Design	Phelps Education West, LLC	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Porter and Chester Institute	The Porter And Chester Inst., Inc.	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Pacific Oaks College	Tcs Education System	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
NewSchool of Architecture and Design	Wengen Alberta, Limited Partnership (Laureate Education)	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
National Institute of Technology	Corinthian Colleges, Inc.	2.20 - EU Review in Progress	1
	Subtotal		1
Subtotal			1
Medical University of the Americas	Equinox Eic Partners LLC	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Jolie Hair and Beauty Academy	Pioneer Education, LLC	2.21 - Ready for Quality Control	1
	Subtotal		1
Subtotal			1
ITT Business Institute	ITT Educational Services, Inc.	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Indiana University - Purdue University Indianapolis	Indiana University	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Hondros College of Nursing	American Public Education, Inc.	2.10 - Ready for EU Review	1
	Subtotal		1

Subtotal			1
Gwinnett College-Sandy Springs	LTT Enterprises, Inc	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Galen Health Institutes	Isleworth Partners Inc.	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Denver College of Nursing	Education Affiliates, Inc.	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Dallas Nursing Institute	Tcs Education System	2.10 - Ready for EU Review	1
	Subtotal		1
Subtotal			1
Cortiva Institute - Scottsdale	Steiner Leisure Ltd.	2.23 - Awaiting Evidence Check by ED Divisions	1
	Subtotal		1
Subtotal			1
Antonelli Institute	Bradford Schools, Inc.	2.30 - Final BD Review Complete	1
	Subtotal		1
Subtotal			1
Total			151613

Confidential Information - Do Not Distribute
 Copyright © 2000-2020 salesforce.com, inc. All rights reserved.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

BEFORE THE HONORABLE WILLIAM H. ALSUP

THERESA SWEET, et al,)	
)	
)	
Plaintiffs,)	
)	
vs.)	No. C 19-3674 WHA
)	
MIGUEL CARDONA, et al,)	
)	San Francisco, California
Defendants.)	Wednesday
)	February 15, 2023
)	1:30 p.m.

TRANSCRIPT OF PROCEEDINGS

APPEARANCES:

For Plaintiffs: PROJECT ON PREDATORY STUDENT LENDING
769 Centre Street
Suite 166
Jamaica Plain, Massachusetts 02130

BY: REBECCA C. ELLIS, ESQ.
REBECCA C. EISENBREY, ESQ.

For Defendants: U.S. DEPARTMENT OF JUSTICE
Civil Division
Federal Programs Branch
450 Golden Gate Avenue
Suite 7-5395
San Francisco, California 94102

BY: STUART J. ROBINSON, ESQ.

(APPEARANCES CONTINUED ON FOLLOWING PAGE)

Reported By: Debra L. Pas, CSR 11916, CRR, RMR, RPR
Official Reporter - US District Court
Computerized Transcription By Eclipse

Debra L. Pas, CSR, RPR, RMR, CRR
Official Reporter - U.S. District Court - San Francisco

APPEARANCES: (CONTINUED)

For Intervenors: GIBSON DUNN & CRUTCHER LLP
1050 Connecticut Avenue, N.W.
Washington, DC 20036
BY: LUCAS TOWNSEND, ESQ.

BOIES SCHILLER FLEXNER LLP
1401 New York Avenue NW
Washington, DC 20005
BY: JESSE M. PANUCCIO, ESQ.

MCGUIREWOODS LLP
Two Embarcadero Center
Suite 1300
San Francisco, California 94111
BY: JENNY YI, ESQ.

Also Present: JIM WALDEN

- - -

1 Wednesday - February 15, 2023

1:31 p.m.

2 P R O C E E D I N G S

3 ---000---

4 **THE CLERK:** Civil Action 19-3674, Sweet, et al versus
5 Cardona, et al.

6 Counsel, please approach the podium and state your
7 appearances for the record, beginning with counsel for
8 plaintiffs.

9 **MS. ELLIS:** Good afternoon, Your Honor. Rebecca
10 Ellis from the Project on Predatory Student Lending for the
11 plaintiffs.

12 And with me is my colleague Rebecca Eisenbrey and lead
13 plaintiff Theresa Sweet.

14 **MR. ROBINSON:** Good afternoon, Your Honor. Stuart
15 Robinson from the Department of Justice on behalf of
16 defendants.

17 **MR. TOWNSEND:** Good afternoon, Your Honor. Lucas
18 Townsend for Lincoln Educational Services Corporation.

19 **MR. PANUCCIO:** Good afternoon, Your Honor. Jesse
20 Panuccio for Everglades College, Incorporated.

21 And with me at counsel table is our client representative
22 and general counsel Jim Walden.

23 **MS. YI:** Good afternoon, Your Honor. Jenny Yi on
24 behalf of American National University.

25 **THE COURT:** Thank you for coming.

1 All right. This is a motion to stay by the intervenors.
2 Now, I am -- I don't want to say 100 percent, but 98 percent up
3 to speed. So I -- I understand the basic arguments that each
4 side is making. I'm going to take this off, so as you can hear
5 me better.

6 I want to give you a chance to address at least some of
7 the Motion to Stay, not everything, because it's really not
8 necessary, but I'd like to -- I think there is this issue of
9 new evidence coming in, and I'd like to take that part up
10 first.

11 So you are objecting, right, to new evidence? So let's
12 hear your grievance on that.

13 And then I'll let the other side respond, of course, on
14 the new evidence point.

15 **MS. ELLIS:** Thank you, Your Honor.

16 We have two different papers that we filed. The first one
17 is our motion for leave to file a sur reply brief with attached
18 declarations. That one is concerned with setting the record
19 straight on the three class members who filed declarations in
20 support of our opposition. The intervenors then filed
21 declarations with their reply in which their representative
22 stated that they could not find evidence that those class
23 members actually attended their institutions.

24 And what we've asked to do in our sur reply is to submit
25 supplemental declarations from those class members that

1 explain, you know, they did -- in two of the three cases they
2 did attend those institutions. They're just women who changed
3 their names when they got married, and so the intervenors were
4 not searching for the right names in their records.

