

	student records after the campus closes.		preceding period.
6.	A roster of all transfer fairs, including the date and time when the fair was held or will be held, the schools that had or will participate, and the number of students who attended.	Department	Upon DCEH's delivery of the executed Addendum to the Department, and beginning on September 15 th , updated on the 15 th and 30 th day of every month for the preceding period.
7.	A copy of the rosters submitted to the Department pursuant to Items 2-4 above <i>with all personally identifiable information redacted.</i>	Accreditors State higher education authorizing agencies	Upon DCEH's delivery of the executed Addendum to the Department, and beginning on September 15 th , on the 15 th and 30 th day of every month for the preceding period.

Frola, Michael

From: Frola, Michael
Sent: Wednesday, August 22, 2018 11:04 AM
To: Mangold, Donna; Jones, Diane; Manning, James; Riemer, Jeffrey (Justin); Johnson, Wayne
Subject: RE: Dream Center - Appendix A

Thanks Donna for the clarification.
-Mike

From: Mangold, Donna
Sent: Wednesday, August 22, 2018 11:00 AM
To: Jones, Diane; Frola, Michael; Manning, James; Riemer, Jeffrey (Justin); Johnson, Wayne
Subject: RE: Dream Center - Appendix A

Mike – in (b)(5)

(b)(5)

From: Jones, Diane
Sent: Tuesday, August 21, 2018 10:35 PM
To: Frola, Michael; Manning, James; Mangold, Donna; Riemer, Jeffrey (Justin); Johnson, Wayne
Subject: Dream Center - Appendix A

I wanted to let you know that I received the first set of Appendix A documents from Dream Center, so they have met that requirement. I've asked them to add one more data column on the next report, but I did not ask them to go back and re-do the reports they had already submitted.

We had over 100 institutions on the webinar today so hopefully students will transfer quickly to other campuses. Thanks to Robin and Christal for their help in pulling together the list of schools and facilitating the webinar so that we could quickly and efficiently reach the largest audience. I am hopeful that this will expedite the transfer of students prior to the start of the new academic year.

Mike, they have a bunch of questions about change of control and will likely be reaching out to you soon.

They submitted more detailed budget information tonight. I haven't look at it, but wanted to let you know it had been sent.

Thanks,
Diane

Diane Auer Jones
Principal Deputy Under Secretary

Delegated to Perform the Duties of Under Secretary
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202
202-453-7333
Diane.jones@ed.gov

Mangold, Donna

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification
Attachments: Initial Advance Notification (executed).pdf

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:(b)(6)@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
(b)(6)@dcedh.org
Cell: (b)(6)

Begin forwarded message:

From: "Garrett, Chad" <(b)(6)@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <(b)(6)@dcedh.org>
Cc: "(b)(6)@lopescapital.com" <(b)(6)@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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To: Brent Richardson
Shelly Murphy
Date: August 24, 2018
Re: Addendum to Temporary Provisional Program Participation Agreements (TPPPAs) for Institutions Owned by Dream Center Educational Holdings, LLC ("DCEH") – INITIAL ADVANCE NOTIFICATION

In October 2017 and January 2018, DCEH (through its subsidiaries) purchased a number of institutions and additional locations of institutions owned by Education Management Corporation ("EDMC") (hereinafter collectively referred to as "the Purchased Schools"). DCEH is in the process of closing a number of the Purchased Schools, both main locations and additional locations ("the Closing Schools"). The Department has agreed to provide funds to DCEH to facilitate the transfer of students to other institutions and to facilitate the teach-out of the Closing Schools. On August 17, 2018 each of the Purchased Schools executed an Addendum to their respective TPPPAs with the Department ("Addendum") which sets forth the terms and conditions upon which the Department will provide funds to DCEH. Each Addendum was countersigned by the Department on August 17, 2018. As required by Item 4 of the Addendum, DCEH has retained the services of a certified public accountant ("CPA"). The CPA is responsible for reviewing and verifying the Initial Advance Submission, any Supplemental Advance Submission and the Additional Funds Submissions (collectively referred to as "Submissions" and as described more fully in the Addendum). The CPA is further required to certify the allowable costs as determined in accordance with the terms of the Addendum.

As set forth in Item 7 of the Addendum, and in accordance with the terms thereof, the Department has agreed to provide DCEH with an Initial Advance in an amount up to \$10,000,000 ("Initial Advance"). On August 21, 2018, DCEH provided the Department an Initial Advance Submission seeking \$10,000,000 for payroll and rent expenses incurred at the Closing Schools during the months of July (payroll only) and August (rent and payroll). The Initial Advance Submission was modified and superseded by the Initial Advance Submission with Revised Compliance Certificate on August 22, 2018 ("Revised Initial Advance Submission"). The Revised Initial Advance Submission sets forth the certification of DCEH's authorized representative that the use of the Initial Advance is for the purposes and within the limitations set forth in Items 1 -3 of the Addendum. These submissions were supplemented by additional documentation provided to the Department on August 23, 2018. The Department's preliminary review of the documentation has satisfied the Department that DCEH has incurred costs that are consistent with the purposes and within the limitations set forth in Items 1 -3 of the Addendum. However, the Department has determined that some costs that are disallowed were included in the Revised Initial Advance Submission, and the discrepancy will have to be resolved among the Department, DCEH and the CPA. Nevertheless, based on its preliminary review, the Department is satisfied that allowable costs in the Initial Advance Submission exceed \$10,000,000. Accordingly, the Department hereby authorizes the payment of the Initial Advance to DCEH in

the amount of \$10,000,000, subject to verification and certification by the CPA of the costs that should be allowed, and the Department's acceptance of that certification. The Department's preliminary determination and authorization of payment is therefore subject to adjustment as a result of the Department's determination that costs included in the Revised Initial Advance Submission should be disallowed, including based upon the CPA's certification of allowed costs, or upon the Department's independent determination. Any disallowance of costs will require DCEH to adjust future Submissions, or will result in an adjustment in the Department's future payments to DCEH.

United States Department of Education

(b)(6)

By:

For the Secretary

Title:

Date:

Principal Deputy Under Secretary delegated the duties of Under Secretary

8-24-18

Mangold, Donna

From: Mangold, Donna
Sent: Friday, August 24, 2018 9:47 AM
To: Garrett, Chad; Murphy, Shelly M.; Richardson, Brent D.
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Initial Advance Notification

Thanks.

From: Garrett, Chad [mailto:(b)(6)@dcedh.org]
Sent: Friday, August 24, 2018 9:45 AM
To: Mangold, Donna; Murphy, Shelly M.; Richardson, Brent D.
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Initial Advance Notification

Thank you, Donna

Below is our CPA's direct contact info:

Knutte & Associates
Dave Knutte
(b)(6)@knutte.com
Phone (630)-960-3317
Cell (b)(6)

We will work with the FSA team to make sure they have what they need for suture submissions

Chad

From: Mangold, Donna [mailto:Donna.Mangold@ed.gov]
Sent: Friday, August 24, 2018 8:21 AM
To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:(b)(6)@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane

Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org

Cell: (b)(6)

Begin forwarded message:

From: "Garrett, Chad" <(b)(6)@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: (b)(6)@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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Mangold, Donna

From: Mangold, Donna
Sent: Monday, August 27, 2018 8:48 AM
To: Murphy, Shelly M.; Finley, Steve; Riemer, Jeffrey (Justin); Jones, Diane; Frola, Michael
Cc: Richardson, Brent D.
Subject: RE: Initial Advancement

I will check in with the financial office. The rush turnaround that we were hoping for was 48 hours during the business week. The notification did not go to the office until Friday morning as a result of the revisions to the initial submission and the need to get additional documentation for fsa to check it.

Sent from my Verizon 4G LTE smartphone

----- Original message -----

From: "Murphy, Shelly M." <smurphy@dcedh.org>
Date: 8/27/18 8:27 AM (GMT-05:00)
To: "Finley, Steve" <Steve.Finley@ed.gov>, "Riemer, Jeffrey (Justin)" <Jeffrey.Riemer@ed.gov>, "Mangold, Donna" <Donna.Mangold@ed.gov>, "Jones, Diane" <Diane.Jones@ed.gov>, "Frola, Michael" <Michael.Frola@ed.gov>
Cc: "Richardson, Brent D." <brichardson@dcedh.org>
Subject: Initial Advancement

Morning Donna,

We haven't received initial funds yet, so I thought I would touch base to see what the anticipated timing for funding would be so that we can plan accordingly this week. Thank you - Shelly.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org
Cell: (b)(6)

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Mangold, Donna

From: Mangold, Donna
Sent: Monday, August 27, 2018 10:30 AM
To: Murphy, Shelly M.; Finley, Steve; Riemer, Jeffrey (Justin); Jones, Diane; Frola, Michael
Cc: Richardson, Brent D.
Subject: RE: Initial Advancement

Hi Shelly, it has been processed, and now I am trying to figure out what that means for the transfer into DCEH's account.

-----Original Message-----

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Monday, August 27, 2018 8:27 AM
To: Finley, Steve; Riemer, Jeffrey (Justin); Mangold, Donna; Jones, Diane; Frola, Michael
Cc: Richardson, Brent D.
Subject: Initial Advancement

Morning Donna,

We haven't received initial funds yet, so I thought I would touch base to see what the anticipated timing for funding would be so that we can plan accordingly this week. Thank you - Shelly.

Shelly Murphy
Chief Officer Regulatory and Government Affairs Dream Center Education Holdings, LLC
Smurphy@dcedh.org
Cell: (b)(6)

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Jones, Diane

From: Jones, Diane
Sent: Tuesday, September 11, 2018 9:26 PM
To: Murphy, Shelly M.
Cc: Finley, Steve; Riemer, Jeffrey (Justin); Mangold, Donna; Frola, Michael; Richardson, Brent D.
Subject: RE: Student Scholarships

I'm actually hearing from a few of the receiving schools that the money was paid to the student, and now the students are asking the receiving institution if they can keep some of the money to cover living expenses. Maybe these are isolated occurrences, but please make sure that everyone knows that the check must go to the school and that those payments must be part of the certified financials that the Department receives.

Thanks,
Diane

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Tuesday, September 11, 2018 9:16 PM
To: Jones, Diane
Cc: Finley, Steve; Riemer, Jeffrey (Justin); Mangold, Donna; Frola, Michael; Richardson, Brent D.
Subject: Re: Student Scholarships

Hi Diane,

That is our current process. No funds are being paid to the students directly, only to the transfer partner upon enrollment.

Shelly Murphy
Chief Officer Government and Legislative Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org

Cell: (b)(6)

On Sep 11, 2018, at 6:13 PM, Jones, Diane <Diane.Jones@ed.gov> wrote:

Hi Shelly and Brent,

I want to remind you that the scholarships must be paid directly to the institution that accepts your students in transfer, not the student. We discussed this when we met with you a few weeks ago and want to remind you of this. It is absolutely imperative that the scholarships be paid directly to the accepting institution and those payments must be made promptly so that the school receives it as soon as they can provide you with proof of enrollment.

Thanks,
Diane

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solely for the use of the individual or entity to which they are addressed. If you are not the intended recipient, you may not review, copy or distribute this message. If you have received this email in error, please notify the sender immediately and delete the original message. Neither the sender nor the company for which he or she works accepts any liability for any damage caused by any virus transmitted by this email.

Jones, Diane

From: Jones, Diane
Sent: Friday, September 14, 2018 2:00 PM
To: Finley, Steve
Cc: Frola, Michael; Mangold, Donna; Riemer, Jeffrey (Justin); Minor, Robin; Bennett, Ron
Subject: Re: Ai-Philadelphia student housing issue

I'm glad to see a robust list of transfer options. Since the primary goal is to help students find new academic homes, this is encouraging. I'm not surprised by the statement about growth opportunities since CTE they aren't closing all campuses.

Sent from my iPhone

On Sep 14, 2018, at 11:23 AM, Finley, Steve <Steve.Finley@ed.gov> wrote:

Interesting to see this statement from DCEH about the school closures:

Partner Schools

After a complete examination of the three education systems in the DCEH network, we did not see demand growth for courses at the campuses listed below. The majority of the following campuses will close in December 2018. This date may vary for students in programs which lead to licensure.

- The Art Institutes [Arlington, VA](#); [Charleston, SC](#); [Charlotte, NC](#); [Chicago, IL](#); [Denver, CO](#); [Fort Lauderdale, FL](#); [Indianapolis, IN](#); [Nashville, TN](#); [Novi, MI](#); [Philadelphia, PA](#); [Phoenix, AZ](#); [Raleigh-Durham, NC](#); [Portland, OR](#); [San Bernardino, CA](#); [San Francisco, CA](#); [Santa Ana, CA](#); [Sacramento, CA](#); and [Schaumburg, IL](#)
- Argosy University [San Francisco, CA](#); [Dallas, TX](#); [Denver, CO](#); [Nashville, TN](#); [Inland Empire, CA](#); [Salt Lake City, UT](#); [San Diego, CA](#); [Sarasota, FL](#); and [Schaumburg, IL](#)
- South University [Novi, MI](#); High Point, NC; and Cleveland, OH

This decision has been made in collaboration with our accreditors and regulators.

Students have several options to complete their studies – one of which is completing their program of study at a partner institution. The schools listed below have entered into a formal articulation agreement or Memo of Understanding to support the transfer of students to their college or university. We encourage you to reach out to the schools directly for information about your specific transfer situation.

The listings below are by institution and will be updated on a regular basis.

[schools are listed on the linked page]

<https://www.dcedh.org/partner-schools>

From: Frola, Michael

Sent: Friday, September 14, 2018 8:09 AM

To: Mangold, Donna; Finley, Steve; Riemer, Jeffrey (Justin); Jones, Diane; Mangold, Donna

Cc: Minor, Robin; Bennett, Ron

Subject: Ai-Philadelphia student housing issue

Good morning,

I received this new clip this morning from our Philadelphia regional office regarding the abrupt end to student housing for Ai-Philadelphia students.

https://www.nbcphiladelphia.com/news/local/College-Closing-Concerns_Philadelphia-492908551.html

-Mike

Michael Frola

Director

Multi-Regional and Foreign School Participation Division

Office: (202) 377-3364

michael.frola@ed.gov

StudentAid.gov

<image001.png>

Mangold, Donna

From: Mangold, Donna
Sent: Friday, September 14, 2018 5:32 PM
To: Miller, Lia; Dave Knutte (davek@knutte.com); Tim Gaber; Echols, Deana C.; Garrett, Chad; Murphy, Shelly M.
Cc: Jones, Diane; Frola, Michael; Kinneer, Ernest; Sikora, Tara; Riemer, Jeffrey (Justin); Finley, Steve; Dossa, Shein
Subject: RE: Dream Center Supplemental Advance Submission

To DCEH and Knutte –

The Department received the Supplemental Advance Submission from Knutte on Sept. 7th. Although the Addendum provides that the Department's notification of approval/disapproval/partial approval of a submission will be issued within 5 business days of receipt of the Submission, the Department's notification in regard to the Supplemental Advance Submission will be delayed until early next week. This delay results in part from the fact that a portion of the submitted expenses relate to locations that are not closing by 12/31/18, contrary to the directions set forth below in the Sept. 6th e-mail from Tara to Lia, and also in part because of the travel schedules of Department personnel.

Donna Mangold

From: Sikora, Tara
Sent: Thursday, September 06, 2018 4:54 PM
To: Miller, Lia
Cc: Frola, Michael; Dossa, Shein; Echols, Deana C.; Garrett, Chad; Murphy, Shelly M.; Kinneer, Ernest; Dave Knutte (davek@knutte.com); Tim Gaber; Mangold, Donna; Finley, Steve
Subject: RE: Dream Center Locations

Thank you, Lia.

Based on the information provided this morning, some of the locations have closure dates beyond December 31, 2018. The Addendum to the Temporary Provisional Program Participation Agreements (TPPPSs), paragraph 1, indicates that DECH must use the proceeds provided by the Department only for the teach-out of students who will not complete their courses of study prior to December 31, 2018, which is the date that DCEH has identified for the campuses that are being closed and for which a teach out is being provided. The Department is not going to provide funds to campuses that are not closing on or before December 31, 2018.

Given this issue, Knutte should not certify the Initial Advance and Supplemental Advance for submission to the Department until this issue is corrected, including an adjustment made with regard to the prior payment of these disallowed charges in the Initial Advance.

In addition, as promised in last week's call, please provide the Department copies of the signed transfer agreements.

Thank you,

Tara

Tara Sikora
Case Manager

Multi-Regional and Foreign Schools Participation Division
U.S. Department of Education, Federal Student Aid
Office Hours: 7:30am – 4:00pm EST
(215) 656-6488

From: Miller, Lia [mailto:lmiller@dcedh.org]
Sent: Thursday, September 06, 2018 9:16 AM
To: Sikora, Tara
Cc: Frola, Michael; Dossa, Shein; Echols, Deana C.; Garrett, Chad; Murphy, Shelly M.
Subject: FW: Dream Center Locations

Hello

Attached is the updated list of locations. Please see column I for expected teach out dates and column J for updates that have been submitted via the e-app but are not yet reflected on the ECAR.

Cynthia Baum's correct e-mail is cbaum@argosy.edu. I will work with Shein to get this corrected in the e-app.

Please let me know if you need anything else.