5 And then the third declarant, his loan originated from a
6 school that was then bought by Lincoln, and so Lincoln is the
7 school now associated with the records of his federal student
8 loans. But the reason we think he wasn't appearing in
9 Lincoln's records is because the loan originally came from the
10 school that later became a subsidiary.

11 So we would like to submit that sur reply and respectfully
12 ask to strike the sections of the Giglio and Berardinelli
13 declarations that contain this information about the class
14 members that is incomplete or inaccurate.

15 **THE COURT:** All right. Do the -- by the way, did I
16 send out -- it seems like I sent out an order that said come
17 prepared. Do I have that order up here?

18 Anyway, do the defendants now agree that these three are,
19 in fact, legitimate students?

20 **MR. PANUCCIO:** Speaking for -- well, let me just
21 address, if I may, first our overall position on what
22 plaintiffs have filed.

23 Our position I think, speaking collectively for the three
24 intervenors, is we have no problem with the Court -- in fact,
25 would welcome the Court to consider everything that's been

1 filed. So that would include our declarations, all of their
2 declarations, including the supplemental ones, and the
3 sur reply. We don't object to the docketing of the sur reply.
4 We object to the substance of it, but that's for argument about
5 the Motion to Stay. And we think it would be appropriate for
6 the Court to consider all of that.

7 Plaintiffs concede it's within the Court's discretion to
8 consider declarations submitted with a reply. And here we
9 think that the Court's discretion would be wisely exercised to
10 do so.

11 The settlement, as you know, in Exhibit C were negotiated
12 in secret without the school's input. The facts about that
13 settlement and what the department's determinations were based
14 upon are unfolding in stages. And none of the declarations
15 that -- hundreds of them that plaintiff submitted with their
16 opposition to the Motion to Stay were in the record prior to
17 that time.

18 So we simply filed two short declarations from our
19 institutions responding about those two -- those three
20 plaintiffs who were identified and then further speaking about
21 some of the harm from the settlement.

22 So we think it would be equitable for the Court to
23 consider all of that.

24 **THE COURT:** Well, okay. I -- I asked a very specific
25 question. You raised a suggestion that these three students

1 were frauds, didn't exist, and you had no record of them. Then
2 they went to the trouble to show that, yes, these people do
3 exist and they attend your schools.

4 So do you agree they attend your schools?

5 **MR. PANUCCIO:** Speaking to the two declarations
6 relating to ECI, the ones the plaintiffs gave us the actual
7 enrollment names, we were able to find them, yes.

8 **THE COURT:** All right. Good. That's what I want to
9 know.

10 How about the one at Lincoln by way of subsidiary? I know
11 you don't represent Lincoln, but are you now satisfied that he
12 is a Lincoln student?

13 **MR. TOWNSEND:** Your Honor, we are satisfied that he
14 is not a Lincoln student. His -- and I want to be very clear
15 about what we said in the paragraph that the plaintiffs are
16 seeking to strike.

17 The original declaration said:

18 "I attended Lincoln Tech and I have been battling
19 my borrower defense claim for 25 years."

20 We made a very specific objection. We raised a question
21 about that statement. We're not allowed to volunteer
22 information, but he, in fact, did not attend Lincoln Tech,
23 according to his second declaration.

24 The second declaration says he enrolled in new England
25 Institute of Technology in 19906. Lincoln Tech had no

1 connection with New England Institute of Technology in 1996.

2 Lincoln purchased New England Institute of Technology in 2006.

3 Whatever experience Mr. Lapsker had in 1996 has nothing to
4 do with Lincoln Tech, nothing whatsoever.

5 And we do thank Mr. Lapsker for filing a new declaration
6 in which he says, "I enrolled in a different school."

7 It is correct. Lincoln acquired the new school, but
8 that's the correction that we were trying to make and, in fact,
9 it was made in the second declaration.

10 So to strike the paragraph that pointed out this
11 inaccuracy is inappropriate in our view.

12 **THE COURT:** Well, all right. That's a helpful
13 answer. He does exist.

14 **MR. TOWNSEND:** He does exist, yes. We never said he
15 didn't.

16 **THE COURT:** And he exists -- he did not attend
17 Lincoln back in the 90's, but he attended New England.

18 **MR. TOWNSEND:** Correct. Or he enrolled in New
19 England.

20 **THE COURT:** And at some point New England got
21 acquired by Lincoln.

22 **MR. TOWNSEND:** 2006, Your Honor.

23 **THE COURT:** Is that the way you see it, too?

24 **MS. ELLIS:** Yes. That's our understanding, Your
25 Honor.

1 And so now the school that's associated with Mr. Lapsker's
2 outstanding loan for the Department of Education's
3 recordkeeping purposes is Lincoln, and that's why he submitted
4 his borrower defense with Lincoln on it. That's the advice he
5 was given by the Federal Student Aid Ombudsman's Office.

6 **MR. TOWNSEND:** If I could just make one point, Your
7 Honor. We never accused Mr. Lapsker of lying under oath. That
8 was the plaintiff's characterization.

9 Again, we made a very specific objection to a statement
10 that was in -- that was in the original declaration. It has
11 been corrected. We thank him for that. We're grateful that he
12 corrected it.

13 I think the -- you know, the paragraph in Mr. Giglio's
14 declaration has served its purpose here.

15 **THE COURT:** All right. Let's go to the next part of
16 your -- well, what's wrong with the suggestion that I just will
17 allow all of the new material, late-filed material, including
18 your sur reply? What's wrong with that idea?

19 **MS. ELLIS:** Well, as it concerns these three
20 declarants, Your Honor, this is a case, as you know, that is
21 likely to end up before the Ninth Circuit. We wouldn't want
22 inaccurate representations to be part of the record on appeal.

23 But we do feel satisfied here that the intervenors are
24 acknowledging that these students were not imposters.

25 The Giglio declaration did choose its words very

1 carefully, but the intervenor's reply brief quite clearly
2 sought to infer from these statements in the Giglio and
3 Berardinelli declarations that class member declarations are
4 unreliable; that class members are not to be trusted to
5 accurately recount their own experiences. And that -- that
6 could not be further from the truth, and that is the reason why
7 we ask to strike.

8 **THE COURT:** All right. But more generally, what's
9 wrong with the idea that I just say: Okay, I'm going to allow
10 all of your declarations, your reply, your sur reply, all of
11 their supplemental declarations that came in late from Gig- --
12 is it Giglio.

13 **MR. TOWNSEND:** Giglio, Your Honor.

14 **THE COURT:** Giglio and Berardinelli. All right.
15 Those -- just allow it all. What's wrong with that?

16 **MS. ELLIS:** Well, Your Honor, that goes to the
17 separate argument we made in our objection to reply evidence,
18 which is that putting aside this question of the declarants,
19 there are other statements in the Giglio and Berardinelli
20 declarations that we believe could and should have been
21 submitted with the opening brief.

22 **THE COURT:** Yes, that's true, but -- yes. And I
23 normally don't like that. That's true as well.

24 But on the merits what's wrong with me saying: All right,
25 both sides can file material late.

1 **MS. ELLIS:** On the merits, it is up to Your Honor's
2 discretion, of course. And we believe that even if taken at
3 face value, those declarations do not support substantively a
4 finding of irreparable harm.

5 **THE COURT:** But you've addressed that in your
6 sur reply. No?

7 **MS. ELLIS:** I believe we did state in the sur reply
8 that certain statements -- I believe it was in the Berardinelli
9 declaration, the statement that -- that the declarants should
10 have said exactly what the wrongdoing was by Kaiser. We took
11 issue with -- we took issue with the suggestion that that was
12 legally or factually necessary.

13 I'm just looking at the papers --

14 **THE COURT:** All right.

15 **MS. ELLIS:** -- right now to see if I can clarify.

16 **THE COURT:** You can come back to that.

17 **MS. ELLIS:** Okay.

18 **THE COURT:** Let's go to -- I want to hear from the
19 intervenors on the merits for a moment. And I'm not ruling yet
20 on the sur reply point.

21 It's the irreparable harm issue that I -- I feel is most
22 more here. So help me understand your arguments on irreparable
23 harm and what -- based on the record, and you can include the
24 supplemental materials if you wish for right now. Let's hear
25 your argument on irreparable harm.

1 **MR. TOWNSEND:** Okay. Thank you, Your Honor.

2 So we've shown irreparable harm in a number of ways.
3 Effectuating the settlement would irreparably extinguish the
4 intervenors' rights in the pending borrower defense
5 applications.

6 And a good way to think about this is if the Department of
7 Education had done exactly what it's doing here by just
8 publishing a notice in the Federal Register some day saying:
9 No notice and comment. We're just doing -- we're just changing
10 the process. We're granting all of these applications. We're
11 extinguishing school's rights. There would be no doubt that
12 schools would have standing, would have -- would be persons
13 aggrieved, and who could challenge that under the
14 Administrative Procedure Act. There would be no question about
15 it. It's an injury. It's traceable to the action. It's
16 redressable by an order setting aside the action.

17 The only difference here is the means by which that's
18 being accomplished. It's being done through a settlement, but
19 the harm is exactly the same.

20 And this is a recognized harm. Courts hear these types of
21 harms every day under the Administrative Procedure Act. It's
22 the same harm. And extinguishing these rights through a
23 settlement is irreparable harm.

24 **THE COURT:** What would be -- I want to hear quickly
25 from the other side about this very point, but give me one

1 example of some procedural right that you're talking about?

2 **MR. TOWNSEND:** The regulations, the borrower defense
3 regulations, require that the Department give notice to schools
4 On borrower defense claims. They allow schools to submit
5 evidence in response to the borrower defense claims, and then
6 they require a decision, a reasoned decision to the schools and
7 the borrower. It's not just the borrower. It is also to the
8 school. It's in the regulations. And this is one of the
9 rights that schools have in this process.

10 **THE COURT:** You don't lose any money. That's what
11 they -- they come back and say: There's no recoupment here.
12 You would have all of your procedural rights on recoupment.

13 **MR. TOWNSEND:** Well, to that I'd say, Your Honor, not
14 ever administrative process is about money. Rights are rights.
15 And if the rights are lost, that is a loss. That is a harm to
16 schools.

17 So there are all sorts of Administrative Procedure Act
18 cases about rights in an adjudicative process that don't
19 concern money.

20 There's still injuries. There are still injuries in fact
21 that can be challenged under the Administrative Procedure Act.

22 So the fact that money hasn't been assessed or a liability
23 hasn't been assessed yet, well, the predicate, the predicate
24 finding for that later procedure, that later assessment,
25 certainly has been found here and there are consequences to a

1 finding of a -- of a granting of a borrower defense claim for
2 schools. It affects schools in other --

3 **THE COURT:** All right. I understand your point.
4 Let's hear -- don't go away. Let me hear from the -- whoever
5 is going to address this point.

6 **MR. ROBINSON:** Thank you, Your Honor.

7 To begin, I think it's helpful to clarify that we're just
8 not talking about irreparable harm, but irreparable harm absent
9 a stay of the judgment, which is what the intervenors are
10 requesting here.

11 As the Court has recognized before, this is -- this
12 settlement does not constitute the granting of borrower defense
13 applications under the regulatory framework, but instead is an
14 exercise of the Secretary's settlement authority.

15 As this Court has also recognized, borrower defense
16 proceedings are between the Department and the borrower, not
17 between the Department, the borrower and a school.

18 The school's rights are fully protected in any recovery
19 proceeding, which intervenors can only speculate about at this
20 point. And if there is a recovery proceeding, again entirely
21 theoretical at this juncture, they can raise any defenses in
22 that proceeding.

23 I would also add, Your Honor, that the procedural injury
24 that intervenors are speaking of is by itself insufficient to
25 demonstrate harm. The Supreme Court was very clear on this in

1 the *Summers* case which says that:

2 "A procedural right *in vacuo* is insufficient to
3 confer subject matter jurisdiction."