Lia Miller
DCEH - Student Finance & Compliance
Business Analyst II
PH: 412-995-7416
lmiller@dcedh.org

From: Sikora, Tara [mailto:Tara.Sikora@ed.gov]
Sent: Wednesday, August 29, 2018 6:24 AM
To: Murphy, Shelly M. <smurphy@dcedh.org>
Cc: Frola, Michael <Michael.Frola@ed.gov>; Dossa, Shein <Shein.Dossa@ed.gov>
Subject: Dream Center Locations

Hi Shelly,

Per our conversation yesterday, please see the attached list of all the Dream Center (DC) locations that are currently active in our system. Please review this list and clearly indicate which locations are no longer active and which locations are closing by the end of the year.

If there are locations that are identified as no longer active, please work with Shein to open the E-App(s) so that the institution can enter an end date for the location(s).

In addition to reviewing the locations, can you please review the status of the Chancellor of Argosy University (02179900). The Department currently has Ms. Cynthia G. Baum reported as the Chancellor of Argosy University (02179900). However, we received an "undeliverable" notification to a recent email notification sent to her. Please review the information provided for the Chancellor of Argosy University and provide us with an update.

Thank you,

Tara

Tara Sikora
Case Manager

Multi-Regional and Foreign Schools Participation Division
U.S. Department of Education, Federal Student Aid
Office Hours: 7:30am – 4:00pm EST
(215) 656-6488

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Mangold, Donna

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification
Attachments: 2018.09.18.ED Supplemental Advance Notification.pdf

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

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Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC

Smurphy@dcedh.org

Cell:

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY

To: Brent Richardson
Shelly Murphy

Re: SUPPLEMENTAL ADVANCE NOTIFICATION Pursuant to Addendum to Temporary Provisional Program Participation Agreements (TPPPAs) for Institutions Owned by Dream Center Educational Holdings, LLC ("DCEH")

In October 2017 and January 2018, DCEH (through its subsidiaries) purchased a number of institutions and additional locations of institutions owned by Education Management Corporation ("EDMC") (hereinafter collectively referred to as "the Purchased Schools"). DCEH is in the process of closing a number of the Purchased Schools, both main locations and additional locations ("the Closing Schools"). The Department has agreed to provide funds to DCEH to facilitate the transfer of students to other institutions and to facilitate the teach-out of the Closing Schools. On August 17, 2018 each of the Purchased Schools executed an Addendum to their respective TPPPAs with the Department ("Addendum") which sets forth the terms and conditions upon which the Department will provide funds to DCEH. Each Addendum was countersigned by the Department on August 17, 2018. As required by Item 4 of the Addendum, DCEH has retained the services of a certified public accountant ("CPA"). The CPA is responsible for reviewing and verifying the Initial Advance Submission, any Supplemental Advance Submission and the Additional Funds Submissions (collectively referred to as "Submissions" and as described more fully in the Addendum). The CPA is further required to certify the allowable costs as determined in accordance with the terms of the Addendum.

As set forth in Item 7 of the Addendum, and in accordance with the terms thereof, the Department agreed to provide DCEH with an Initial Advance in an amount up to \$10,000,000 ("Initial Advance"). On August 21, 2018, DCEH provided the Department an Initial Advance Submission seeking \$10,000,000 for payroll and rent expenses incurred at the Closing Schools during the months of July (payroll only) and August (rent and payroll). The Initial Advance Submission was modified and superseded by the Initial Advance Submission with Revised Compliance Certificate on August 22, 2018 ("Revised Initial Advance Submission"). The Revised Initial Advance Submission sets forth the certification of DCEH's authorized representative that the use of the Initial Advance is for the purposes and within the limitations set forth in Items 1 - 3 of the Addendum. These submissions were supplemented by additional documentation provided to the Department on August 23, 2018. The Department's preliminary review of the documentation satisfied the Department that DCEH incurred costs that were consistent with the purposes and within the limitations set forth in Items 1 - 3 of the Addendum. However, the Department also determined that some disallowed costs were included in the Revised Initial

Advance Submission. Based on its preliminary review, however, the Department was satisfied that allowable costs in the Initial Advance Submission exceeded \$10,000,000. Accordingly, the Department notified DCEH on August 22, 2018 that it authorized the payment of the Initial Advance to DCEH in the amount of \$10,000,000, subject to verification and certification by the CPA of the costs that should be allowed, and the Department's acceptance of that certification ("Initial Advance Notification"). The Initial Advance was paid to DCEH on August 27, 2018.

Subsequent to the payment of the Initial Advance, the Department received an updated list of the Closing Schools and determined that certain of the costs included in the Revised Initial Advance Submission should be disallowed because they were costs related to locations that were not closing on or before December 31, 2018. Once the Department determined that the Initial Advance Submission included costs that should be disallowed, it immediately advised DCEH and the CPA (on September 6, 2018) that the Supplemental Advance Submission should be adjusted to account for the disallowed costs in the Revised Initial Advance Submission, and that no disallowed costs should be included in the Supplemental Advance Submission.

The Supplemental Advance Submission as certified by the CPA was transmitted to the Department on September 7, 2018. The total amount of costs set forth in the Supplemental Advance Submission was \$7,914,593. Notwithstanding the Department's direction to DCEH and the CPA on September 6, 2018, the Supplemental Advance Submission included costs for the operation of locations that were not closing on or before December 31, 2018.

The Department has determined that all costs relating to the following locations (\$3,552,889) will be disallowed because DCEH has not scheduled the closing of these campuses until after December 31, 2018 ("Advance Disallowance"):

OPEID	Main Name	Location Name	Planned Closure Date
02179908	Argosy University	Argosy University - San Francisco Bay Area	12/31/20
02179913	Argosy University	Argosy University - Seattle	08/31/20
02179914	Argosy University	Argosy University - Nashville	08/31/19
02179919	Argosy University	Argosy University - Dallas	08/31/19
02179930	Argosy University	Argosy University - Denver	12/31/19
02179935	Argosy University	Argosy University - Salt Lake City	12/31/19
01303914	South University	South University - Novi	12/31/19

01303922	South University	South University - Cleveland	12/31/19
01303923	South University	South University - High Point	12/31/19

As a result of the Advance Disallowance set forth above, the Department has determined that allowable costs submitted in the Initial Advance Submission and the Supplemental Advance Submission (combined) total \$14,361,704 ("Combined Advance Allowance"). The Department previously paid the Initial Advance of \$10,000,000. Accordingly, the Department hereby authorizes the payment of the Supplemental Advance to DCEH in the amount of \$4,361,704.

DCEH may make its next submission ("Additional Funds Submission") no earlier than September 21, 2018. As set forth in Item 8 of the Addendum, the Additional Funds Submission may not exceed \$4,000,000. Accordingly, DCEH is advised to ensure that the Additional Funds Submission does not include disallowed costs.

The Department's determination of allowed costs and authorization of payment is subject to future adjustment as a result of the Department's determination that previously allowed costs should be disallowed. Any disallowance of costs will require DCEH to adjust future Submissions, or will result in an adjustment in the Department's future payments to DCEH. In addition, the Department continues to review and evaluate what costs should be allowed. The fact that a cost has been allowed to date, or is allowed in the future does not preclude the Department from changing its determination in regard to a specific cost or category of costs.

(b)(6)

By:

Diane Auer Jones

Principal Deputy Under Secretary

Delegated to Perform the Duties of the Under Secretary and the Assistant Secretary for Post-Secondary Education

Date: 9/18/18

Daggett, Elizabeth

From: Daggett, Elizabeth
Sent: Thursday, September 20, 2018 10:38 AM
To: Arthur, Julie; Frola, Michael
Cc: Bounds, Herman
Subject: RE: A Brief Update and Request from HLC

No problem.

And, I told them that too in my conversation.

Elizabeth Daggett
Tel: (202) 453-6190

From: Arthur, Julie
Sent: Thursday, September 20, 2018 10:37 AM
To: Frola, Michael; Daggett, Elizabeth
Cc: Bounds, Herman
Subject: RE: A Brief Update and Request from HLC

Very helpful, indeed.

Thanks for your assistance in this case. HLC appears to be the only accreditor that had been telling schools they required certain steps to be completed with ED for the change in ownership application to progress with HLC.

Julie

From: Frola, Michael
Sent: Thursday, September 20, 2018 5:47 AM
To: Daggett, Elizabeth; Arthur, Julie
Cc: Bounds, Herman
Subject: RE: A Brief Update and Request from HLC

Thank you!

This is great news.

-Mike

From: Daggett, Elizabeth
Sent: Thursday, September 20, 2018 8:44 AM
To: Arthur, Julie; Frola, Michael
Cc: Bounds, Herman
Subject: FW: A Brief Update and Request from HLC
Importance: High

FYI

Elizabeth Daggett

Tel: (202) 453-6190

From: Anthea Sweeney [mailto:asweeney@hlcommission.org]
Sent: Wednesday, September 19, 2018 7:17 PM
To: Clint Adams, DO; Jennifer Williams
Cc: Gigi Fansler
Subject: A Brief Update and Request from HLC
Importance: High

Dear President Adams and Dr. Williams:

I am contacting you with a brief update and a related request from the Higher Learning Commission regarding the institution's recent application which is currently proceeding through our internal processes toward HLC's Board meeting in November for consideration. Dr. Fansler is traveling but has been apprised of my intent in issuing this communication.

Please be aware that HLC has received notification from the Department of Education today that representatives associated with the RVU transaction have been, in good faith, contacting the Department of Education to inquire about the status of the pre-acquisition letter referenced in HLC's Change of Control procedure document, and to which I previously alluded during our Fact-Finding Visit in August.

We want you to be aware that, after conversations with Department of Education representatives, HLC has very recently modified its position on this matter. While our Board remains interested in understanding the Department's orientation toward any particular transaction and wants to be made aware of any conditions imposed by the Department of Education for any particular transaction, there was never any intent on HLC's part to require the Department to conduct its activities at HLC's pace. As a result, HLC will be modifying its Change of Control procedures document to reflect that the pre-acquisition letter is not a prerequisite for Board consideration, neither is it a necessary element for approval. HLC can certainly gain access to the Department's final determination letter following the transaction to achieve the same ends, if a pre-acquisition letter is not available in ordinary course prior to the Board's decision.

We understand that a natural consequence of our previous stance would have created some urgency on your part to ensure that the transaction is considered in a timely way. However, we would respectfully request, in light of these recent developments, that this modification in HLC's position be shared with any interested parties. Inquiries with the Department of Education intended to accelerate their activities are not necessary. We apologize that we gave you any cause for such concern.

HLC staff is working to modify external documents to conform our language accordingly. However, in the meantime, I hope this email will serve to apprise you accordingly and allay your concerns in this regard.

Thank you very much for your consideration.

Best Regards,
Anthea M. Sweeney, J.D. Ed.D.
Vice President for Legal and Governmental Affairs
Higher Learning Commission
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604

Main Tel.: 800-621-7440
Direct Line: 312-881-8128
Fax: 312-263-7462

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Sikora, Tara

From: Sikora, Tara
Sent: Friday, September 21, 2018 11:26 AM
To: Mangold, Donna; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve; Frola, Michael; Arthur, Julie; Kinneer, Ernest
Subject: RE: DCEH Supplemental Advance Notification

Thanks for the update Donna. I updated the tracking spreadsheet on the Sharepoint page to reflect the Supplemental Advance payment:

	Date Submission Rec'd	Dept Days to Respond	Department Response Due	Payment Transmission Date (Dept Approval Date)	Payment Due Date	Payment Processing Date	Payment Paid Date	Payment Amount	Requirement for Next Submission	Timeframe for Next Submission (in days)	Earliest Date of Next Submission
Initial Advance	08/21/18	5	08/28/18	08/22/18	08/29/18	08/27/18	08/28/18	\$10,000,000.00	within 7 business days of transmission of the Initial Advance - not to exceed \$17,513,457	7	9/4/18
Supplemental Advance	09/07/18	5	09/14/18	09/18/18	09/25/18	09/21/18		\$4,361,704.00	Once every 14 days not to exceed \$4,000,000	14	9/21/18
Total:								\$14,361,704.00	(not to exceed \$50,000,000)		

I'm guessing that we will receive the next submission this afternoon.

Tara

From: Mangold, Donna
Sent: Friday, September 21, 2018 8:48 AM
To: Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve; Frola, Michael; Arthur, Julie; Sikora, Tara; Kinneer, Ernest
Subject: FW: DCEH Supplemental Advance Notification

I have just been advised by the finance office that the Supplemental Advance payment has been processed.

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org
Cell: (b)(6)

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST

To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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Daggett, Elizabeth

From: Daggett, Elizabeth
Sent: Monday, October 1, 2018 9:45 AM
To: Bennett, Ron; Frola, Michael; Arthur, Julie
Cc: Bounds, Herman
Subject: FW: HLC Change of Control Procedure Updates

FYI

Elizabeth Daggett
Tel: (202) 453-6190

From: Anthea Sweeney [mailto:asweeney@hlcommission.org]
Sent: Tuesday, September 25, 2018 9:11 PM
To: Daggett, Elizabeth
Subject: HLC Change of Control Procedure Updates

Dear Beth,

I wanted to share with you an important milestone in terms of our commitment to change our procedure related to Change of Control as it related to pre-acquisition letters. The relevant links are provided below to help you navigate (as an institution would) to HLC's Institutional Change page to the Change of Control procedure document.

As you will see on page 6 of the document, items 5 and 6 have been modified to reflect current understandings. In particular, item 6 has been pared down considerably.

The webpage:

<https://www.hlcommission.org/Accreditation/institutional-change.html>

Direct link to document:

[Change of Control, Structure or Organization Procedure](#)

Because HLC's Board can also adopt policy changes on a single reading that are aligned with Department of Education directives, we'll also be prompting the Board to take appropriate action related to the policy language at the upcoming meeting this November.

I'll send another update at that time as well.

Thanks,
Anthea M. Sweeney, J.D. Ed.D.
Vice President for Legal and Governmental Affairs
Higher Learning Commission
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604
Main Tel.: 800-621-7440
Direct Line: 312-881-8128
Fax: 312-263-7462

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Mangold, Donna

From: Mangold, Donna
Sent: Monday, October 1, 2018 1:40 PM
To: Jones, Diane; Johnson, Wayne
Cc: Riemer, Jeffrey (Justin); Finley, Steve; Minor, Robin; Bennett, Ron; Frola, Michael
Subject: RE: DCEH Submission Tracking Submission 3.xlsx
Attachments: TPPPA Addendum - Additional Funds Submission.01 Notification (10.01.18).docx

I have attached "Additional Funds Submission.01 Notification" authorizing the payment of \$4,000,000. (See Mike's e-mail below regarding FSA's review of the submission as certified by Knutte).

Diane, I will get a printed copy to you for signature later this afternoon.

Donna

From: Mangold, Donna
Sent: Friday, September 28, 2018 5:39 PM
To: Jones, Diane; Johnson, Wayne
Cc: Riemer, Jeffrey (Justin); Finley, Steve; Minor, Robin; Bennett, Ron; Frola, Michael
Subject: FW: DCEH Submission Tracking Submission 3.xlsx
Importance: High

I am preparing the Notification/Authorization for payment and will circulate on Monday morning.

From: Frola, Michael
Sent: Wednesday, September 26, 2018 3:46 PM
To: Riemer, Jeffrey (Justin); Mangold, Donna; Finley, Steve
Cc: Frola, Michael; Kinneer, Ernest; Sikora, Tara; Minor, Robin; Bennett, Ron
Subject: DCEH Submission Tracking Submission 3.xlsx
Importance: High

Justin, Donna, and Steve,

We've completed the analysis of Knutte's 3rd submission on behalf of DCEH that was received on 9/24/18 (see attached).

Analysis (Ernie):

(b)(5)

Based on the information submitted by Knutte, DCEH is eligible for \$4,921,619 in reimbursable expenses for the 3rd

submission. As a result DCEH is may receive the maximum allotment of \$4 million.

Thanks,
Mike

Michael Frola

Director

Multi-Regional and Foreign School Participation Division

Office: (202) 377-3364

michael.frola@ed.gov

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To: Brent Richardson
Shelly Murphy

Re: ADDITIONAL FUNDS SUBMISSION NOTIFICATION.01
Pursuant to Addendum to Temporary Provisional Program Participation Agreements (TPPPAs) for Institutions Owned by Dream Center Educational Holdings, LLC ("DCEH")

In October 2017 and January 2018, DCEH (through its subsidiaries) purchased a number of institutions and additional locations of institutions owned by Education Management Corporation ("EDMC") (hereinafter collectively referred to as "the Purchased Schools"). DCEH is in the process of closing a number of the Purchased Schools, both main locations and additional locations ("the Closing Schools"). The Department has agreed to provide funds to DCEH to facilitate the transfer of students to other institutions and to facilitate the teach-out of the Closing Schools. On August 17, 2018 each of the Purchased Schools executed an Addendum to their respective TPPPAs with the Department ("Addendum") which sets forth the terms and conditions upon which the Department will provide funds to DCEH. Each Addendum was countersigned by the Department on August 17, 2018. As required by Item 4 of the Addendum, DCEH has retained the services of a certified public accountant ("CPA"). The CPA is responsible for reviewing and verifying the Initial Advance Submission, any Supplemental Advance Submission and the Additional Funds Submissions (collectively referred to as "Submissions" and as described more fully in the Addendum). The CPA is further required to certify the allowable costs as determined in accordance with the terms of the Addendum.