4 So even if the Court were to analyze this harm in terms of
5 the underlying borrower defense process, it would still be
6 insufficient to demonstrate harm, let alone harm with respect
7 to a stay specifically.

8 **THE COURT:** Well, all right. I think -- but is it at
9 least this much true that if a borrower defense proceeding went
10 its normal course, that the -- without being settled, that the
11 school would get notice and have the opportunity to submit
12 information to the hearing officer?

13 **MR. ROBINSON:** My understanding is it depends on
14 which regulation is being applied for loans subject to the 2016
15 borrower defense regulation.

16 The Department provided that notice as a matter of
17 practice, but didn't believe it was required for more recent
18 regulations. Yes, that notice would be required.

19 **THE COURT:** And then -- and the school, if it got
20 such a notice, would be entitled to do what?

21 **MR. ROBINSON:** Provide information to the Department,
22 but it would not be required to do so.

23 **THE COURT:** And if it did submit evidence, how would
24 that evidence be used?

25 **MR. ROBINSON:** I believe it would simply be taken

1 into account by the Department in determining whether the
2 standard for borrower defense is met.

3 It does not determine any rights of the school. It does
4 not impose any penalties on the school. It does not limit any
5 defenses that the school may subsequently raise in any recovery
6 proceeding. That is later pursued by the Department.

7 **THE COURT:** In practice in these -- I know that there
8 was a hiatus for a long time. The Department did zero of these
9 applications, which was the whole problem to begin with.

10 Before that when they -- when they were doing
11 applications, were there times when the schools did submit
12 evidence issues?

13 **MR. ROBINSON:** I believe so, Your Honor, but I don't
14 have any more information on that in terms of volume or
15 frequencies.

16 **MR. TOWNSEND:** Your Honor, if I may. We have -- my
17 client has submitted evidence in response to borrower defense
18 claims. Not all of the claims that are supposedly in
19 existence, but we have done this and it is a process that was
20 carried out.

21 **THE COURT:** All right. I understand the arguments
22 back and forth on this one.

23 All right. So don't go away over there.

24 What's your next irreparable harm point?

25 **MR. TOWNSEND:** Thank you, Your Honor.

1 So effectuating the settlement would also inflict
2 irreparable reputational harm, as we have been saying since
3 last July. We have said it many times. The Court has heard it
4 before.

5 But the intervenors were non-parties in this case. And we
6 were all very surprised to discover that we were named in a
7 judgment -- or a settlement, and the settlement included a
8 determination by the primary regulator of substantial
9 misconduct -- those were the words that were used -- by a list
10 of schools.

11 Now, I'm not here representing a list of schools. I'm
12 representing one school. We're three schools here today.

13 But that is -- that is most certainly a harm, especially
14 when a regulator, a primary federal regulator makes that kind
15 of a determination in a public filing. And then as we've seen
16 in this case, the regulator, the federal government and the
17 parties, the settling parties, have promoted that settlement
18 and that determination to enlist more borrower defense claims
19 against the schools on the list and in other ways.

20 Third parties have been using this list in very concrete
21 ways to oppose schools renewal of their program participation
22 agreements for Title IV loans.

23 It has -- there have been concrete instances where members
24 of the public have called the Exhibit C a list of predatory
25 schools. It has affected Lincoln, my client, in their

1 programmatic activities and their outreach to schools. They
2 have been disinvited from certain events.

3 And everyone loses when that happens, but it is a concrete
4 harm to a school that has built these sorts of relationships
5 over in some instances decades. To have them dissolve, to have
6 people in the community back away from the school, to have
7 regulators take a harder look at schools, these are the sorts
8 of harms that come out of the reputational injury on being on a
9 list, a black list essentially, of schools not to do business
10 with, not to go to. That's what Exhibit C is.

11 And when the settlement -- if the settlement is
12 effectuated, immediately, immediately that becomes crystalized.
13 That is something then that becomes a matter of historical
14 fact. It's not something to be carried out. It is a matter of
15 historical fact.

16 And these types of harms are going to then manifest
17 themselves in more ways than they already have. There is going
18 to be more use of this effectuated settlement to oppose schools
19 participation in Title IV lending, to oppose schools
20 participation on boards of directors, to oppose schools
21 involvement in community outreach and job fairs. That's what's
22 going to happen if this settlement is affected.

23 **THE COURT:** What's your answer to that?

24 **MR. ROBINSON:** Thank you, Your Honor.

25 I think it's worth noting just how far this theory of

1 reputational harm has shifted just in the course of briefing
2 this motion.

3 So on Page 16 of the intervenor's motion they say that:

4 "Exhibit C has inflicted severe reputational harm
5 on intervenors that has an immediate and tangible
6 effect their ability to do business."

7 In the reply, that theory now becomes that these
8 reputational harms manifest over time often in subtle ways.

9 Under either one of those theories, Your Honor, the
10 reputational harm has not been established and is certainly not
11 proven to warrant a stay pending appeal.

12 Again, Exhibit C is not an official finding of misconduct
13 and is not the first time these schools have been publicly
14 associated with misconduct.

15 **THE COURT:** How did the settlement agreement refer to
16 it? Exhibit C is a list of schools with substantial what?

17 **MR. ROBINSON:** Indicia of misconduct, I believe, Your
18 Honor.

19 **THE COURT:** Indicia of misconduct?

20 **MR. ROBINSON:** Yeah. I can get -- I have the
21 agreement behind me, if you would like the precise language.

22 But, again, it is not a finding of misconduct. It is not
23 going to be used as the basis for any recovery proceeding as
24 indicated in the Miller declaration that we filed.

25 And again, Your Honor, I would note that a stay does not

1 change the existence of Exhibit C. What we've heard just now
2 is a complaint about the existence of Exhibit C. But the
3 burden that intervenors carry is to show that a stay would
4 abate that harm or prevent that harm, and they have not even
5 attempted to do so. Whether a stay is granted or not Exhibit C
6 will remain in existence.

7 The intervenors have had a chance to publicize their views
8 of their settlement. They have, in fact, publicized their
9 views. And the supplemental -- or, excuse me, the declaration
10 submitted in connection with the intervenor's reply brief does
11 not cure any of these deficiencies.

12 The Giglio declaration, if I'm pronouncing that correctly,
13 referenced an FTC website, but that simply had a recommendation
14 that students seek loan forgiveness. The Department has never
15 said Exhibit C constitutes a list of --

16 **THE COURT:** Well, I looked at that, and I thought the
17 intervenors were not quite forthright on that one. The word
18 "scammer" is on there, but that's referring -- on their
19 website, but that was referring to not the schools, but the
20 scammers who call up the students to try to get money out of
21 the students to help them file a -- a relief form.

22 And it wasn't saying that the schools on Exhibit C were
23 scammers. It was saying that other scammers are out there
24 trying to get you to sign -- to use the settlement as a way to,
25 you know, get free money, I guess is the -- isn't that the way

1 you read it? That's the way I read it.

2 It was -- I thought you were trying to tell me that the
3 FTC was using Exhibit C to say that the schools were scammers.
4 That's not true.

5 **MR. TOWNSEND:** I'm actually not sure about the
6 scammer language.

7 The language that I think we were trying to call the
8 Court's attention to was the line that said: If some of these
9 schools look familiar, they should. We've had all of these
10 settlements with these schools in the past, and it listed a
11 number of them. Basically painting everyone with a broad brush
12 of people who are bad actors in front of the FTC. That's --
13 that's how we see this exhibit.

14 The "scam" language I'm not --

15 **THE COURT:** All right. Well, then I looked at the
16 wrong part.

17 **MR. ROBINSON:** Your Honor, may I respond to that?

18 **THE COURT:** Yes, you can.

19 **MR. ROBINSON:** I believe that just simply confirms
20 that any reputational harm cannot be attributed to Exhibit C.
21 FTC website is referencing other regulatory actions.

22 Additional evidence submitted by the intervenors refers to
23 multiple regulatory increase and, in fact, criticizes the
24 Department for renewing it's contract -- or renewing contract
25 with Lincoln.

1 And so, again, the evidence submitted by intervenors
2 themselves undermines our argument that reputational harm is
3 attributable to the Department and would be abated or prevented
4 by a stay pending appeal.

5 **THE COURT:** All right. Let's go -- what is the next
6 issue of irreparable harm? Are those the two main points?

7 **MR. TOWNSEND:** No. We have several other points,
8 Your Honor.

9 **THE COURT:** Okay.

10 **MR. TOWNSEND:** Okay. So we also have shown evidence
11 that discharging the student loans immediately would result in
12 the discharge of and refunds to borrowers whose borrower
13 defense claims are not meritorious or that have -- that reflect
14 material error at the very least. And there are several
15 examples of this in the record.

16 **THE COURT:** Let's say that's true. How would that
17 affect you though? Your school has already gotten the money
18 and can keep it.

19 **MR. TOWNSEND:** Well, because it -- we believe the
20 numbers are -- the numbers of borrower defense claims are
21 inflated in some instances.

22 For example, there was a borrower defense, a group claim,
23 that was submitted by a regulator against our -- against
24 Lincoln. And approximately 12 percent of that group are
25 individuals who have no Title IV loans for any attendance with

1 Lincoln Tech, with any kind of Lincoln school. And we think
2 these individuals would have no -- no Title -- no borrower
3 defense claim, no valid borrower defense claim whatsoever.

4 And the other example that I would point to is the example
5 of Mr. Lapsker, who filed a declaration in this case. And if
6 I -- I go by his second declaration in this case, which was
7 that he enrolled in New England Institute of Technology in
8 1996. He made a decision not to attend. He does not say that
9 he took any action to communicate that to a school before the
10 start of classes. 2.5 years later is when he says he took
11 action. And this was before Lincoln had any affiliation at all
12 with New England Institute of Technology.

13 That, we would submit, is not a valid or not a meritorious
14 borrower defense claim against Lincoln. Lincoln has not had
15 any interaction with Mr. Lapsker. Didn't receive any notice of
16 Mr. Lapsker's claim. It's another instance where the school
17 would have a valid defense against the borrower defense claim.
18 And it's going to go -- it's going to be one of the numbers
19 that's counted against Lincoln and other schools if there is a
20 mass discharge and refunds.

21 And we believe the numbers are inappropriate here because
22 there are instances in the record where there would not be a
23 valid borrower defense claim.

24 **THE COURT:** But don't you still get to keep the money
25 unless they get a recoupment action?

1 Don't you see my point that, okay, let's say that that's
2 true. You still get to keep the money.

3 **MR. TOWNSEND:** I would say that -- well, schools that
4 enroll students and receive Title IV funding for students'
5 enrollment and that don't have -- are not faced with a borrower
6 defense claim, then yes. Schools get to -- that's their
7 income. That is how schools sustain themselves.

8 So it's no different than any other school that has
9 received Title IV funding.

10 **THE COURT:** All right. What do you say to that on
11 the plaintiff's side -- I'm sorry, settling party side?

12 **MR. ROBINSON:** Your Honor, I'm having a difficult
13 time understanding how this is separate and distinct from the
14 procedural injury.

15 Again, the answer either way is that this is not a grant
16 or a denial of any borrower defense application. It is an
17 exercise of the Secretary's settlement authority.

18 The due process rights of any school are fully preserved.
19 Intervenors seem to be assuming that a recovery proceeding will
20 be initiated, but that is nothing more than a theoretical
21 possibility at that point.

22 Any such recovery proceeding, regardless of whether this
23 settlement would go forward or not, the schools would have the
24 ability to raise any defenses, including that the borrower
25 defense decisions were improperly -- any borrower defense

1 decision would be improperly made. The standard for borrower
2 defense was not -- was not met.

3 **MR. TOWNSEND:** Your Honor, if I may briefly respond.

4 **THE COURT:** Yes.

5 **MR. TOWNSEND:** It keeps coming back to recoupment.