As set forth in Item 7 of the Addendum, and in accordance with the terms thereof, the Department agreed to provide DCEH with an Initial Advance and a Supplemental Advance in an amount not to exceed \$17,513,457. The Department has made the following payments in accordance with Item 7 of the Addendum as the Initial Advance and the Supplemental Advance:

	Submission Date	Paid Date	Amount
Revised Initial Advance Submission	August 22, 2018	August 27, 2018	\$10,000,000
Supplemental Advance	September 7, 2018	September , 2018	\$ 4,361,704

Pursuant to Item 8 of the Addendum, DCEH made an additional request for funds on September 24, 2018, certified by the CPE in accordance with Item 8.b of the Addendum ("Additional Funds Submission.01"). Additional Funds Submission.01 included \$4,921,619 of costs. The Department has reviewed Additional Funds Submission.01 and the CPA certification thereof,

and has determined that the entire amount sought (\$4,921,619) is allowed under the terms of the Addendum.

Accordingly, the Department hereby authorizes the payment of Additional Funds Submission.01 to DCEH in the amount of \$4,000,000 in accordance with the limitation set forth in Item 8.c of the Addendum. DCEH may make its next submission ("Additional Funds Submission.02") no earlier than October 9, 2018. As set forth in Item 8.c of the Addendum, Additional Funds Submission.02 may not exceed \$4,000,000. Accordingly, DCEH is advised to ensure that Additional Funds Submission.02 does not include disallowed costs.

The Department's determination of allowed costs and authorization of payment is subject to future adjustment as a result of the Department's determination that previously allowed costs should be disallowed. Any disallowance of costs will require DCEH to adjust future Submissions, or will result in an adjustment in the Department's future payments to DCEH. In addition, the Department continues to review and evaluate what costs should be allowed. The fact that a cost has been allowed to date, or is allowed in the future does not preclude the Department from changing its determination in regard to a specific cost or category of costs.

By: _____

Diane Auer Jones

Principal Deputy Under Secretary

Delegated to Perform the Duties of the Under Secretary and the Assistant Secretary for Post-Secondary Education

Date: _____

Mangold, Donna

From: Mangold, Donna
Sent: Friday, October 12, 2018 9:17 AM
To: Garrett, Chad; Murphy, Shelly M.; Richardson, Brent D.
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

Thank you for the confirmation.

From: Garrett, Chad [mailto:cgarrett@dcedh.org]
Sent: Friday, October 12, 2018 9:16 AM
To: Mangold, Donna; Murphy, Shelly M.; Richardson, Brent D.
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

Donna,

We received the funds associated with Additional Funds Submission.01 this morning. Thank you for your assistance.

Chad

From: Mangold, Donna [mailto:Donna.Mangold@ed.gov]
Sent: Tuesday, October 09, 2018 5:05 PM
To: Garrett, Chad; Murphy, Shelly M.; Richardson, Brent D.
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

I have been out of the office. Let me check.

From: Garrett, Chad [mailto:cgarrett@dcedh.org]
Sent: Tuesday, October 09, 2018 11:28 AM
To: Mangold, Donna; Murphy, Shelly M.; Richardson, Brent D.
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

Donna,

Hope all is well. I'm reaching out as we have not yet received this funds transfer. I understand we all lost a business day yesterday with the holiday; however, I wanted to inquire if there were any known delays in the funds transfer processing. This visibility would help our cash flow planning.

I appreciate any insight you can provide.

Thanks,

Chad

From: Mangold, Donna [mailto:Donna.Mangold@ed.gov]
Sent: Tuesday, October 02, 2018 2:04 PM

To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

The Additional Funds Submission.01 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC

Smurphy@dcedh.org

Cell: (b)(6)

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>

Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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Mangold, Donna

From: Mangold, Donna
Sent: Friday, October 19, 2018 9:03 AM
To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.02 Notification
Attachments: TPPPA Addendum - Additional Funds Submission.02 Notification (10.18.18).pdf

The Additional Funds Submission.02 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, October 02, 2018 2:04 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

The Additional Funds Submission.01 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM

To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org
Cell: (b)(6)

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY

To: Brent Richardson
Shelly Murphy

Re: ADDITIONAL FUNDS SUBMISSION.02 NOTIFICATION
Pursuant to Addendum to Temporary Provisional Program Participation Agreements (TPPPAs) for Institutions Owned by Dream Center Educational Holdings, LLC ("DCEH")

In October 2017 and January 2018, DCEH (through its subsidiaries) purchased a number of institutions and additional locations of institutions owned by Education Management Corporation ("EDMC") (hereinafter collectively referred to as "the Purchased Schools"). DCEH is in the process of closing a number of the Purchased Schools, both main locations and additional locations ("the Closing Schools"). The Department has agreed to provide funds to DCEH to facilitate the transfer of students to other institutions and to facilitate the teach-out of the Closing Schools. On August 17, 2018 each of the Purchased Schools executed an Addendum to their respective TPPPAs with the Department ("Addendum") which sets forth the terms and conditions upon which the Department will provide funds to DCEH. Each Addendum was countersigned by the Department on August 17, 2018. As required by Item 4 of the Addendum, DCEH has retained the services of a certified public accountant ("CPA"). The CPA is responsible for reviewing and verifying the Initial Advance Submission, any Supplemental Advance Submission and the Additional Funds Submissions (collectively referred to as "Submissions" and as described more fully in the Addendum). The CPA is further required to certify the allowable costs as determined in accordance with the terms of the Addendum.

As set forth in Item 7 of the Addendum, and in accordance with the terms thereof, the Department agreed to provide DCEH with an Initial Advance and a Supplemental Advance in an amount not to exceed \$17,513,457. The Department has made the following payments to date in accordance with Item 7 of the Addendum:

	Submission Date	Paid Date	Amount
Revised Initial Advance Submission	August 22, 2018	August 27, 2018	\$10,000,000
Supplemental Advance Submission	September 7, 2018	September 21, 2018	\$ 4,361,704
Additional Funds Submission.01	September 24, 2018	October 12, 2018	\$ 4,000,000

Pursuant to Item 8 of the Addendum, DCEH made an additional request for funds on October 8, 2018, certified by the CPA in accordance with Item 8.b of the Addendum ("Additional Funds Submission.02").

Additional Funds Submission.02 included \$4,886,170 of costs. During the course of its review of Additional Funds Submission.02, the Department requested and received further information from the CPA about certain payroll costs identified in the current and prior submissions as "Pay In Lieu." The Department has determined that all amounts for "Pay In Lieu" will be disallowed. DCEH has submitted \$422,639.92 for "Pay In Lieu" costs to date (including in Additional Funds Submission.02). Therefore, the Department has deducted \$422,639.92 from the costs submitted in Additional Funds Submission.02, and has determined that only \$4,463,530.08 is allowed under the terms of the Addendum for Additional Funds Submission.02.

Accordingly, the Department hereby authorizes the payment of Additional Funds Submission.02 to DCEH in the amount of \$4,000,000 in accordance with the limitation set forth in Item 8.c of the Addendum. DCEH may make its next submission ("Additional Funds Submission.03") no earlier than October 22, 2018. As set forth in Item 8.c of the Addendum, Additional Funds Submission.03 may not exceed \$4,000,000. Accordingly, DCEH is advised to ensure that Additional Funds Submission.03 does not include disallowed costs.

The Department's determination of allowed costs and authorization of payment is subject to future adjustment as a result of the Department's determination that previously allowed costs should be disallowed. Any disallowance of costs will require DCEH to adjust future Submissions, or will result in an adjustment in the Department's future payments to DCEH. In addition, the Department continues to review and evaluate what costs should be allowed. The fact that a cost has been allowed to date, or is allowed in the future does not preclude the Department from changing its determination in regard to a specific cost or category of costs.

By: (b)(6)

Diane Auer Jones

Principal Deputy Under Secretary

Delegated to Perform the Duties of the Under Secretary and the Assistant Secretary for Post-Secondary Education

Date: 10/18/18

Mangold, Donna

From: Mangold, Donna
Sent: Wednesday, October 24, 2018 12:56 PM
To: Jones, Diane
Cc: Riemer, Jeffrey (Justin); Frola, Michael; Sikora, Tara
Subject: FW: DCEH Additional Funds Submission.02 Notification

Message to Chad about the missing documents.

From: Mangold, Donna
Sent: Wednesday, October 24, 2018 12:19 PM
To: 'Garrett, Chad'
Subject: RE: DCEH Additional Funds Submission.02 Notification

Chad, we received Submission.03. As you know, DCEH is required to submit a variety of documents every two weeks per the TPPPA Addendum. The thumb drive from the 10/15 submission (delivered on 10/17) just has empty folders. Diane mentioned it to Shelly, but she hasn't heard back. We need a new drive submitted right away with the appropriate contents for the 10/15 submission. We will not be approving Additional Funds Submission.03 until the 10/15 documents are provided. Also, updated materials are due to be submitted on 10/30.

From: Garrett, Chad [mailto:cgarrett@dcedh.org]
Sent: Tuesday, October 23, 2018 12:06 PM
To: Mangold, Donna; Murphy, Shelly M.; Richardson, Brent D.
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.02 Notification

Donna,

We received the funds this morning.

Thank you,

Chad

From: Mangold, Donna [mailto:Donna.Mangold@ed.gov]
Sent: Friday, October 19, 2018 9:03 AM
To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.02 Notification

The Additional Funds Submission.02 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, October 02, 2018 2:04 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

The Additional Funds Submission.01 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org

Cell: (b)(6)

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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Mangold, Donna

From: Mangold, Donna
Sent: Wednesday, November 21, 2018 10:09 AM
To: Tim Gaber; Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve; Dave Knutte; Sikora, Tara; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.03 Notification

It was attached as Exhibit B to the PDF.

From: Tim Gaber [mailto:timg@knutte.com]
Sent: Wednesday, November 21, 2018 9:58 AM
To: Mangold, Donna; Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve; Dave Knutte; Sikora, Tara; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.03 Notification

Donna,

Thank you. Please also send over the spreadsheet detailing out the \$671,560 of disallowed costs.

-Tim

Tim Gaber, CPA
7900 S. Cass Avenue
Darien, IL 60561
timg@knutte.com
630-960-3317 ext. 104 (ph)
630-960-9960 (fax)

From: Mangold, Donna <Donna.Mangold@ed.gov>
Sent: Wednesday, November 21, 2018 8:55 AM
To: Murphy, Shelly M. <smurphy@dcedh.org>; Richardson, Brent D. <brichardson@dcedh.org>; Garrett, Chad <cgarrett@dcedh.org>
Cc: Jones, Diane <Diane.Jones@ed.gov>; Minor, Robin <Robin.Minor@ed.gov>; Frola, Michael <Michael.Frola@ed.gov>; Riemer, Jeffrey (Justin) <Jeffrey.Riemer@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Dave Knutte <davek@knutte.com>; Tim Gaber <timg@knutte.com>; Sikora, Tara <Tara.Sikora@ed.gov>; Puffer, Rhonda <Rhonda.Puffer@ed.gov>
Subject: RE: DCEH Additional Funds Submission.03 Notification

The Additional Funds Submission.03 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please note the instructions in regard to Additional Funds Submission.04. I have copied Dave Knutte and Tim Gaber so that Knutte's review is consistent with the Department's disallowance of certain expenses.

From: Mangold, Donna
Sent: Friday, October 19, 2018 9:03 AM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'

Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.02 Notification

The Additional Funds Submission.02 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, October 02, 2018 2:04 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

The Additional Funds Submission.01 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [<mailto:smurphy@dcedh.org>]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org

Cell: 480-650-4249

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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Jones, Diane

From: Jones, Diane
Sent: Friday, December 7, 2018 7:25 AM
To: Mangold, Donna; Frola, Michael; Brinton, Jed; Minor, Robin
Subject: FW: Responses to DOE Requests
Attachments: image001.png; ATT00001.htm; DOE Report Request 12 06 18.xlsx; ATT00002.htm

FYI

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Thursday, December 06, 2018 1:30 PM
To: Jones, Diane
Cc: Richardson, Brent D.
Subject: Fwd: Responses to DOE Requests

Hi Diane,

Please find attached a rooster showing the students scheduled to graduate in Dec in our teach-out locations, HLC specific students and the rooster for students that were transferred to AI Online prior to ceasing enrollment upon the Show Cause notice from Middle States.

If you would like I can schedule a call with you, me and Rob to address and questions and/or concerns. Thank you - Shelly.

Shelly Murphy
Chief Officer Government and Legislative Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org
Cell: (b)(6)

Begin forwarded message:

From: "Paul, Robert A." <rapaul@dcedh.org>
Date: December 6, 2018 at 11:22:04 AM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>, "smurphy600@gmail.com" <smurphy600@gmail.com>
Cc: "Richardson, Brent D." <brichardson@dcedh.org>, "Crowley, John E." <jcrowley@dcedh.org>
Subject: Responses to DOE Requests

Hi Shelly –

Per your request, I attached a spreadsheet that includes the following:

- **Tab 1 labeled “DEC GRADS”:** This tab includes a roster of all students from the teach-out locations scheduled to graduate in December 2018, which is a total of 1,712 students.
- **Tab 2 labeled “DEC HLC GRADS”:** This tab includes a roster of all students from the HLC – affiliated teach-out locations scheduled to graduate in December 2018, which is a total of 165 students.

- **Tab 3 labeled “Ai TRANSFERS ONLINE”:** This tab includes a roster of all students who transferred from the Art Institutes teach-out locations to the Art Institutes – Online (part of the Ai-Pittsburgh campus), which is a total of 36 students. These 36 students transferred to Ai-Online prior to the decision to restricted transfer due to Middle States placing Ai-Online on Show Cause.

In addition to the detailed rosters in the spreadsheet, I’ve attached summary table below:

Response to DOE Requests - December 6, 2018		
Students Scheduled to Graduate in December 2018 (All Teach Out Locations)	Students Scheduled to Graduate in December 2018 (Art Institutes HLC Affiliated Locations Only)	Students from Art Institutes Teach Out Locations Who Transferred to The Art Institutes - Online
1,712	165	36

Let me know if you need anything else.

Best,

Rob

Rob Paul

Chief Officer – Strategic Initiatives

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Mangold, Donna

From: Mangold, Donna
Sent: Wednesday, December 12, 2018 12:02 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve; 'Dave Knutte (davek@knutte.com)'; 'Tim Gaber'; Sikora, Tara; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.04B Notification
Attachments: TPPPA Addendum - Additional Funds Submission 04B Notification.pdf

The Additional Funds Submission.04B Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Wednesday, November 21, 2018 9:55 AM
To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve; Dave Knutte (davek@knutte.com); Tim Gaber; Sikora, Tara; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.03 Notification

The Additional Funds Submission.03 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please note the instructions in regard to Additional Funds Submission.04. I have copied Dave Knutte and Tim Gaber so that Knutte's review is consistent with the Department's disallowance of certain expenses.

From: Mangold, Donna
Sent: Friday, October 19, 2018 9:03 AM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.02 Notification

The Additional Funds Submission.02 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, October 02, 2018 2:04 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

The Additional Funds Submission.01 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'

Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [mailto:smurphy@dcedh.org]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org

Cell (b)(6)

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY

To: Brent Richardson
Shelly Murphy

Re: ADDITIONAL FUNDS SUBMISSION.04B NOTIFICATION
Pursuant to Addendum to Temporary Provisional Program Participation Agreements
(TPPPAs) for Institutions Owned by Dream Center Educational Holdings, LLC ("DCEH")

In October 2017 and January 2018, DCEH (through its subsidiaries) purchased a number of institutions and additional locations of institutions owned by Education Management Corporation ("EDMC") (hereinafter collectively referred to as "the Purchased Schools"). DCEH is in the process of closing a number of the Purchased Schools, both main locations and additional locations ("the Closing Schools"). The Department has agreed to provide funds to DCEH to facilitate the transfer of students to other institutions and to facilitate the teach-out of the Closing Schools. On August 17, 2018 each of the Purchased Schools executed an Addendum to their respective TPPPAs with the Department ("Addendum") which sets forth the terms and conditions upon which the Department will provide funds to DCEH. Each Addendum was countersigned by the Department on August 17, 2018. As required by Item 4 of the Addendum, DCEH has retained the services of a certified public accountant ("CPA"). The CPA is responsible for reviewing and verifying the Initial Advance Submission, any Supplemental Advance Submission and the Additional Funds Submissions (collectively referred to as "Submissions" and as described more fully in the Addendum). The CPA is further required to certify the allowable costs as determined in accordance with the terms of the Addendum.

The Department has made the following payments to date:

	Submission Date	Paid Date	Amount
Revised Initial Advance Submission	August 22, 2018	August 27, 2018	\$10,000,000
Supplemental Advance Submission	September 7, 2018	September 21, 2018	\$ 4,361,704
Additional Funds Submission.01	September 24, 2018	October 12, 2018	\$ 4,000,000
Additional Funds Submission.02	October 9, 2018	October 23, 2018	\$ 4,000,000
Additional Funds Submission.03	October 23, 2018	November 28, 2018	\$ 4,000,000

Pursuant to Item 8 of the Addendum, DCEH made an additional request for funds on November 9, 2018, which was re-submitted on November 23, 2018 (“Additional Funds Submission.04”).¹ Additional Funds Submission.04 is still under Department review, as the Department has had to request additional information from the CPA and DCEH to conduct its review.