6 This is not just about recoupment for schools. It is -- again,
7 go back to what I just mentioned.

8 The harm to our programmatic interest, the relationships,
9 is really what's most troubling here. And the -- the number of
10 borrower defense claims that are discharged and go into a
11 public record and are used in advertising against -- against
12 schools, that's something that can't be undone once those loans
13 are discharged. And we think there are valid defenses to those
14 loans.

15 That's really what we want to -- we want to clear up the
16 record on borrower defense, and there is no process after this
17 settlement in which to do that.

18 **THE COURT:** I want to go to a different question.

19 How many total class members are there? Can the lawyers tell
20 me that now? And how many are there in group three?

21 **MR. ROBINSON:** Your Honor, I can tell you there are
22 about 200,000 in the -- in the Exhibit C list. And I can tell
23 you that of those about, approximately, 3,900 attend the three
24 appealing intervenors' schools. That does not include the
25 post-class applicants.

1 I don't have the current number on post-class applicants
2 in total, but would be happy to follow up with the Court about
3 that.

4 **THE COURT:** Would you do that, please.

5 All right. I have one more question I'd like to ask and
6 then I'm going to bring it to a close. I'm going to still let
7 you make one other point.

8 But on the effective date of the settlement point, I'd
9 like to hear what you think is your strongest point on the
10 intervenor side.

11 **MR. TOWNSEND:** On the interpretation of the
12 settlement agreement?

13 **THE COURT:** Here we have the -- the parties to the
14 agreement disagree with you. So you're -- it's not like where
15 you've got the one side of the -- this is where both sides of
16 the agreement are in total agreement as to what it means and
17 you're trying to upset their apple cart. So that's a little
18 strange.

19 What do you think is your best argument on this?

20 **MR. TOWNSEND:** It is a strange situation. Our best
21 argument is that the definition of "effective date" gives two
22 occurrences for an effective date and at best neither of those
23 has happened yet.

24 The first occurrence is a final judgment that is not
25 appealable. There is a final judgment. It has, in fact, been

1 appealed. So that -- that circumstance, which is, I believe,
2 what the parties are relying on for effective date, that hasn't
3 happened.

4 The other circumstance is an appeal from an objector or
5 who has raised -- a class objector who has raised a timely
6 objection.

7 On this point I think, I mean, we stand in the same
8 position as a class objector, although we're not members of the
9 class. But it's quite clear the parties didn't contemplate,
10 when they drafted that provision, intervenors in the case. We
11 think the best reading is that we would stand in the same shoes
12 as a class objector. We did raise objections. The Court has
13 found them timely.

14 But even if we don't fit into that category, we're still
15 left with a situation where the first scenario hasn't happened
16 yet. There was not a final judgment that is non-appealable.
17 It has, in fact, been appealed.

18 **THE COURT:** Okay. And your response.

19 **MR. ROBINSON:** Your Honor, I would like to invite my
20 colleague from plaintiff's counsel as well, but settlement
21 agreements are interpreted just as contracts are, and contracts
22 are meant to give effect to -- are interpreted to give effect
23 to the parties' intentions.

24 Both the defendants and the plaintiffs intend that the
25 appeal of any intervenor does not have any bearing on the

1 effective date.

2 The defendants and the plaintiffs agree that the effective
3 date began January 28th, and intervenors cite no authority, and
4 I am aware of none standing here, that would allow a third
5 party to override the intentions and plain language reflected
6 in the agreement.

7 I don't know if plaintiff's counsel has more to add to
8 that.

9 **THE COURT:** I want to -- yes, I'm sorry. Please.

10 **MS. ELLIS:** Yes, Your Honor.

11 I agree with my colleague from the Department of Justice
12 on the interpretation of the agreement.

13 I think that the intervenor's interpretation, besides
14 being contrary to the parties' understanding, you know, we're
15 communicating here our meeting of the minds. It would also
16 violate basic canons of construction.

17 They are essentially saying we should add language that
18 isn't there or that we should simply ignore the language that
19 is there.

20 Your Honor, I also wanted to respond to a few other points
21 that have come up in the course of this argument.

22 One is that counsel for the intervenors referred to
23 borrower defense applications against Lincoln or against the
24 schools. That is not, in fact, what borrower defense
25 applications are. They are asserted to or against perhaps the

1 Department of Education to assert that the loans which the
2 Department of Education holds are not enforceable against those
3 borrowers and that the Department cannot and in cases where it
4 already did should not have been collecting on those loans.
5 That's why the borrower defense process is structured the way
6 it is.

7 The borrower asserts their defense. The Department
8 determines whether they have made out that defense, and then in
9 sum, so far extremely limited circumstances and not under this
10 settlement, the Department has the option to seek recoupment
11 against the schools. The schools do not have any rights in
12 that initial borrower defense application.

13 There is, under the most recent version of the borrower
14 defense regulations, this notice requirement that only applies
15 to loans that were disbursed after July 2020. The -- the tiny
16 minority of the class would be covered by that regulation.

17 Second, I want to read the language from that FTC website
18 that was being discussed earlier. This is what it says:

19 "Some of the names on the list of schools
20 included in the Sweet settlement may look familiar and
21 they should. The FTC has also sued the University of
22 Phoenix, DeVry, and the operators of American
23 Intercontinental University and Colorado Technical
24 University for their allegedly deceptive practices."

25 And then it goes on to say that:

1 "Money has been sent from the FTC to students
2 from those schools, but you're still eligible to get
3 your federal loans forgiven through the borrower
4 defense program if you had previously received that
5 money from the FTC."

6 So this is all strictly factual statements and these three
7 intervenors are not mentioned whatsoever.

8 The next thing is this reference to --

9 **THE COURT:** Well, so that -- that language about if
10 some of these seem familiar, it's because they should, but
11 that's because the FTC has sued them. There was -- not
12 referring to our intervenors.

13 **MS. ELLIS:** That's correct, Your Honor. It was
14 referring to the FTC's actions against University of Phoenix,
15 DeVry, American Intercontinental, which is different from
16 American National.

17 **THE COURT:** Are they on Exhibit C --

18 **MS. ELLIS:** And Colorado Technical.

19 **THE COURT:** Presumably they are on -- those four are
20 on Exhibit C.

21 **MS. ELLIS:** Yes, Your Honor.

22 **THE COURT:** But not our intervenors. Okay.

23 **MS. ELLIS:** Correct.

24 **THE COURT:** All right.

25 **MS. ELLIS:** With respect to the other website that

1 Lincoln mentioned, the activist organization, that they -- they
2 said was impugning their reputation, the point of that post was
3 to say that the Department of Education did, in fact, approve
4 Lincoln's program participation agreement, and this
5 organization was questioning the wisdom of that decision.

6 But I think that just goes to show that these schools have
7 not suffered any actual concrete harm as a result of the
8 settlement.

9 And in particular, as my colleague has covered, the
10 effective date of the settlement in particular, which is what
11 we're here about today on the Motion to Stay, has nothing to do
12 with it. The loan discharges and refunds that are going to go
13 out as a result of this settlement are being paid by the
14 Department of Education. They have said they are not going to
15 recoup those amounts. There is nothing about the distribution
16 of settlement relief that's going to affect the intervenors.

17 And I know you want to wrap this up, Your Honor, but I
18 think that the thing that we have been missing from all of the
19 discussion here today is the voice of the class. And one of
20 the factors in the stay analysis is the balance of the
21 equities, the harm that would come to the class if a stay was
22 issued.

23 As we said, we received over 3,500 responses when we asked
24 class members how would it affect you if a stay were issued.

25 And we appended, I think, just under 150 of those responses as

1 sworn declarations with our opposition. And I'd like to, if
2 you'll allow me to, revisit just a few of those for a moment.

3 **THE COURT:** How about just one. Give me your best
4 one.

5 **MS. ELLIS:** Well, I'm not sure if I can say that --

6 **THE COURT:** You can do two.

7 **MS. ELLIS:** -- that one particular one is the best.

8 I'll give one example of -- this is class member named
9 Stormy Adkins who has loans from Art Institutes. She writes:

10 "The loans are crushing me, and I'm balancing on
11 the verge of homelessness. I need a vehicle. I can't
12 get approved for a loan for a legitimately reliable
13 vehicle. I'm working three jobs just to pay rent.
14 Whereas, if I had a vehicle, I would be able to
15 commute into Houston for better pay and thereby
16 achieve a better quality of life. If the Motion to
17 Stay is granted, the extension of time will make it
18 that much harder to keep fighting for my basic life
19 necessities."

20 And that's just one example of the ways in which the
21 continued existence of these loans, even if someone is in the
22 COVID payment pause right now or in forbearance under the
23 settlement, the existence of these loans causes a direct and
24 immediate continuing harm if they are not discharged.

25 And I will read just one other example of the

1 psychological and mental health toll that these loans take on
2 class members. Carlene Laronzo writes:

3 "My peace of mind is at stake. My financial
4 freedom is at stake. My heart dropped when the
5 appeals were first discussed. The anxiety returns.
6 Please do not let this continue. Not just for my
7 sake, but for the countless others that are also in
8 worse situations, the ones that want to die. The ones
9 who can barely make it."

10 **MS. ELLIS:** Thank you, Your Honor.

11 **THE COURT:** All right. In fairness, let's give you a
12 chance to respond.

13 **MR. TOWNSEND:** Your Honor, of course, we are
14 sympathetic to the individual hardships. Of course, we are.
15 And, of course, we are not trying to prevent anyone with a
16 valid borrower defense claim from obtaining relief.

17 But we did not ask to be named in this judgment. We did
18 not ask to be called and --

19 **THE COURT:** Well, are you in the judgment or just the
20 settlement?

21 **MR. TOWNSEND:** The settlement -- the judgment
22 includes the settlement. It adopts the settlement. And it --
23 I would say -- and the settlement, of course, names us. And it
24 has been -- it has been used.

25 And the other thing I would point out about the

1 plaintiffs' declarations is all throughout them there are
2 repeated references to the intervenors, the three schools here,
3 as predators. And that's the sort of public perception --
4 that's the sort of public perception that we're trying to clear
5 up with these appeals. Because when our -- when our
6 stakeholders, when our counter-parties start to adopt that sort
7 of rationale, that sort of thinking, that we are on the list of
8 predators, that's a death knell for schools. That is a death
9 knell for schools.

10 And so that's what we're trying to clear up with this
11 appeal, with these appeals. There are three of them. And we
12 just want a fair adjudication of borrower defense claims
13 according to law, according to the regulations, and to be off
14 of this list, to be out of this settlement.

15 **THE COURT:** Okay. I'm going to bring it to a close
16 right there. Thank you all for your excellent arguments.

17 Are those class members back there?

18 (Spectators nodding affirmatively.)

19 **THE COURT:** Both of you?

20 (Spectators nodding affirmatively.)

21 **THE COURT:** Okay. Thank you for coming.

22 Just -- this is not apropos of the settlement, but one of
23 the curious things to me -- I'll give you both a chance to --
24 when I was younger and in school I did have a loan, it was
25 nothing like these amounts, and it was all paid off in the

1 70's. Ha-ha. So it's been a long time.

2 But it seems to me that the number of people that are
3 middle age that have student loans has grown by a factor of,
4 I'm going to say 100. In other words, if it was a thousand,
5 then it's 100,000 now. If it was 10,000, then it's a million
6 now.

7 So what is it that -- what happened in the last 30 years
8 or 40 years that has caused the population of student debt to
9 rise so much? Is there a good explanation for that?

10 And if there is, what -- without getting into name calling
11 and using the word "predatory" and all that, do you on your
12 side have a -- on the plaintiffs' side, do you have an
13 explanation for the systemic thing that went on in the last 40
14 years that has gotten us to the point that we even need a
15 borrower defense program?