On December 7, 2018, DCEH made Additional Funds Submission.04B which seeks reimbursement of rent expenses for the Closing Schools for July and November 2018 and as an advance on rent for December 2018. This request seeks a modification of the limitation set forth in Addendum Item 2.h which limited rent reimbursements to August, September and October 2018. DCEH has requested the following amounts (as adjusted and certified by the CPA):

July Rent	\$ 2,996,490
November Rent	\$ 3,125,071
December Rent	\$ 3,124,155
Total submitted by DCEH	\$ 9,245,716
CPA adjustment	(20,430)
Certified for Reimbursement	\$ 9,225,285

The Department has determined that it would be prudent to allow the reimbursement/advance of these rent payments to ensure that the Closing Schools campuses remain open until December 31, 2018, and accordingly modifies the rent payment limitation set forth in Addendum Item 2.h. DCEH is advised that the payment of \$9,225,285 also constitutes a modification of the \$4,000,000 bi-weekly submission limitation set forth in Addendum Item 8.c. DCEH is further advised that the payment of \$9,225,285 will count towards the payment cap set forth in Addendum Item 9.

The Department hereby authorizes the payment of Additional Funds Submission.04B to DCEH in the amount of \$9,225,285.

The Department’s determination of allowed costs and authorization of payment is subject to future adjustment as a result of the Department’s determination that previously allowed costs should be disallowed. Any disallowance of costs will require DCEH to adjust future Submissions, or will result in an adjustment in the Department’s future payments to DCEH. In addition, the Department continues to review and evaluate what costs should be allowed. The fact that a cost has been allowed to date, or is allowed in the future does not preclude the Department from changing its determination in regard to a specific cost or category of costs.

¹ The Department rejected the original Additional Funds Submission.04, and directed DCEH to submit a revised Additional Funds Submission.04 that did not include costs in the categories that the Department disallowed in its Additional Funds Submission.03 Notification.

(b)(6)

By:

Diane Auer Jones

Principal Deputy Under Secretary

Delegated to Perform the Duties of the Under Secretary and the Assistant Secretary for Post-Secondary Education

Date:

12/11/18

From: Mangold, Donna
Sent: Wednesday, December 19, 2018 7:01 AM
To: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve
Subject: Fwd: URGENT - DCEH Debt Restructuring

I asked Mike Lau to please send me whatever he had sent to the other lenders seeking their support for a deal, his authority to speak on their behalf, and whatever responsive communications he received from the other lenders.

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: Mike Lau <Mike.Lau@ Candlewoodgroup.com>
Date: 12/18/18 11:16 PM (GMT-05:00)
To: "Mangold, Donna" <Donna.Mangold@ed.gov>, mgoldstein@cooley.com, Janet Miller <Janet.Miller@ Candlewoodgroup.com>
Subject: Fwd: URGENT - DCEH Debt Restructuring

Donna,

I think Janet Miller, my GC, has been compiling all of the responses. For legal reasons, I believe she is sending them to Mike who is either forwarding them to you or confirming them for you on lawyer to lawyer basis. (b)(4)

(b)(4)

(b)(4)

Michael Lau, CEO
Candlewood Investment Group, LP

Begin forwarded message:

(b)(4)

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(b)(4)

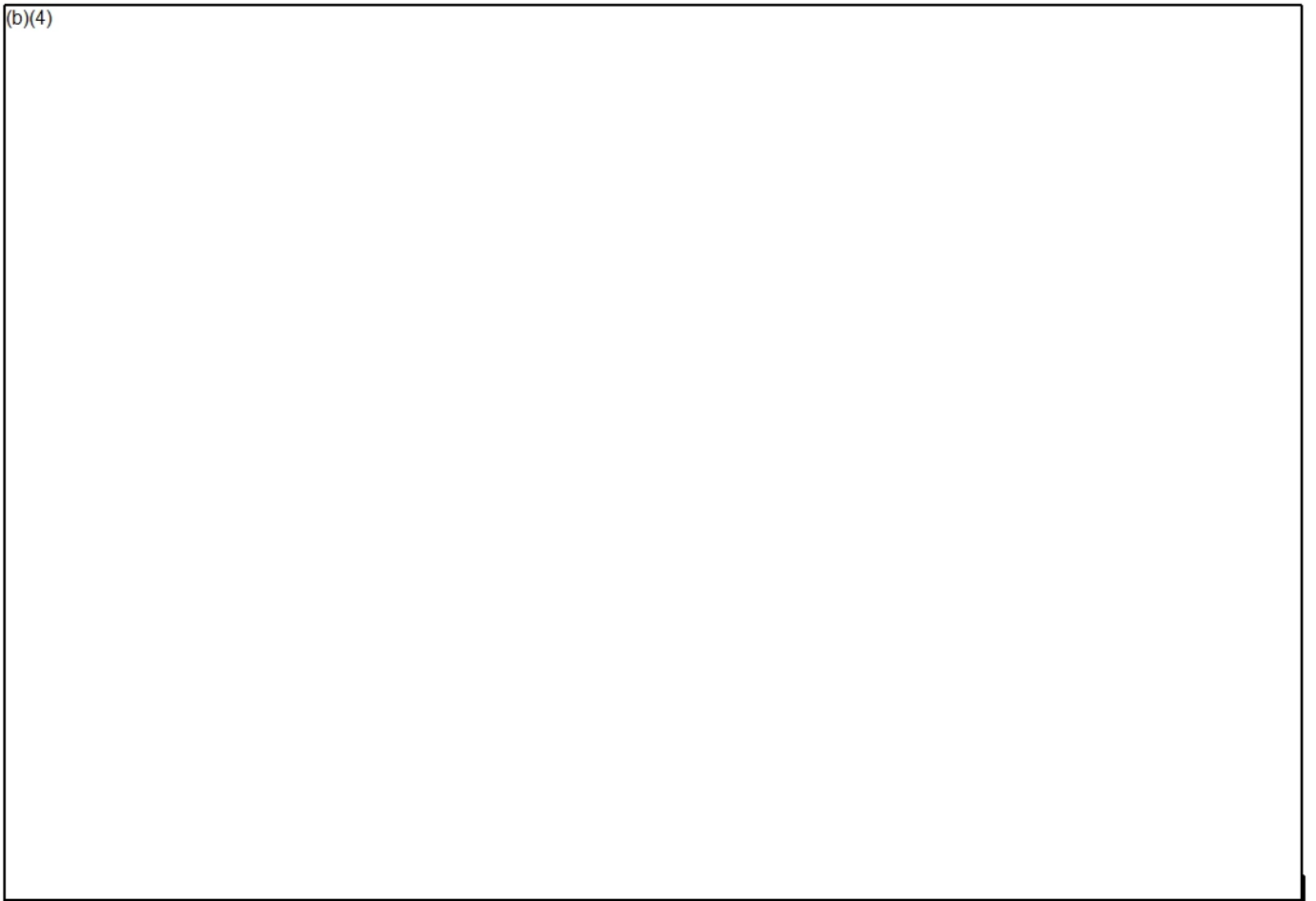
(b)(4)

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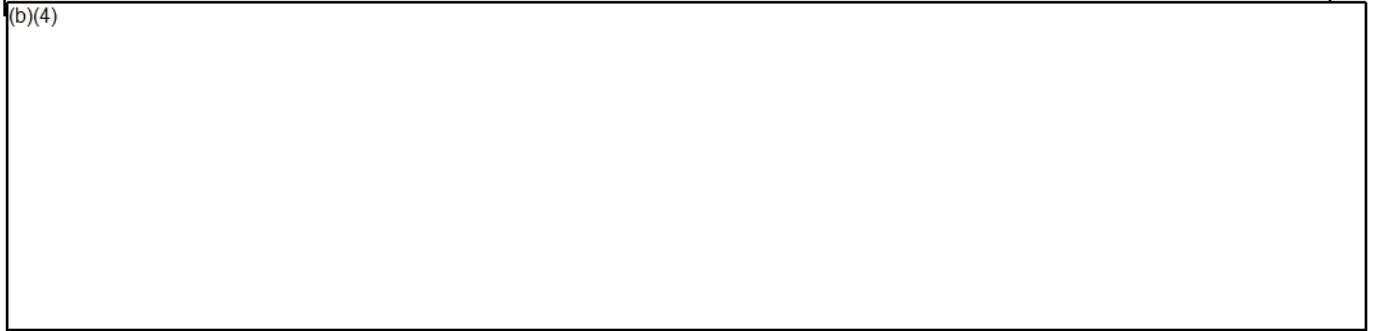
(b)(4)

Michael Lau, CFA
Managing Partner and CEO
Candlewood Investment Group, LP
mlau@candlewoodgroup.com

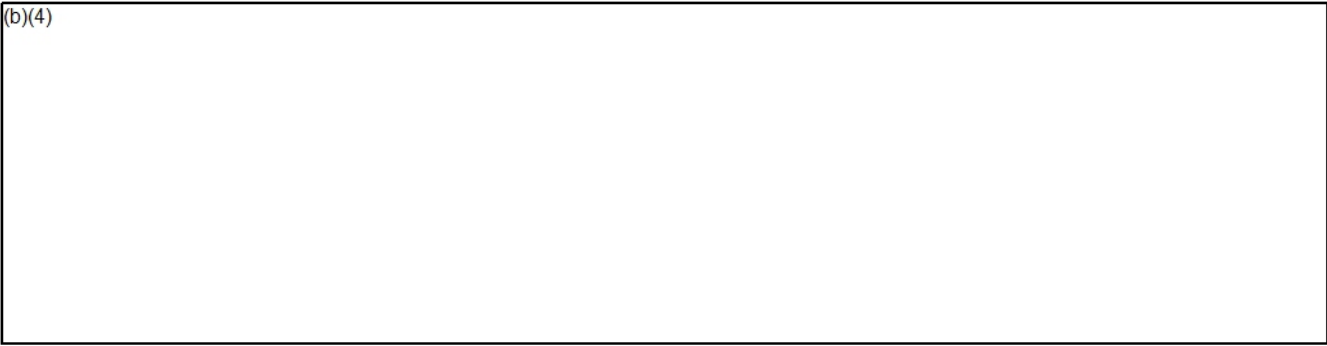
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(b)(4)



(b)(4)



(b)(4)

(b)(4)

Mangold, Donna

From: Mangold, Donna
Sent: Wednesday, December 19, 2018 11:06 AM
To: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve
Subject: FW: DCEH - Support of Lenders
Attachments: (b)(4)

Fyi.

From: Janet Miller [mailto:Janet.Miller@candlewoodgroup.com]
Sent: Wednesday, December 19, 2018 9:54 AM
To: Mangold, Donna
Cc: Mike Lau; Michael B. Goldstein (mgoldstein@cooley.com); Justin Wohler; Newton, James A. (JNewton@mofo.com)
Subject: DCEH - Support of Lenders

Donna,

As requested, please find attached the emails from each DCEH Term A Lender to Candlewood. Please maintain their confidentiality as appropriate.

Best,
Janet

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Withheld pursuant to exemption

(b)(4)

of the Freedom of Information and Privacy Act

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of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

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of the Freedom of Information and Privacy Act

Frola, Michael

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:42 PM
To: Jones, Diane; Minor, Robin (Robin.Minor@ed.gov); Jones, Diane
Cc: Finley, Steve (Steve.Finley@ed.gov)
Subject: FW: Candlewood - DOE Meeting -- Second Version
Attachments: Copy of Dream Center Potential Closures Report 6.5.18.xlsx

Please see attached report and outline of Kolbeck transaction:

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:22 PM
To: Sikora, Tara
Subject: RE: Candlewood - DOE Meeting -- Second Version

Just got clarification.

They want to restructure 2 main Ai's as new independent non-profit entities. Also, take over 7 additional locations:

02291300	Art Institute of Seattle (The)	2323 Elliott Avenue	Seattle	WA
02117100	Art Institute of Houston (The)	4140 Southwest Freeway	Houston	
Current additional locations for Ai Houston:				
02117102	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Austin	
		10000 West Interstate Highway		
02117104	Art Institute of Houston (The) - The Art Institute of San Antonio	10	San Antonio	

2 Locations to be added under Ai Houston:

008878	00887800	Miami International University of Art & Design	1501 Biscayne Boulevard	Miami
008878	00887805	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Tampa
008878	00887807	Miami International University of Art & Design - Art Institute Dallas	Two North Park	Dallas
008878	00887808	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	Charlotte
008878	00887809	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Durham

Main location for Atlanta and additional location Virginia Beach:

00927000	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	Atlanta	GA
00927002	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	Arlington	VA
00927003	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive	Nashville	TN
00927004	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	Charleston	SC
00927007	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Virginia Beach	VA

One additional location under Argosy:

02179947	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road	San Diego	CA
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From: Sikora, Tara
Sent: Thursday, December 20, 2018 3:48 PM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

Do you have the specific locations they are referring to? It only mentions locations specifically that they don't want.

From: Frola, Michael
Sent: Thursday, December 20, 2018 3:39 PM
To: Sikora, Tara
Subject: FW: Candlewood - DOE Meeting -- Second Version

What is funding for just the 9 Ai-locations listed in the attachment?

From: Minor, Robin
Sent: Thursday, December 20, 2018 3:37 PM
To: Frola, Michael
Subject: FW: Candlewood - DOE Meeting -- Second Version

This limits LOC to \$6.5 million, what is the Title IV funding for these locations?

From: Glass, Jonathon [mailto:jglass@cooley.com]
Sent: Thursday, December 20, 2018 3:27 PM
To: Minor, Robin; Frola, Michael
Subject: Fwd: Candlewood - DOE Meeting -- Second Version

Here you Go.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

Begin forwarded message:

From: "Glass, Jonathon" <jglass@cooley.com>
Date: December 20, 2018 at 12:09:48 PM EST
To: John Altorelli <john@aequumlaw.com>, "bryan@studioenterprise.com" <bryan@studioenterprise.com>, "cbrown@colbeck.com" <cbrown@colbeck.com>
Cc: Jason Beckman <jbeckman@colbeck.com>, "Lee Carey, Katherine" <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

With attachment this time

Jonathon C. Glass
Cooley LLP
1299 Pennsylvania Avenue, NW, Suite 700
Washington, DC 20004-2400
+1 202 776 2691 office
+1 202 842 7899 fax
+1 202 415 3302 mobile
jglass@cooley.com

www.cooley.com

www.ed.cooley.com

From: Glass, Jonathon
Sent: Thursday, December 20, 2018 12:09 PM
To: 'John Altorelli' <john@aequumlaw.com>; 'bryan@studioenterprise.com' <bryan@studioenterprise.com>; 'cbrown@colbeck.com' <cbrown@colbeck.com>
Cc: 'Jason Beckman' <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

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+1 202 415 3302 mobile
jglass@cooley.com

www.cooley.com

www.ed.cooley.com

From: John Altorelli <john@aequumlaw.com>
Sent: Thursday, December 20, 2018 8:16 AM
To: Glass, Jonathon <jglass@cooley.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleeccarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting

Thanks. I am in the conference room on my call.

From: Glass, Jonathon <jglass@cooley.com>
Sent: Thursday, December 20, 2018 8:06 AM
To: John Altorelli <john@aequumlaw.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleeccarey@cooley.com>
Subject: Re: Candlewood - DOE Meeting

Yu all should be able to sign in now. Then go to 7 and get a room.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 20, 2018, at 7:19 AM, John Altorelli <john@aequumlaw.com> wrote:

Jonathan,

We are coming to your offices to meet with Candlewood. I need to take a call at 8 am. The meeting with Candlewood starts at 9am. Is there a room or phone booth I can use? I am heading over now so could you alert the front desk. Also add Jason Beckman, Bryan Newman and Chris Brown.

Regards,
John

----- Original message -----

From: "Glass, Jonathon" <jglass@cooley.com>
Date: 12/19/18 5:26 PM (GMT-05:00)
To: Jason Beckman <jbeckman@colbeck.com>
Cc: "Lee Carey, Katherine" <kleeccarey@cooley.com>, John Altorelli <john@aequumlaw.com>
Subject: Re: Candlewood - DOE Meeting

I have to get to a meeting this evening but it would seem useful to catch up on today's ED events when you can. are your around tomorrow am at all?

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 19, 2018, at 8:51 AM, Jason Beckman <jbeckman@colbeck.com> wrote:

We will be coming by around 11am to meet with Mike Lau

Jason Beckman | Managing Partner
Colbeck Capital Management
888 Seventh Avenue | 29th Floor
New York, NY 10106
O: 212.603.2808 | M: 917.856.5920

From: Glass, Jonathon <jglass@cooley.com>
Sent: Tuesday, December 18, 2018 5:02 PM
To: Lee Carey, Katherine; Jason Beckman; John Altorelli (john@aequumlaw.com)
Subject: RE: Candlewood - DOE Meeting

All: I would be glad to meet or arrange to talk prior to your ED meetings tomorrow, while Kate is out of town. I have some familiarity w the state of play and can arrange to assist if and when useful.