16 **MS. ELLIS:** Well, Your Honor, there's certainly a
17 long book-length answer to that. But one of the short answers
18 is that the cost of college across all sectors, both public,
19 private, non-profit and private-for-profit, has risen much
20 faster than inflation. Much faster than wages. College is
21 much more expensive relative to family income and family wealth
22 than it was 30 or 40 years ago.

23 As to borrower defense specifically, part of -- part of
24 the, you know, American story that we tell about college is
25 that going to college is a way to improve your life. It's a

1 way to get ahead. It's something that people deeply believe,
2 and that has been true for many people. But it also invites --
3 it invites a situation where people feel that they have to go
4 to college. And there are actors in the system who respond to
5 that need, some in good faith and some in bad faith.

6 I'll refrain from using the word "predatory" as you asked,
7 but there are actors within the system who see the availability
8 of federal Title IV student loans as a way to make money,
9 because there are so many people, there have been so many
10 people who want to go to college to make their lives better.

11 **THE COURT:** When did the Title IV come online? What
12 year?

13 **MS. ELLIS:** That's a good question, Your Honor. I
14 don't know the entire history of the Higher Education Act.
15 It's been around for a long time, although in many different
16 forms.

17 We could also talk probably at length about the
18 semi-privatization of federal student loans. The FFEL, Federal
19 Family Education Loan Program, that funneled federal money
20 essentially through private lenders as a middleman to students,
21 and that's a whole other story.

22 But Title IV federal student aid has been around for a
23 long time, but the forms it has taken have varied.

24 **THE COURT:** Was Title IV in existence in the 60's?

25 **MS. ELLIS:** I -- here comes your helper.

1 **MS. EISENBREY:** 1965, Your Honor.

2 **THE COURT:** '65?

3 **MS. EISENBREY:** Yes.

4 **THE COURT:** I wonder if I would any Title IV. I
5 don't think so.

6 Back in that day when I was at Mississippi State, I
7 believe the tuition per semester was around \$120 per semester.
8 That was not dormitory or food. Food you could get by on for
9 one dollar a day. I've forgotten what the dorm was.

10 Of course, it's much more expensive. My wife and I
11 financed two children through college, and I know it's much
12 more now.

13 **MS. ELLIS:** There's also a parallel story along with
14 Title IV about the rise of private student lending, which is
15 obviously not at issue in anything we've talked about, but
16 private lenders coming in to fill essentially the gaps between
17 the amount that the federal government is willing to lend,
18 particularly for undergraduate education and where schools were
19 setting their tuition. And those private student loans have --
20 do not have the sorts of protections that the federal ones do,
21 such as income driven repayment.

22 So some people, even if they were able to pay off federal
23 student loans, are saddled with private student loans that had
24 much less favorable terms.

25 **THE COURT:** All right. What's your view over there

1 on the systemic question?

2 **MR. PANUCCIO:** Thank you, Your Honor. Jesse Penuccio
3 for ECI again.

4 So I think we've identified one place where we agree,
5 which is my friend said at the outset a book could be written
6 on this question, and that's probably true.

7 There's many causes for the increase in student loans, the
8 amount of them, and the number of students going to college.
9 So we would agree and probably not the best forum for being
10 able to answer that question.

11 But I would he note one comment, if I may, about that
12 answer. You heard my friend say one of the issues here is that
13 there are those who sought to take advantage of this and the
14 implication was in nefarious ways. And one of the things that
15 my colleague said that we're objecting to here and one of the
16 harms is that our schools have been somehow lumped together now
17 by their regulator, embodied in a final judgment of a federal
18 court that they are somehow implicated in some nefarious or bad
19 way in all of this, in improper lending and improper conduct.
20 And that is why -- the only reason we're in this case. These
21 schools had no interest in this case until that happened.

22 And, Your Honor, if I may. Just with the Court's
23 indulgence, I want to make one final comment. If the Court
24 were to rule against a stay, we would respectfully ask that the
25 judgment at least be stayed for -- with enough time for us to

1 seek a stay from the Ninth Circuit so that that can proceed in
2 an orderly fashion.

3 I say that only because the Government at the status
4 hearing, you may recall, Your Honor, although the settlement
5 provides up to a year for the Exhibit C relief to flow, the
6 government said it was going to immediately instruct loan
7 servicers to provide 99 percent of that relief within three
8 days of the effective date of the settlement.

9 So it would be more orderly, we would submit, to go to the
10 Ninth Circuit if we had to in sort of a normal posture rather
11 than an overnight emergency posture. So respectfully we would
12 ask for that, the Court's consideration on that, Your Honor.

13 Thank you.

14 **THE COURT:** Thank you.

15 Are there any hearings of Congress -- surely there must
16 be -- on this subject of the student loans? I know it's in the
17 Supreme Court on the -- the Biden plan, it's in the Supreme
18 Court. But how about in Congress? Is Congress studying this
19 problem?

20 It is, okay.

21 All right.

22 **MR. PANUCCIO:** I thought -- sure, we do believe there
23 are various hearings on these issues, Your Honor, that Congress
24 is addressing.

25 **THE COURT:** Which committees are looking at this?

1 **MR. PANUCCIO:** Education, Labor and Pension.

2 **THE COURT:** In the Senate?

3 **MR. PANUCCIO:** House and Senate, Your Honor. I don't
4 know if it's about this case specifically, but the broader
5 issue is being addressed.

6 **THE COURT:** Okay. What a country we live in that,
7 you know, the public has such a say in what happens. Think
8 about Russia, North Korea, all those other countries where the
9 people have no rights. They never get heard. Somebody poisons
10 them and then dump the body in a park. And here we have this.
11 So we have this. We have Congress, the Supreme Court. It's an
12 amazing country.

13 Thank you, my friends. I'll get an order out as soon as I
14 can. All right? I'm not going to rule right now.

15 **THE CLERK:** Court is adjourned.

16 (Proceedings adjourned.)

17

18

19

20

21

22

23

24

25

CERTIFICATE OF OFFICIAL REPORTER

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

Debra L. Pas

Debra L. Pas, CSR 11916, CRR, RMR, RPR

Sunday, February 26, 2023