Jonathon C. Glass

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www.ed.cooley.com

From: Lee Carey, Katherine <kleeccarey@cooley.com>
Sent: Tuesday, December 18, 2018 4:30 PM
To: Jason Beckman (jbeckman@colbeck.com) <jbeckman@colbeck.com>; John Altorelli (john@aequumlaw.com) <john@aequumlaw.com>
Cc: Glass, Jonathon <jglass@cooley.com>
Subject: Candlewood - DOE Meeting

Jason and John,

I heard from Mike Goldstein that you all are planning to meet with the Department of Ed tomorrow, in conjunction with Candlewood. My colleague, Jonathon Glass, is available tomorrow if you would like to have him attend with you, or meet prior to the meeting to discuss. He is copied on this email, and would be happy to talk to you all at your convenience. (His office line is 202-776-2691.)

Let me know if there is anything I can do to assist.

Katherine (Kate) Lee Carey

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www.cooley.com/services/practice/education
www.ed.cooley.com

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Yellow = Closing

OPEID6	School Name	City	ST	Total Outstanding	Borrowers	Loans	Total Title IV (2016-2017)	Accreditor	# of Locations Including Main	# of Locations Closing	# of Locations Remaining	Notes
009270	Art Institute of Atlanta (The)	Atlanta	GA	\$42,749,246	2,011	11,513	\$58,829,701	SACS	5	3	2	
020789	Art Institute of Colorado (The)	Denver	CO	\$7,856,880	371	2,055	\$8,737,824	HLC	2	2	0	
010195	Art Institute of Fort Lauderdale (The)	Fort Lauderdale	FL	\$8,083,900	349	2,177	\$10,802,557	WASC (Formerly ACICS)	3	3	0	
021171	Art Institute of Houston (The)	Houston	TX	\$33,093,898	1,571	8,912	\$40,056,875	SACS	3	0	3	
008350	Art Institute of Philadelphia (The)	Philadelphia	PA	\$12,153,385	598	3,298	\$15,127,626	Middle States	3	3	0	
040513	Art Institute of Phoenix (The)	Phoenix	AZ	\$24,629,473	1,197	7,006	\$51,169,074	WASC (Formerly ACICS)	6	5	1	Planning to close the main - will need to redesignate the remaining location for it to stay open. A redesignation will require state and accreditor approvals.
007470	Art Institute of Pittsburgh (The)	Pittsburgh	PA	\$39,368,550	1,951	10,257	\$59,384,466	Middle States	1	0	1	
007819	Art Institute of Portland (The)	Portland	OR	\$7,664,052	306	2,030	\$8,145,769	NWCCU	3	3	0	
022913	Art Institute of Seattle (The)	Seattle	WA	\$8,167,998	388	2,074	\$9,154,199	NWCCU	2	0	2	
012584	Illinois Institute of Art (The)	Chicago	IL	\$21,880,832	1,091	6,099	\$31,276,012	HLC	4	4	0	
008878	Miami International University of Art & Design	Miami	FL	\$20,497,291	1,437	5,624	\$41,763,108	SACS	5	0	5	
013039	South University	Savannah	GA	\$290,739,025	11,047	41,729	\$281,907,626	SACS	13	3	10	
021799	Argosy University	Orange	CA	\$457,735,820	13,086	57,096	\$347,861,790	WASC	32	18	14	
				\$974,620,350	35,403	159,870	\$964,216,626		82	44	38	

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Main OPEID	OPEID	Main Name
009270	00927002	Art Institute of Atlanta (The)
009270	00927003	Art Institute of Atlanta (The)
009270	00927004	Art Institute of Atlanta (The)
020789	02078900	Art Institute of Colorado (The)
020789	02078904	Art Institute of Colorado (The)
010195	01019500	Art Institute of Fort Lauderdale (The)
010195	01019501	Art Institute of Fort Lauderdale (The)
010195	01019502	Art Institute of Fort Lauderdale (The)
008350	00835000	Art Institute of Philadelphia (The)
008350	00835001	Art Institute of Philadelphia (The)
008350	00835002	Art Institute of Philadelphia (The)
040513	04051300	Art Institute of Phoenix (The)
040513	04051304	Art Institute of Phoenix (The)
040513	04051334	Art Institute of Phoenix (The)
040513	04051337	Art Institute of Phoenix (The)
040513	04051340	Art Institute of Phoenix (The)
007819	00781900	Art Institute of Portland (The)
007819	00781902	Art Institute of Portland (The)
007819	00781903	Art Institute of Portland (The)
012584	01258400	Illinois Institute of Art (The)
012584	01258401	Illinois Institute of Art (The)
012584	01258403	Illinois Institute of Art (The)
012584	01258405	Illinois Institute of Art (The)
013039	01303914	South University
013039	01303922	South University
013039	01303923	South University
021799	02179903	Argosy University
021799	02179908	Argosy University
021799	02179913	Argosy University
021799	02179914	Argosy University
021799	02179918	Argosy University
021799	02179919	Argosy University
021799	02179921	Argosy University
021799	02179929	Argosy University
021799	02179930	Argosy University
021799	02179932	Argosy University
021799	02179935	Argosy University
021799	02179938	Argosy University
021799	02179943	Argosy University
021799	02179944	Argosy University
021799	02179945	Argosy University

021799	02179947	Argosy University
021799	02179948	Argosy University
021799	02179949	Argosy University

Bold text = Main Location

Red text = Art Institute additional location under South or Argosy OPEID

Location Name
Art Institute of Atlanta (The) - Art Institute of Washington (The)
Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville
Art Institute of Atlanta (The) - The Art Institute of Charleston
Art Institute of Colorado (The)
Art Institute of Colorado (The)
Art Institute of Fort Lauderdale (The)
Art Institute of Fort Lauderdale (The) - Harbor Place Building
Art Institute of Fort Lauderdale (The) - Harbor Place Building
Art Institute of Philadelphia (The) -
Art Institute of Philadelphia (The)
Art Institute of Philadelphia (The) -
Art Institute of Phoenix (The)
Art Institute of Phoenix (The) - Art Institute of Indianapolis (The)
Art Institute of Phoenix (The) - ATS Michigan City Humane
Art Institute of Phoenix (The) - ATS N Canton Higbee
Art Institute of Phoenix (The) - The Art Institute of Vancouver
Art Institute of Portland (The)
Art Institute of Portland (The) - Industrial Design Workshop
Art Institute of Portland (The) - Culinary Arts Facility
Illinois Institute of Art (The)
Illinois Institute of Art (The) - The IL Institute of Art - Schaumburg
The Illinois Institute of Art -
Illinois Institute of Art (The) - The Art Institute of Michigan
South University - Novi
South University - Cleveland
South University - High Point
Argosy University - Washington D.C. Area
Argosy University - San Francisco Bay Area
Argosy University - Seattle
Argosy University - Nashville
Argosy University - Sarasota
Argosy University - Dallas
Argosy University - Schaumburg
Argosy University - San Diego
Argosy University - Denver
Argosy University - Inland Empire
Argosy University - Salt Lake City
Argosy University - The Art Institute of California - Hollywood
Argosy University - The Art Institute of California - San Francisco
Argosy University - The Art Institute of California - Orange County
Argosy University - The Art Institute of California - Sacramento

Argosy University - The Art Institute of California - San Diego
Argosy University - The Art Institute of California - Inland Empire
Argosy University - UT National Guard Base, SLC

Address 1	Address 2	City	State	Total Outstanding
The Ames Center	1820 North Fort Myer Drive	Arlington	VA	\$7,258,421
100 CNA Drive		Nashville	TN	\$5,717,278
24 North Market Street	The Carroll Building	Charleston	SC	\$3,775,970
1200 Lincoln Street		Denver	CO	\$7,856,880
675 South Broadway		Denver	CO	
1799 Southeast 17th Street		Fort Lauderdale	FL	\$8,083,900
1650 Southeast 17th Street		Fort Lauderdale	FL	
1600 Southeast 17th Street		Fort Lauderdale	FL	
1622 Chestnut Street		Philadelphia	PA	\$12,153,385
2300 Market Street		Philadelphia	PA	
1610 Chestnut Street		Philadelphia	PA	
2233 West Dunlap Avenue		Phoenix	AZ	\$8,553,168
3500 Depauw Boulevard		Indianapolis	IN	\$7,069,790
722 US Highway 212		Michigan City	IN	
4839 Higbee Avenue NW		Canton	OH	
2665 Renfrew Street		Vancouver		
1122 NorthWest Davis Street		Portland	OR	\$7,664,052
722 NW Couch Street		Portland	OR	
34 NW 8th Avenue		Portland	OR	
350 North Orleans Street	Suite 136-L	Chicago	IL	\$10,480,106
1000 Plaza Drive	Suite 100	Schaumburg	IL	\$4,890,250
180 North Wabash Avenue		Chicago	IL	
28175 Cabot Drive		Novi	MI	\$5,739,276
41555 Twelve Mile Road		Novi	MI	\$8,129,273
4743 Richmond Road		Warrensville Heights	OH	\$7,248,636
3975 Premier Drive		High Point	NC	\$5,594,967
1550 Wilson Boulevard	Suite 600	Arlington	VA	\$26,275,359
1005 Atlantic Avenue		Alameda	CA	\$10,260,036
2601-A Elliott Avenue		Seattle	WA	\$703,625
100 Centerview Drive	Suite 225	Nashville	TN	\$7,818,772
5250 17th Street		Sarasota	FL	\$10,579,114
5001 Lyndon B Johnson Frwy		Dallas	TX	\$7,898,058
1000 Plaza Drive		Schaumburg	IL	\$12,355,565
1615 Murray Canyon Road	Suite 100	San Diego	CA	\$4,238,132
7600 E Eastman Avenue		Denver	CO	\$4,379,968
3401 Centrelake Drive		Ontario	CA	\$9,479,710
121 Election Road	Suite 300	Draper	UT	\$3,540,748
5250 Lankershim Boulevard		North Hollywood	CA	\$10,969,759
10 United Nations Plaza		San Francisco	CA	\$4,646,684
3601 West Sunflower Avenue		Santa Ana	CA	\$7,697,967
2850 Gateway Oaks Drive	Suite 100	Sacramento	CA	\$5,681,837

7650 Mission Valley Road		San Diego	CA	\$7,333,851
674 East Brier Drive		San Bernardino	CA	\$12,314,815
765 North 2200 West		Salt Lake City	UT	
				<u>\$256,389,352</u>

Borrowers	Loans	Estimated Percent of Main	Estimated Funding (2016-2017)	Accreditor
310	1,913	17.0%	\$9,988,731	SACS
257	1,504	13.4%	\$7,867,876	SACS
211	1,055	8.8%	\$5,196,330	SACS
371	2,055	100.0%	\$8,737,824	HLC
		0.0%	\$0	HLC
349	2,177	100.0%	\$10,802,557	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
598	3,298	100.0%	\$15,127,626	Middle States
		0.0%	\$0	Middle States
		0.0%	\$0	Middle States
392	2,443	34.7%	\$17,769,673	WASC (Formerly ACICS)
366	2,056	28.7%	\$14,687,875	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
306	2,030	100.0%	\$8,145,769	NWCCU
		0.0%	\$0	NWCCU
		0.0%	\$0	NWCCU
515	2,944	47.9%	\$14,980,048	HLC
229	1,332	22.3%	\$6,990,023	HLC
		0.0%	\$0	HLC
318	1,603	26.2%	\$8,203,603	HLC
341	1,407	2.8%	\$7,882,341	SACS
329	1,321	2.5%	\$7,028,454	SACS
235	1,084	1.9%	\$5,425,016	SACS
369	1,353	5.7%	\$19,968,272	WASC
139	710	2.2%	\$7,797,237	WASC
(b)(6)	82	0.2%	\$534,728	WASC
218	789	1.7%	\$5,941,969	WASC
258	884	2.3%	\$8,039,724	WASC
299	1,067	1.7%	\$6,002,223	WASC
155	694	2.7%	\$9,389,759	WASC
111	489	0.9%	\$3,220,819	WASC
150	427	1.0%	\$3,328,609	WASC
279	1,183	2.1%	\$7,204,219	WASC
115	364	0.8%	\$2,690,834	WASC
550	3,107	2.4%	\$8,336,599	WASC
222	1,196	1.0%	\$3,531,303	WASC
302	1,967	1.7%	\$5,850,162	WASC
261	1,511	1.2%	\$4,317,980	WASC

341	1,970	1.6%	\$5,573,447	WASC
562	3,473	2.7%	\$9,358,790	WASC
		0.0%	\$0	WASC
9,469	49,488		\$259,920,418	

Green = Staying Open

Red text = From Location

Red text = Art Institute additional

For Internal FSA L Yellow = Closing location under South or Argosy OPEID

Main OPEID	OPEID	Location Name	City	State	Total Outstanding	Borrowers	Loans	Estimated Percent of Main	Estimated Funding (2016-2017)	
009270	00927000	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	Atlanta	GA	\$19,943,927	969	5,481	46.7%	\$27,445,987
009270	00927002	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	Arlington	VA	\$7,258,421	310	1,913	17.0%	\$9,988,731
009270	00927003	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive	Nashville	TN	\$5,717,278	257	1,504	13.4%	\$7,867,876
009270	00927004	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	Charleston	SC	\$3,775,970	211	1,055	8.8%	\$5,196,330
009270	00927007	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Virginia Beach	VA	\$4,840,020	216	1,263	11.3%	\$6,660,630
020789	02078900	Art Institute of Colorado (The)	1200 Lincoln Street	Denver	CO	\$7,856,880	371	2,055	100.0%	\$8,737,824
020789	02078904	Art Institute of Colorado (The)	675 South Broadway	Denver	CO				0.0%	\$0
010195	01019500	Art Institute of Fort Lauderdale (The)	1799 Southeast 17th Street	Fort Lauderdale	FL	\$8,083,900	349	2,177	100.0%	\$10,802,557
010195	01019501	Art Institute of Fort Lauderdale (The) - Harbor Place Building	1650 Southeast 17th Street	Fort Lauderdale	FL				0.0%	\$0
010195	01019502	Art Institute of Fort Lauderdale (The) - Harbor Place Building	1600 Southeast 17th Street	Fort Lauderdale	FL				0.0%	\$0
021171	02117100	Art Institute of Houston (The)	4140 Southwest Freeway	Houston	TX	\$14,804,085	751	4,085	44.7%	\$17,918,874
021171	02117102	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Austin	TX	\$8,056,956	357	2,132	24.3%	\$9,752,145
021171	02117104	Art Institute of Houston (The) - The Art Institute of San Antonio	10000 West Interstate Highway 10	San Antonio	TX	\$10,083,766	456	2,648	30.5%	\$12,205,397
008350	00835000	Art Institute of Philadelphia (The) -	1622 Chestnut Street	Philadelphia	PA	\$12,153,385	598	3,298	100.0%	\$15,127,626
008350	00835001	Art Institute of Philadelphia (The)	2300 Market Street	Philadelphia	PA				0.0%	\$0
008350	00835002	Art Institute of Philadelphia (The) -	1610 Chestnut Street	Philadelphia	PA				0.0%	\$0
040513	04051300	Art Institute of Phoenix (The)	2233 West Dunlap Avenue	Phoenix	AZ	\$8,553,168	392	2,443	34.7%	\$17,769,673
040513	04051303	Art Institute of Phoenix (The) - Art Institute of Las Vegas (The)	2350 Corporate Circle	Henderson	NV	\$8,623,775	425	2,401	35.0%	\$17,916,363
040513	04051304	Art Institute of Phoenix (The) - Art Institute of Indianapolis (The)	3500 Depauw Boulevard	Indianapolis	IN	\$7,069,790	366	2,056	28.7%	\$14,687,875
040513	04051334	Art Institute of Phoenix (The) - ATS Michigan City Humane	722 US Highway 212	Michigan City	IN				0.0%	\$0
040513	04051337	Art Institute of Phoenix (The) - ATS N Canton Higbee	4839 Higbee Avenue NW	Canton	OH				0.0%	\$0
040513	04051340	Art Institute of Phoenix (The) - The Art Institute of Vancouver	2665 Renfrew Street	Vancouver					0.0%	\$0
007470	00747000	Art Institute of Pittsburgh (The)	420 Boulevard of the Allies	Pittsburgh	PA	\$39,368,550	1,951	10,257	100.0%	\$59,384,466
007819	00781900	Art Institute of Portland (The)	1122 NorthWest Davis Street	Portland	OR	\$7,664,052	306	2,030	100.0%	\$8,145,769
007819	00781902	Art Institute of Portland (The) - Industrial Design Workshop	722 NW Couch Street	Portland	OR				0.0%	\$0
007819	00781903	Art Institute of Portland (The) - Culinary Arts Facility	34 NW 8th Avenue	Portland	OR				0.0%	\$0
022913	02291300	Art Institute of Seattle (The)	2323 Elliott Avenue	Seattle	WA	\$8,167,998	388	2,074	100.0%	\$9,154,199
022913	02291302	Art Institute of Seattle (The) -	2601 Elliott Avenue	Seattle	WA				0.0%	\$0
012584	01258400	Illinois Institute of Art (The)	350 North Orleans Street	Chicago	IL	\$10,480,106	515	2,944	47.9%	\$14,980,048
012584	01258401	Illinois Institute of Art (The) - The IL Institute of Art - Schaumburg	1000 Plaza Drive	Schaumburg	IL	\$4,890,250	229	1,332	22.3%	\$6,990,023
012584	01258403	The Illinois Institute of Art -	180 North Wabash Avenue	Chicago	IL				0.0%	\$0
012584	01258405	Illinois Institute of Art (The) - The Art Institute of Michigan	28175 Cabot Drive	Novi	MI	\$5,739,276	318	1,603	26.2%	\$8,203,603
008878	00887800	Miami International University of Art & Design	1501 Biscayne Boulevard	Miami	FL	\$8,666,634	363	2,243	42.3%	\$17,658,215
008878	00887805	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Tampa	FL	\$5,176,440	259	1,386	25.3%	\$10,546,966
008878	00887807	Miami International University of Art & Design - Art Institute Dallas	Two North Park	Dallas	TX	\$2,753,242	362	853	13.4%	\$5,609,714
008878	00887808	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	Charlotte	NC	\$1,725,267	210	520	8.4%	\$3,515,221
008878	00887809	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Durham	NC	\$2,146,176	241	610	10.5%	\$4,372,821
013039	01303900	South University	709 Mall Boulevard	Savannah	GA	\$184,702,627	6,504	22,940	63.5%	\$179,092,157
013039	01303904	South University - West Palm Beach Campus	9801 Belvedere Road	Royal Palm Beach	FL	\$13,066,691	662	2,882	4.5%	\$12,669,781
013039	01303906	South University - Montgomery	5355 Vaughn Road	Montgomery	AL	\$7,176,994	328	1,405	2.5%	\$6,958,988
013039	01303907	South University - Columbia	9 Science Court	Columbia	SC	\$25,566,857	817	3,548	8.8%	\$24,790,246
013039	01303908	South University - Tampa	4401 North Himes Avenue	Tampa	FL	\$14,507,823	673	2,328	5.0%	\$14,067,138
013039	01303909	South University - Art Institute of Atlanta	6600 Peachtree Dunwoody Road	Atlanta	GA				0.0%	\$0
013039	01303910	South University - Richmond	2151 Old Brick Road	Glenn Allen	VA	\$11,615,799	502	2,097	4.0%	\$11,262,961
013039	01303911	South University - Virginia Beach	301 Bendix Road	Virginia Beach	VA	\$7,047,058	331	1,552	2.4%	\$6,832,999
013039	01303914	South University - Novi	41555 Twelve Mile Road	Novi	MI	\$8,129,273	341	1,407	2.8%	\$7,882,341
013039	01303915	South University - Austin	1220 West Louis Henna Boulevard	Round Rock	TX	\$4,029,194	250	1,015	1.4%	\$3,906,804
013039	01303922	South University - Cleveland	4743 Richmond Road	Warrensville Heights	OH	\$7,248,636	329	1,321	2.5%	\$7,028,454
013039	01303923	South University - High Point	3975 Premier Drive	High Point	NC	\$5,594,967	235	1,084	1.9%	\$5,425,016
013039	01303926	South University - Orlando ATS	4901 Vineland Road	Orlando	FL	\$2,053,106	75	150	0.7%	\$1,990,741
021799	02179900	Argosy University	601 South Lewis Street	Orange	CA	\$47,529,115	737	3,008	10.4%	\$36,120,317
021799	02179901	Argosy University - Twin Cities	1515 Central Parkway	Eagan	MN	\$26,692,559	934	3,701	5.8%	\$20,285,328
021799	02179902	Argosy University - Atlanta	980 Hammond Drive	Atlanta	GA	\$38,484,344	924	3,001	8.4%	\$29,246,636
021799	02179903	Argosy University - Washington D.C. Area	1550 Wilson Boulevard	Arlington	VA	\$26,275,359	369	1,353	5.7%	\$19,968,272
021799	02179905	Argosy University - Hawaii	400 ASB Tower	Honolulu	HI	\$25,059,523	497	2,285	5.5%	\$19,044,283
021799	02179907	Argosy University - Phoenix	2233 West Dunlap Avenue	Phoenix	AZ	\$130,363,187	4,662	20,164	28.5%	\$99,071,057
021799	02179908	Argosy University - San Francisco Bay Area	1005 Atlantic Avenue	Alameda	CA	\$10,260,036	139	710	2.2%	\$7,797,237
021799	02179909	Argosy University - Tampa	1403 North Howard Avenue	Tampa	FL	\$19,980,604	334	1,257	4.4%	\$15,184,498
021799	02179910	Argosy University - Maui Campus	The Wright Center	Wailuku	HI				0.0%	\$0
021799	02179911	Argosy University - Hilo Campus	The Ironworks Building	Hilo	HI				0.0%	\$0
021799	02179913	Argosy University - Seattle	2601-A Elliott Avenue	Seattle	WA	\$703,625	11	82	0.2%	\$534,728
021799	02179914	Argosy University - Nashville	100 Centerview Drive	Nashville	TN	\$7,818,772	218	789	1.7%	\$5,941,969
021799	02179918	Argosy University - Sarasota	5250 17th Street	Sarasota	FL	\$10,579,114	258	884	2.3%	\$8,039,724
021799	02179919	Argosy University - Dallas	5001 Lyndon B Johnson Frwy	Dallas	TX	\$7,898,058	299	1,067	1.7%	\$6,002,223
021799	02179921	Argosy University - Schaumburg	1000 Plaza Drive	Schaumburg	IL	\$12,355,565	155	694	2.7%	\$9,389,759
021799	02179928	Argosy University - Los Angeles	5230 Pacific Concourse	Los Angeles	CA	\$8,567,941	239	1,062	1.9%	\$6,511,309
021799	02179929	Argosy University - San Diego	1615 Murray Canyon Road	San Diego	CA	\$4,238,132	111	489	0.9%	\$3,220,819
021799	02179930	Argosy University - Denver	7600 E Eastman Avenue	Denver	CO	\$4,379,968	150	427	1.0%	\$3,328,609
021799	02179932	Argosy University - Inland Empire	3401 Centrelake Drive	Ontario	CA	\$9,479,710	279	1,183	2.1%	\$7,204,219
021799	02179935	Argosy University - Salt Lake City	121 Election Road	Draper	UT	\$3,540,748	115	364	0.8%	\$2,690,834
021799	02179936	Argosy University	225 North Michigan Avenue	Chicago	IL				0.0%	\$0
021799	02179937	Argosy University - Western State University College of Law	1 Banting Drive	Irving	CA	\$12,060,501	296	610	2.6%	\$9,165,521
021799	02179938	Argosy University - The Art Institute of California - Hollywood	5250 Lankershim Boulevard	North Hollywood	CA	\$10,969,759	550	3,107	2.4%	\$8,336,599
021799	02179940	Argosy University - Ai Hollywood (The Shed)	11128 Magnolia Avenue	North Hollywood	CA				0.0%	\$0
021799	02179943	Argosy University - The Art Institute of California - San Francisco	10 United Nations Plaza	San Francisco	CA	\$4,646,684	222	1,196	1.0%	\$3,531,303
021799	02179944	Argosy University - The Art Institute of California - Orange County	3601 West Sunflower Avenue	Santa Ana	CA	\$7,697,967	302	1,967	1.7%	\$5,850,162
021799	02179945	Argosy University - The Art Institute of California - Sacramento	2850 Gateway Oaks Drive	Sacramento	CA	\$5,681,837	261	1,511	1.2%	\$4,317,980
021799	02179947	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road	San Diego	CA	\$7,333,851	341	1,970	1.6%	\$5,573,447
021799	02179948	Argosy University - The Art Institute of California - Inland Empire	674 East Brier Drive	San Bernardino	CA	\$12,314,815	562	3,473	2.7%	\$9,358,790
021799	02179949	Argosy University - UT National Guard Base, SLC	765 North 2200 West	Salt Lake City	UT				0.0%	\$0
021799	02179950	Argosy University - Phoenix ATS Chandler	1255 South Spectrum Boulevard	Chandler	AZ				0.0%	\$0
021799	02179951	Argosy University - Clay National Guard Center	1000 Halsey Avenue	Marietta	GA				0.0%	\$0
						\$969,250,111	35,182	158,446		

NSLDS QUERY MANAGEMENT FACILITY QUERIES

The results of the following queries were combined for this estimate.

--Query to Sum Outstanding Amounts for Borrowers with Enrollment Reported

```
SELECT L.SCH_BR_CODE, L.SCH_CODE
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT
, COUNT(*) LOAN_COUNT
FROM LOAN L
WHERE L.SCH_CODE IN (
'007470','007819','008350','008878',
'009270','010195','012584','013039','020789',
'021171','021799','022913','040513')
AND L.CURR_MAT_DT >= CURRENT DATE - 120 DAYS
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0
AND EXISTS (SELECT *
FROM STU_BR S
WHERE S.SCH_CODE = L.SCH_CODE
AND S.STU_NO = L.STU_NO
AND S.STU_SEQ_NO = L.STU_SEQ_NO
AND S.VAL_IND = ' '
AND ANTIC_COMPL_DT >= CURRENT DATE - 120 DAYS
AND ANTIC_COMPL_DT <> '0001-01-01'
AND ((S.ENRL_CODE IN ('F','H','Q','A','L'))
OR (S.ENRL_CODE = 'W'
AND S.EFF_DT > CURRENT DATE - 120 DAYS)))
GROUP BY L.SCH_BR_CODE, L.SCH_CODE
```

--Query to Sum Outstanding Amounts for Borrowers with Enrollment Not Yet Reported

```
SELECT L.SCH_BR_CODE, L.SCH_CODE
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT
, COUNT(*) LOAN_COUNT
FROM LOAN L
WHERE L.SCH_CODE IN (
'007470','007819','008350','008878',
'009270','010195','012584','013039','020789',
'021171','021799','022913','040513')
AND L.PER_BEG_DT >= CURRENT DATE - 120 DAYS
AND L.CURR_LOAN_STAT IN ('IA','ID')
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0
AND NOT EXISTS (SELECT *
FROM STU_BR S
WHERE S.SCH_CODE = L.SCH_CODE
AND S.STU_NO = L.STU_NO
```

```
AND S.STU_SEQ_NO = L.STU_SEQ_NO
AND S.VAL_IND = ' '
AND ((S.ENRL_CODE IN ('G','F','H','Q','A','L'))
OR (S.ENRL_CODE = 'W'
AND S.EFF_DT > CURRENT DATE - 120 DAYS))
GROUP BY L.SCH_BR_CODE, L.SCH_CODE
```

Frola, Michael

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:42 PM
To: Jones, Diane; Minor, Robin (Robin.Minor@ed.gov); Jones, Diane
Cc: Finley, Steve (Steve.Finley@ed.gov)
Subject: FW: Candlewood - DOE Meeting -- Second Version
Attachments: Copy of Dream Center Potential Closures Report 6.5.18.xlsx

Please see attached report and outline of Kolbeck transaction:

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:22 PM
To: Sikora, Tara
Subject: RE: Candlewood - DOE Meeting -- Second Version

Just got clarification.

They want to restructure 2 main Ai's as new independent non-profit entities. Also, take over 7 additional locations:

02291300	Art Institute of Seattle (The)	2323 Elliott Avenue	Seattle	WA
02117100	Art Institute of Houston (The)	4140 Southwest Freeway	Houston	
Current additional locations for Ai Houston:				
02117102	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Austin	
		10000 West Interstate Highway		
02117104	Art Institute of Houston (The) - The Art Institute of San Antonio	10	San Antonio	

2 Locations to be added under Ai Houston:

008878	00887800	Miami International University of Art & Design	1501 Biscayne Boulevard	Miami
008878	00887805	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Tampa
008878	00887807	Miami International University of Art & Design - Art Institute Dallas	Two North Park	Dallas
008878	00887808	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	Charlotte
008878	00887809	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Durham

Main location for Atlanta and additional location Virginia Beach:

00927000	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	Atlanta	GA
00927002	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	Arlington	VA
00927003	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive	Nashville	TN
00927004	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	Charleston	SC
00927007	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Virginia Beach	VA

One additional location under Argosy:

02179947	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road	San Diego	CA
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From: Sikora, Tara
Sent: Thursday, December 20, 2018 3:48 PM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

Do you have the specific locations they are referring to? It only mentions locations specifically that they don't want.

From: Frola, Michael
Sent: Thursday, December 20, 2018 3:39 PM
To: Sikora, Tara
Subject: FW: Candlewood - DOE Meeting -- Second Version

What is funding for just the 9 Ai-locations listed in the attachment?

From: Minor, Robin
Sent: Thursday, December 20, 2018 3:37 PM
To: Frola, Michael
Subject: FW: Candlewood - DOE Meeting -- Second Version

This limits LOC to \$6.5 million, what is the Title IV funding for these locations?

From: Glass, Jonathon [mailto:jglass@cooley.com]
Sent: Thursday, December 20, 2018 3:27 PM
To: Minor, Robin; Frola, Michael
Subject: Fwd: Candlewood - DOE Meeting -- Second Version

Here you Go.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

Begin forwarded message:

From: "Glass, Jonathon" <jglass@cooley.com>
Date: December 20, 2018 at 12:09:48 PM EST
To: John Altorelli <john@aequumlaw.com>, "bryan@studioenterprise.com" <bryan@studioenterprise.com>, "cbrown@colbeck.com" <cbrown@colbeck.com>
Cc: Jason Beckman <jbeckman@colbeck.com>, "Lee Carey, Katherine" <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

With attachment this time

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From: Glass, Jonathon
Sent: Thursday, December 20, 2018 12:09 PM
To: 'John Altorelli' <john@aequumlaw.com>; 'bryan@studioenterprise.com' <bryan@studioenterprise.com>; 'cbrown@colbeck.com' <cbrown@colbeck.com>
Cc: 'Jason Beckman' <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

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From: John Altorelli <john@aequumlaw.com>
Sent: Thursday, December 20, 2018 8:16 AM
To: Glass, Jonathon <jglass@cooley.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting

Thanks. I am in the conference room on my call.

From: Glass, Jonathon <jglass@cooley.com>
Sent: Thursday, December 20, 2018 8:06 AM
To: John Altorelli <john@aequumlaw.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: Re: Candlewood - DOE Meeting

Yu all should be able to sign in now. Then go to 7 and get a room.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 20, 2018, at 7:19 AM, John Altorelli <john@aequumlaw.com> wrote:

Jonathan,

We are coming to your offices to meet with Candlewood. I need to take a call at 8 am. The meeting with Candlewood starts at 9am. Is there a room or phone booth I can use? I am heading over now so could you alert the front desk. Also add Jason Beckman, Bryan Newman and Chris Brown.

Regards,
John

----- Original message -----

From: "Glass, Jonathon" <jglass@cooley.com>
Date: 12/19/18 5:26 PM (GMT-05:00)
To: Jason Beckman <jbeckman@colbeck.com>
Cc: "Lee Carey, Katherine" <kleecarey@cooley.com>, John Altorelli <john@aequumlaw.com>
Subject: Re: Candlewood - DOE Meeting

I have to get to a meeting this evening but it would seem useful to catch up on today's ED events when you can. are your around tomorrow am at all?

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 19, 2018, at 8:51 AM, Jason Beckman <jbeckman@colbeck.com> wrote:

We will be coming by around 11am to meet with Mike Lau

Jason Beckman | Managing Partner
Colbeck Capital Management
888 Seventh Avenue | 29th Floor
New York, NY 10106
O: 212.603.2808 | M: 917.856.5920

From: Glass, Jonathon <jglass@cooley.com>
Sent: Tuesday, December 18, 2018 5:02 PM
To: Lee Carey, Katherine; Jason Beckman; John Altorelli (john@aequumlaw.com)
Subject: RE: Candlewood - DOE Meeting

All: I would be glad to meet or arrange to talk prior to your ED meetings tomorrow, while Kate is out of town. I have some familiarity w the state of play and can arrange to assist if and when useful.

Jonathon C. Glass

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From: Lee Carey, Katherine <kleeccarey@cooley.com>
Sent: Tuesday, December 18, 2018 4:30 PM
To: Jason Beckman (jbeckman@colbeck.com) <jbeckman@colbeck.com>; John Altorelli (john@aequumlaw.com) <john@aequumlaw.com>
Cc: Glass, Jonathon <jglass@cooley.com>
Subject: Candlewood - DOE Meeting

Jason and John,

I heard from Mike Goldstein that you all are planning to meet with the Department of Ed tomorrow, in conjunction with Candlewood. My colleague, Jonathon Glass, is available tomorrow if you would like to have him attend with you, or meet prior to the meeting to discuss. He is copied on this email, and would be happy to talk to you all at your convenience. (His office line is 202-776-2691.)

Let me know if there is anything I can do to assist.

Katherine (Kate) Lee Carey

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Yellow = Closing

OPEID6	School Name	City	ST	Total Outstanding	Borrowers	Loans	Total Title IV (2016-2017)	Accreditor	# of Locations Including Main	# of Locations Closing	# of Locations Remaining	Notes
009270	Art Institute of Atlanta (The)	Atlanta	GA	\$42,749,246	2,011	11,513	\$58,829,701	SACS	5	3	2	
020789	Art Institute of Colorado (The)	Denver	CO	\$7,856,880	371	2,055	\$8,737,824	HLC	2	2	0	
010195	Art Institute of Fort Lauderdale (The)	Fort Lauderdale	FL	\$8,083,900	349	2,177	\$10,802,557	WASC (Formerly ACICS)	3	3	0	
021171	Art Institute of Houston (The)	Houston	TX	\$33,093,898	1,571	8,912	\$40,056,875	SACS	3	0	3	
008350	Art Institute of Philadelphia (The)	Philadelphia	PA	\$12,153,385	598	3,298	\$15,127,626	Middle States	3	3	0	
040513	Art Institute of Phoenix (The)	Phoenix	AZ	\$24,629,473	1,197	7,006	\$51,169,074	WASC (Formerly ACICS)	6	5	1	Planning to close the main - will need to redesignate the remaining location for it to stay open. A redesignation will require state and accreditor approvals.
007470	Art Institute of Pittsburgh (The)	Pittsburgh	PA	\$39,368,550	1,951	10,257	\$59,384,466	Middle States	1	0	1	
007819	Art Institute of Portland (The)	Portland	OR	\$7,664,052	306	2,030	\$8,145,769	NWCCU	3	3	0	
022913	Art Institute of Seattle (The)	Seattle	WA	\$8,167,998	388	2,074	\$9,154,199	NWCCU	2	0	2	
012584	Illinois Institute of Art (The)	Chicago	IL	\$21,880,832	1,091	6,099	\$31,276,012	HLC	4	4	0	
008878	Miami International University of Art & Design	Miami	FL	\$20,497,291	1,437	5,624	\$41,763,108	SACS	5	0	5	
013039	South University	Savannah	GA	\$290,739,025	11,047	41,729	\$281,907,626	SACS	13	3	10	
021799	Argosy University	Orange	CA	\$457,735,820	13,086	57,096	\$347,861,790	WASC	32	18	14	
				\$974,620,350	35,403	159,870	\$964,216,626		82	44	38	

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Main OPEID	OPEID	Main Name
009270	00927002	Art Institute of Atlanta (The)
009270	00927003	Art Institute of Atlanta (The)
009270	00927004	Art Institute of Atlanta (The)
020789	02078900	Art Institute of Colorado (The)
020789	02078904	Art Institute of Colorado (The)
010195	01019500	Art Institute of Fort Lauderdale (The)
010195	01019501	Art Institute of Fort Lauderdale (The)
010195	01019502	Art Institute of Fort Lauderdale (The)
008350	00835000	Art Institute of Philadelphia (The)
008350	00835001	Art Institute of Philadelphia (The)
008350	00835002	Art Institute of Philadelphia (The)
040513	04051300	Art Institute of Phoenix (The)
040513	04051304	Art Institute of Phoenix (The)
040513	04051334	Art Institute of Phoenix (The)
040513	04051337	Art Institute of Phoenix (The)
040513	04051340	Art Institute of Phoenix (The)
007819	00781900	Art Institute of Portland (The)
007819	00781902	Art Institute of Portland (The)
007819	00781903	Art Institute of Portland (The)
012584	01258400	Illinois Institute of Art (The)
012584	01258401	Illinois Institute of Art (The)
012584	01258403	Illinois Institute of Art (The)
012584	01258405	Illinois Institute of Art (The)
013039	01303914	South University
013039	01303922	South University
013039	01303923	South University
021799	02179903	Argosy University
021799	02179908	Argosy University
021799	02179913	Argosy University
021799	02179914	Argosy University
021799	02179918	Argosy University
021799	02179919	Argosy University
021799	02179921	Argosy University
021799	02179929	Argosy University
021799	02179930	Argosy University
021799	02179932	Argosy University
021799	02179935	Argosy University
021799	02179938	Argosy University
021799	02179943	Argosy University
021799	02179944	Argosy University
021799	02179945	Argosy University

021799	02179947	Argosy University
021799	02179948	Argosy University
021799	02179949	Argosy University

Bold text = Main Location

Red text = Art Institute additional location under South or Argosy OPEID

Location Name
Art Institute of Atlanta (The) - Art Institute of Washington (The)
Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville
Art Institute of Atlanta (The) - The Art Institute of Charleston
Art Institute of Colorado (The)
Art Institute of Colorado (The)
Art Institute of Fort Lauderdale (The)
Art Institute of Fort Lauderdale (The) - Harbor Place Building
Art Institute of Fort Lauderdale (The) - Harbor Place Building
Art Institute of Philadelphia (The) -
Art Institute of Philadelphia (The)
Art Institute of Philadelphia (The) -
Art Institute of Phoenix (The)
Art Institute of Phoenix (The) - Art Institute of Indianapolis (The)
Art Institute of Phoenix (The) - ATS Michigan City Humane
Art Institute of Phoenix (The) - ATS N Canton Higbee
Art Institute of Phoenix (The) - The Art Institute of Vancouver
Art Institute of Portland (The)
Art Institute of Portland (The) - Industrial Design Workshop
Art Institute of Portland (The) - Culinary Arts Facility
Illinois Institute of Art (The)
Illinois Institute of Art (The) - The IL Institute of Art - Schaumburg
The Illinois Institute of Art -
Illinois Institute of Art (The) - The Art Institute of Michigan
South University - Novi
South University - Cleveland
South University - High Point
Argosy University - Washington D.C. Area
Argosy University - San Francisco Bay Area
Argosy University - Seattle
Argosy University - Nashville
Argosy University - Sarasota
Argosy University - Dallas
Argosy University - Schaumburg
Argosy University - San Diego
Argosy University - Denver
Argosy University - Inland Empire
Argosy University - Salt Lake City
Argosy University - The Art Institute of California - Hollywood
Argosy University - The Art Institute of California - San Francisco
Argosy University - The Art Institute of California - Orange County
Argosy University - The Art Institute of California - Sacramento

Argosy University - The Art Institute of California - San Diego
Argosy University - The Art Institute of California - Inland Empire
Argosy University - UT National Guard Base, SLC

Address 1	Address 2	City	State	Total Outstanding
The Ames Center	1820 North Fort Myer Drive	Arlington	VA	\$7,258,421
100 CNA Drive		Nashville	TN	\$5,717,278
24 North Market Street	The Carroll Building	Charleston	SC	\$3,775,970
1200 Lincoln Street		Denver	CO	\$7,856,880
675 South Broadway		Denver	CO	
1799 Southeast 17th Street		Fort Lauderdale	FL	\$8,083,900
1650 Southeast 17th Street		Fort Lauderdale	FL	
1600 Southeast 17th Street		Fort Lauderdale	FL	
1622 Chestnut Street		Philadelphia	PA	\$12,153,385
2300 Market Street		Philadelphia	PA	
1610 Chestnut Street		Philadelphia	PA	
2233 West Dunlap Avenue		Phoenix	AZ	\$8,553,168
3500 Depauw Boulevard		Indianapolis	IN	\$7,069,790
722 US Highway 212		Michigan City	IN	
4839 Higbee Avenue NW		Canton	OH	
2665 Renfrew Street		Vancouver		
1122 NorthWest Davis Street		Portland	OR	\$7,664,052
722 NW Couch Street		Portland	OR	
34 NW 8th Avenue		Portland	OR	
350 North Orleans Street	Suite 136-L	Chicago	IL	\$10,480,106
1000 Plaza Drive	Suite 100	Schaumburg	IL	\$4,890,250
180 North Wabash Avenue		Chicago	IL	
28175 Cabot Drive		Novi	MI	\$5,739,276
41555 Twelve Mile Road		Novi	MI	\$8,129,273
4743 Richmond Road		Warrensville Heights	OH	\$7,248,636
3975 Premier Drive		High Point	NC	\$5,594,967
1550 Wilson Boulevard	Suite 600	Arlington	VA	\$26,275,359
1005 Atlantic Avenue		Alameda	CA	\$10,260,036
2601-A Elliott Avenue		Seattle	WA	\$703,625
100 Centerview Drive	Suite 225	Nashville	TN	\$7,818,772
5250 17th Street		Sarasota	FL	\$10,579,114
5001 Lyndon B Johnson Frwy		Dallas	TX	\$7,898,058
1000 Plaza Drive		Schaumburg	IL	\$12,355,565
1615 Murray Canyon Road	Suite 100	San Diego	CA	\$4,238,132
7600 E Eastman Avenue		Denver	CO	\$4,379,968
3401 Centrelake Drive		Ontario	CA	\$9,479,710
121 Election Road	Suite 300	Draper	UT	\$3,540,748
5250 Lankershim Boulevard		North Hollywood	CA	\$10,969,759
10 United Nations Plaza		San Francisco	CA	\$4,646,684
3601 West Sunflower Avenue		Santa Ana	CA	\$7,697,967
2850 Gateway Oaks Drive	Suite 100	Sacramento	CA	\$5,681,837

7650 Mission Valley Road		San Diego	CA	\$7,333,851
674 East Brier Drive		San Bernardino	CA	\$12,314,815
765 North 2200 West		Salt Lake City	UT	
				<u>\$256,389,352</u>

Borrowers	Loans	Estimated Percent of Main	Estimated Funding (2016-2017)	Accreditor
310	1,913	17.0%	\$9,988,731	SACS
257	1,504	13.4%	\$7,867,876	SACS
211	1,055	8.8%	\$5,196,330	SACS
371	2,055	100.0%	\$8,737,824	HLC
		0.0%	\$0	HLC
349	2,177	100.0%	\$10,802,557	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
598	3,298	100.0%	\$15,127,626	Middle States
		0.0%	\$0	Middle States
		0.0%	\$0	Middle States
392	2,443	34.7%	\$17,769,673	WASC (Formerly ACICS)
366	2,056	28.7%	\$14,687,875	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
		0.0%	\$0	WASC (Formerly ACICS)
306	2,030	100.0%	\$8,145,769	NWCCU
		0.0%	\$0	NWCCU
		0.0%	\$0	NWCCU
515	2,944	47.9%	\$14,980,048	HLC
229	1,332	22.3%	\$6,990,023	HLC
		0.0%	\$0	HLC
318	1,603	26.2%	\$8,203,603	HLC
341	1,407	2.8%	\$7,882,341	SACS
329	1,321	2.5%	\$7,028,454	SACS
235	1,084	1.9%	\$5,425,016	SACS
369	1,353	5.7%	\$19,968,272	WASC
139	710	2.2%	\$7,797,237	WASC
(b)(6)	82	0.2%	\$534,728	WASC
218	789	1.7%	\$5,941,969	WASC
258	884	2.3%	\$8,039,724	WASC
299	1,067	1.7%	\$6,002,223	WASC
155	694	2.7%	\$9,389,759	WASC
111	489	0.9%	\$3,220,819	WASC
150	427	1.0%	\$3,328,609	WASC
279	1,183	2.1%	\$7,204,219	WASC
115	364	0.8%	\$2,690,834	WASC
550	3,107	2.4%	\$8,336,599	WASC
222	1,196	1.0%	\$3,531,303	WASC
302	1,967	1.7%	\$5,850,162	WASC
261	1,511	1.2%	\$4,317,980	WASC

341	1,970	1.6%	\$5,573,447	WASC
562	3,473	2.7%	\$9,358,790	WASC
		0.0%	\$0	WASC
9,469	49,488		\$259,920,418	

Green = Staying Open

Red text = From Location

Red text = Art Institute additional

For Internal FSA L Yellow = Closing location under South or Argosy OPEID

Main OPEID	OPEID	Location Name	City	State	Total Outstanding	Borrowers	Loans	Estimated Percent of Main	Estimated Funding (2016-2017)	
009270	00927000	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	Atlanta	GA	\$19,943,927	969	5,481	46.7%	\$27,445,987
009270	00927002	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	Arlington	VA	\$7,258,421	310	1,913	17.0%	\$9,988,731
009270	00927003	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive	Nashville	TN	\$5,717,278	257	1,504	13.4%	\$7,867,876
009270	00927004	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	Charleston	SC	\$3,775,970	211	1,055	8.8%	\$5,196,330
009270	00927007	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Virginia Beach	VA	\$4,840,020	216	1,263	11.3%	\$6,660,630
020789	02078900	Art Institute of Colorado (The)	1200 Lincoln Street	Denver	CO	\$7,856,880	371	2,055	100.0%	\$8,737,824
020789	02078904	Art Institute of Colorado (The)	675 South Broadway	Denver	CO				0.0%	\$0
010195	01019500	Art Institute of Fort Lauderdale (The)	1799 Southeast 17th Street	Fort Lauderdale	FL	\$8,083,900	349	2,177	100.0%	\$10,802,557
010195	01019501	Art Institute of Fort Lauderdale (The) - Harbor Place Building	1650 Southeast 17th Street	Fort Lauderdale	FL				0.0%	\$0
010195	01019502	Art Institute of Fort Lauderdale (The) - Harbor Place Building	1600 Southeast 17th Street	Fort Lauderdale	FL				0.0%	\$0
021171	02117100	Art Institute of Houston (The)	4140 Southwest Freeway	Houston	TX	\$14,804,085	751	4,085	44.7%	\$17,918,874
021171	02117102	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Austin	TX	\$8,056,956	357	2,132	24.3%	\$9,752,145
021171	02117104	Art Institute of Houston (The) - The Art Institute of San Antonio	10000 West Interstate Highway 10	San Antonio	TX	\$10,083,766	456	2,648	30.5%	\$12,205,397
008350	00835000	Art Institute of Philadelphia (The)	1622 Chestnut Street	Philadelphia	PA	\$12,153,385	598	3,298	100.0%	\$15,127,626
008350	00835001	Art Institute of Philadelphia (The)	2300 Market Street	Philadelphia	PA				0.0%	\$0
008350	00835002	Art Institute of Philadelphia (The)	1610 Chestnut Street	Philadelphia	PA				0.0%	\$0
040513	04051300	Art Institute of Phoenix (The)	2233 West Dunlap Avenue	Phoenix	AZ	\$8,553,168	392	2,443	34.7%	\$17,769,673
040513	04051303	Art Institute of Phoenix (The) - Art Institute of Las Vegas (The)	2350 Corporate Circle	Henderson	NV	\$8,623,775	425	2,401	35.0%	\$17,916,363
040513	04051304	Art Institute of Phoenix (The) - Art Institute of Indianapolis (The)	3500 Depauw Boulevard	Indianapolis	IN	\$7,069,790	366	2,056	28.7%	\$14,687,875
040513	04051334	Art Institute of Phoenix (The) - ATS Michigan City Humane	722 US Highway 212	Michigan City	IN				0.0%	\$0
040513	04051337	Art Institute of Phoenix (The) - ATS N Canton Higbee	4839 Higbee Avenue NW	Canton	OH				0.0%	\$0
040513	04051340	Art Institute of Phoenix (The) - The Art Institute of Vancouver	2665 Renfrew Street	Vancouver					0.0%	\$0
007470	00747000	Art Institute of Pittsburgh (The)	420 Boulevard of the Allies	Pittsburgh	PA	\$39,368,550	1,951	10,257	100.0%	\$59,384,466
007819	00781900	Art Institute of Portland (The)	1122 NorthWest Davis Street	Portland	OR	\$7,664,052	306	2,030	100.0%	\$8,145,769
007819	00781902	Art Institute of Portland (The) - Industrial Design Workshop	722 NW Couch Street	Portland	OR				0.0%	\$0
007819	00781903	Art Institute of Portland (The) - Culinary Arts Facility	34 NW 8th Avenue	Portland	OR				0.0%	\$0
022913	02291300	Art Institute of Seattle (The)	2323 Elliott Avenue	Seattle	WA	\$8,167,998	388	2,074	100.0%	\$9,154,199
022913	02291302	Art Institute of Seattle (The)	2601 Elliott Avenue	Seattle	WA				0.0%	\$0
012584	01258400	Illinois Institute of Art (The)	350 North Orleans Street	Chicago	IL	\$10,480,106	515	2,944	47.9%	\$14,980,048
012584	01258401	Illinois Institute of Art (The) - The IL Institute of Art - Schaumburg	1000 Plaza Drive	Schaumburg	IL	\$4,890,250	229	1,332	22.3%	\$6,990,023
012584	01258403	The Illinois Institute of Art -	180 North Wabash Avenue	Chicago	IL				0.0%	\$0
012584	01258405	Illinois Institute of Art (The) - The Art Institute of Michigan	28175 Cabot Drive	Novi	MI	\$5,739,276	318	1,603	26.2%	\$8,203,603
008878	00887800	Miami International University of Art & Design	1501 Biscayne Boulevard	Miami	FL	\$8,666,634	363	2,243	42.3%	\$17,658,215
008878	00887805	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Tampa	FL	\$5,176,440	259	1,386	25.3%	\$10,546,966
008878	00887807	Miami International University of Art & Design - Art Institute Dallas	Two North Park	Dallas	TX	\$2,753,242	362	853	13.4%	\$5,609,714
008878	00887808	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	Charlotte	NC	\$1,725,267	210	520	8.4%	\$3,515,221
008878	00887809	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Durham	NC	\$2,146,176	241	610	10.5%	\$4,372,821
013039	01303900	South University	709 Mall Boulevard	Savannah	GA	\$184,702,627	6,504	22,940	63.5%	\$179,092,157
013039	01303904	South University - West Palm Beach Campus	9801 Belvedere Road	Royal Palm Beach	FL	\$13,066,691	662	2,882	4.5%	\$12,669,781
013039	01303906	South University - Montgomery	5355 Vaughn Road	Montgomery	AL	\$7,176,994	328	1,405	2.5%	\$6,958,988
013039	01303907	South University - Columbia	9 Science Court	Columbia	SC	\$25,566,857	817	3,548	8.8%	\$24,790,246
013039	01303908	South University - Tampa	4401 North Himes Avenue	Tampa	FL	\$14,507,823	673	2,328	5.0%	\$14,067,138
013039	01303909	South University - Art Institute of Atlanta	6600 Peachtree Dunwoody Road	Atlanta	GA				0.0%	\$0
013039	01303910	South University - Richmond	2151 Old Brick Road	Glenn Allen	VA	\$11,615,799	502	2,097	4.0%	\$11,262,961
013039	01303911	South University - Virginia Beach	301 Bendix Road	Virginia Beach	VA	\$7,047,058	331	1,552	2.4%	\$6,832,999
013039	01303914	South University - Novi	41555 Twelve Mile Road	Novi	MI	\$8,129,273	341	1,407	2.8%	\$7,882,341
013039	01303915	South University - Austin	1220 West Louis Henna Boulevard	Round Rock	TX	\$4,029,194	250	1,015	1.4%	\$3,906,804
013039	01303922	South University - Cleveland	4743 Richmond Road	Warrensville Heights	OH	\$7,248,636	329	1,321	2.5%	\$7,028,454
013039	01303923	South University - High Point	3975 Premier Drive	High Point	NC	\$5,594,967	235	1,084	1.9%	\$5,425,016
013039	01303926	South University - Orlando ATS	4901 Vineland Road	Orlando	FL	\$2,053,106	75	150	0.7%	\$1,990,741
021799	02179900	Argosy University	601 South Lewis Street	Orange	CA	\$47,529,115	737	3,008	10.4%	\$36,120,317
021799	02179901	Argosy University - Twin Cities	1515 Central Parkway	Eagan	MN	\$26,692,559	934	3,701	5.8%	\$20,285,328
021799	02179902	Argosy University - Atlanta	980 Hammond Drive	Atlanta	GA	\$38,484,344	924	3,001	8.4%	\$29,246,636
021799	02179903	Argosy University - Washington D.C. Area	1550 Wilson Boulevard	Arlington	VA	\$26,275,359	369	1,353	5.7%	\$19,968,272
021799	02179905	Argosy University - Hawaii	400 ASB Tower	Honolulu	HI	\$25,059,523	497	2,285	5.5%	\$19,044,283
021799	02179907	Argosy University - Phoenix	2233 West Dunlap Avenue	Phoenix	AZ	\$130,363,187	4,662	20,164	28.5%	\$99,071,057
021799	02179908	Argosy University - San Francisco Bay Area	1005 Atlantic Avenue	Alameda	CA	\$10,260,036	139	710	2.2%	\$7,797,237
021799	02179909	Argosy University - Tampa	1403 North Howard Avenue	Tampa	FL	\$19,980,604	334	1,257	4.4%	\$15,184,498
021799	02179910	Argosy University - Maui Campus	The Wright Center	Wailuku	HI				0.0%	\$0
021799	02179911	Argosy University - Hilo Campus	The Ironworks Building	Hilo	HI				0.0%	\$0
021799	02179913	Argosy University - Seattle	2601-A Elliott Avenue	Seattle	WA	\$703,625	11	82	0.2%	\$534,728
021799	02179914	Argosy University - Nashville	100 Centerview Drive	Nashville	TN	\$7,818,772	218	789	1.7%	\$5,941,969
021799	02179918	Argosy University - Sarasota	5250 17th Street	Sarasota	FL	\$10,579,114	258	884	2.3%	\$8,039,724
021799	02179919	Argosy University - Dallas	5001 Lyndon B Johnson Frwy	Dallas	TX	\$7,898,058	299	1,067	1.7%	\$6,002,223
021799	02179921	Argosy University - Schaumburg	1000 Plaza Drive	Schaumburg	IL	\$12,355,565	155	694	2.7%	\$9,389,759
021799	02179928	Argosy University - Los Angeles	5230 Pacific Concourse	Los Angeles	CA	\$8,567,941	239	1,062	1.9%	\$6,511,309
021799	02179929	Argosy University - San Diego	1615 Murray Canyon Road	San Diego	CA	\$4,238,132	111	489	0.9%	\$3,220,819
021799	02179930	Argosy University - Denver	7600 E Eastman Avenue	Denver	CO	\$4,379,968	150	427	1.0%	\$3,328,609
021799	02179932	Argosy University - Inland Empire	3401 Centrelake Drive	Ontario	CA	\$9,479,710	279	1,183	2.1%	\$7,204,219
021799	02179935	Argosy University - Salt Lake City	121 Election Road	Draper	UT	\$3,540,748	115	364	0.8%	\$2,690,834
021799	02179936	Argosy University	225 North Michigan Avenue	Chicago	IL				0.0%	\$0
021799	02179937	Argosy University - Western State University College of Law	1 Banting Drive	Irving	CA	\$12,060,501	296	610	2.6%	\$9,165,521
021799	02179938	Argosy University - The Art Institute of California - Hollywood	5250 Lankershim Boulevard	North Hollywood	CA	\$10,969,759	550	3,107	2.4%	\$8,336,599
021799	02179940	Argosy University - Ai Hollywood (The Shed)	11128 Magnolia Avenue	North Hollywood	CA				0.0%	\$0
021799	02179943	Argosy University - The Art Institute of California - San Francisco	10 United Nations Plaza	San Francisco	CA	\$4,646,684	222	1,196	1.0%	\$3,531,303
021799	02179944	Argosy University - The Art Institute of California - Orange County	3601 West Sunflower Avenue	Santa Ana	CA	\$7,697,967	302	1,967	1.7%	\$5,850,162
021799	02179945	Argosy University - The Art Institute of California - Sacramento	2850 Gateway Oaks Drive	Sacramento	CA	\$5,681,837	261	1,511	1.2%	\$4,317,980
021799	02179947	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road	San Diego	CA	\$7,333,851	341	1,970	1.6%	\$5,573,447
021799	02179948	Argosy University - The Art Institute of California - Inland Empire	674 East Brier Drive	San Bernardino	CA	\$12,314,815	562	3,473	2.7%	\$9,358,790
021799	02179949	Argosy University - UT National Guard Base, SLC	765 North 2200 West	Salt Lake City	UT				0.0%	\$0
021799	02179950	Argosy University - Phoenix ATS Chandler	1255 South Spectrum Boulevard	Chandler	AZ				0.0%	\$0
021799	02179951	Argosy University - Clay National Guard Center	1000 Halsey Avenue	Marietta	GA				0.0%	\$0
						\$969,250,111	35,182	158,446		

NSLDS QUERY MANAGEMENT FACILITY QUERIES

The results of the following queries were combined for this estimate.

--Query to Sum Outstanding Amounts for Borrowers with Enrollment Reported

```
SELECT L.SCH_BR_CODE, L.SCH_CODE
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT
, COUNT(*) LOAN_COUNT
FROM LOAN L
WHERE L.SCH_CODE IN (
'007470','007819','008350','008878',
'009270','010195','012584','013039','020789',
'021171','021799','022913','040513')
AND L.CURR_MAT_DT >= CURRENT DATE - 120 DAYS
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0
AND EXISTS (SELECT *
FROM STU_BR S
WHERE S.SCH_CODE = L.SCH_CODE
AND S.STU_NO = L.STU_NO
AND S.STU_SEQ_NO = L.STU_SEQ_NO
AND S.VAL_IND = ' '
AND ANTIC_COMPL_DT >= CURRENT DATE - 120 DAYS
AND ANTIC_COMPL_DT <> '0001-01-01'
AND ((S.ENRL_CODE IN ('F','H','Q','A','L'))
OR (S.ENRL_CODE = 'W'
AND S.EFF_DT > CURRENT DATE - 120 DAYS)))
GROUP BY L.SCH_BR_CODE, L.SCH_CODE
```

--Query to Sum Outstanding Amounts for Borrowers with Enrollment Not Yet Reported

```
SELECT L.SCH_BR_CODE, L.SCH_CODE
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT
, COUNT(*) LOAN_COUNT
FROM LOAN L
WHERE L.SCH_CODE IN (
'007470','007819','008350','008878',
'009270','010195','012584','013039','020789',
'021171','021799','022913','040513')
AND L.PER_BEG_DT >= CURRENT DATE - 120 DAYS
AND L.CURR_LOAN_STAT IN ('IA','ID')
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0
AND NOT EXISTS (SELECT *
FROM STU_BR S
WHERE S.SCH_CODE = L.SCH_CODE
AND S.STU_NO = L.STU_NO
```

```
AND S.STU_SEQ_NO = L.STU_SEQ_NO
AND S.VAL_IND = ' '
AND ((S.ENRL_CODE IN ('G','F','H','Q','A','L'))
OR (S.ENRL_CODE = 'W'
AND S.EFF_DT > CURRENT DATE - 120 DAYS))
GROUP BY L.SCH_BR_CODE, L.SCH_CODE
```


Finley, Steve

From: Finley, Steve
Sent: Friday, December 21, 2018 10:42 AM
To: Frola, Michael; Mangold, Donna; Jones, Diane; Minor, Robin
Subject: RE: DCEH -- accreditor approvals

(b)(5)

From: Frola, Michael
Sent: Friday, December 21, 2018 10:38 AM
To: Mangold, Donna; Jones, Diane; Minor, Robin; Finley, Steve
Subject: RE: DCEH -- accreditor approvals

You are correct. We have been flexible about the accreditor approval requirement in 600.20(h)(3)(iii) as long as the schools remain accredited and are under review after the 59th day.
-Mike

From: Mangold, Donna
Sent: Friday, December 21, 2018 10:32 AM
To: Jones, Diane; Minor, Robin; Finley, Steve; Frola, Michael
Subject: DCEH -- accreditor approvals

Diane,

(b)(5)

(b)(5)

From: Jones, Diane
Sent: Thursday, December 20, 2018 9:26 PM
To: Mangold, Donna; Minor, Robin; Finley, Steve; Frola, Michael
Subject: RE: Limiting Liability

I had a chance to consult with a couple of accreditors, and it looks like we need a bit more time because they are now

closed for the holidays (or are closing tomorrow), and even though they can have their executive councils vote outside of regular board meetings, they do need to provide time for a review after they reopen. They can follow their abbreviated process if it involves a school they know, but even then they need several weeks to review the materials and make decisions. So I don't think we can complete all of this in just a couple of weeks.

(b)(5)

Diane

From: Mangold, Donna
Sent: Thursday, December 20, 2018 7:08 PM
To: Minor, Robin; Jones, Diane; Finley, Steve; Frola, Michael
Subject: Re: Limiting Liability

(b)(5)

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Minor, Robin" <Robin.Minor@ed.gov>
Date: 12/20/18 5:29 PM (GMT-05:00)
To: "Jones, Diane" <Diane.Jones@ed.gov>, "Mangold, Donna" <Donna.Mangold@ed.gov>, "Finley, Steve" <Steve.Finley@ed.gov>, "Frola, Michael" <Michael.Frola@ed.gov>
Subject: Limiting Liability

(b)(5)

Sikora, Tara

From: Sikora, Tara
Sent: Saturday, December 22, 2018 10:48 AM
To: Jones, Diane
Cc: Mangold, Donna; Minor, Robin; Frola, Michael
Subject: Re: Thanks so much!

Thank you, Diane. I really appreciate you sending this message and I hope you have a great holiday too!

Tara

> On Dec 21, 2018, at 8:25 PM, Jones, Diane <Diane.Jones@ed.gov> wrote:

>

> Hi Tara,

> Many thanks for all of the great work you've done on the Dream Center case - your careful review of the documents has been invaluable. Thanks also for providing updated enrollment numbers and for the merged data tables today.

>

> Your work is valued and appreciated and I wanted to thank you directly!

>

> Enjoy the holiday break!

> Diane

>

> Sent from my iPhone

Finley, Steve

From: Finley, Steve
Sent: Thursday, December 27, 2018 10:06 AM
To: Jones, Diane; Minor, Robin; Frola, Michael
Cc: Mangold, Donna; Arthur, Julie; Bennett, Ron
Subject: RE: South University - Savannah (DUNS 080092869) Payments "Routed for Approval" (Ref:IN:00154282)

I am intermittently reading and responding to emails while I'm out this week.

(b)(5)

From: Jones, Diane
Sent: Wednesday, December 26, 2018 7:09 PM
To: Minor, Robin; Frola, Michael
Cc: Mangold, Donna; Finley, Steve; Arthur, Julie; Bennett, Ron
Subject: RE: South University - Savannah (DUNS 080092869) Payments "Routed for Approval" (Ref:IN:00154282)

I just responded to Dennis to explain that while the HCM2 process was initiated on the 21st, we had flagged the accounts on December 20th so that we could monitor draw downs. I've asked Dennis to explain why draws were attempted today. I did not explain the concept of a "lock box" as we discussed today, but if we are going to move in that direction, I guess we need to figure out what that means and who will manage it. I'll let you know what I hear back from Dennis about starts. (b)(5)

(b)(5)

Diane

From: Minor, Robin
Sent: Wednesday, December 26, 2018 2:38 PM
To: Frola, Michael
Cc: Mangold, Donna; Finley, Steve; Arthur, Julie; Jones, Diane; Bennett, Ron
Subject: Re: South University - Savannah (DUNS 080092869) Payments "Routed for Approval" (Ref:IN:00154282)

Eric or someone should respond that the school's leadership was notified on December 20th that they were in the process of being placed on HCM2.

On Dec 26, 2018, at 2:08 PM, Frola, Michael <Michael.Frola@ed.gov> wrote:

FYI

From: Miles, Eric

Sent: Wednesday, December 26, 2018 2:05 PM

To: Frola, Michael; Sikora, Tara

Cc: Smith, Joseph

Subject: FW: South University - Savannah (DUNS 080092869) Payments "Routed for Approval"
(Ref:IN:00154282)

It looks like South University – Savannah is trying to draw roughly \$846,701.00 as of last Friday. I'm not back in the office until Thursday but wanted to send this ASAP. I also wasn't sure who needed to be Cc'd.

Thank you,

Eric Miles

Multi-Regional and Foreign Schools Participation Division

Office: (202) 377-4095

<image003.png>

From: Winters, Christopher [<mailto:chwinters@dcedh.org>]

Sent: Wednesday, December 26, 2018 9:52 AM

To: Miles, Eric

Subject: FW: South University - Savannah (DUNS 080092869) Payments "Routed for Approval"
(Ref:IN:00154282)

Hi Eric,

I was informed that I needed to reach out to you for resolution of the below issue. Is there a reason why this flag was placed on the below payments?

<image001.png>

Let me know if you need any additional information.

Thank you,

Christopher Winters, Student Accounting Supervisor

Dream Center Education Holdings, LLC

Servicing The Art Institutes, Argosy University and South University

<image002.png>

Toll Free: 855.855.0573 x 35083

chwinters@dcedh.org

From: EDCAPS Reply <edcaps.reply@ed.gov>

Sent: Wednesday, December 26, 2018 9:35 AM

To: Winters, Christopher <chwinters@dcedh.org>

Subject: Re: South University - Savannah (DUNS 080092869) Payments "Routed for Approval"
(Ref:IN:00154282)

Hello,

These payments have a status of routed for approval which means your program office must

approve the payments before you will receive them in your bank account. It looks like this flag was placed on the below awards on 12/20/18 by Eric Miles. You will need to contact Eric Miles for further assistance; +1 (202) 377-4095, eric.miles@ed.gov.

P007A184731
P007A174731
P007A164731
P007A154731

Thank you,

Iolene Branch
G5 Hotline
US Department of Education
888-336-8930

From: chwinters@dcedh.org
Sent: Wed, Dec 26, 2018 09:27 AM
To: _edcapsuser@ed.gov;
Cc:
Subject: South University - Savannah (DUNS 080092869) Payments "Routed for Approval"
(Ref:IN:00154282)

Good morning,

Numerous payment requests submitted on December 21st were not processed in G5. They were submitted prior to the 2 P.M. deadline for receiving funds on December 21st however were not received. When can we expect to see these funds in our bank account? I assume today? Below are the control numbers for numerous payment requests that were submitted.

Let me know if any other information is needed.

Thank you,

Christopher Winters, Student Accounting Supervisor
Dream Center Education Holdings, LLC
Servicing The Art Institutes, Argosy University and South University

Toll Free: 855.855.0573 x 35083
chwinters@dcedh.org

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Finley, Steve

From: Finley, Steve
Sent: Thursday, December 27, 2018 10:52 AM
To: Mangold, Donna; Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie
Subject: RE: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION
Attachments: DSM ltr to J. Glass (re Studio)(DAJ)(Finley).docx

Nice letter. Some suggested clarifying edits on the attached.

From: Mangold, Donna
Sent: Thursday, December 27, 2018 9:00 AM
To: Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie; Finley, Steve
Subject: RE: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION

If anyone has edits, please add them to Diane's edits above.

Re: your comment:

(b)(5)

Re: specific mention of CSLDs for closing campuses – yes, I will add that – but not sure we reached a decision on whether those trail.

From: Jones, Diane
Sent: Wednesday, December 26, 2018 7:46 PM
To: Mangold, Donna; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie; Finley, Steve
Subject: RE: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION

Thanks for drafting this, Donna. I've made a couple of suggestions for you to consider based on our conversation today.

Thanks to everyone for joining the call today, and especially to those who are on leave. I appreciate the support and expertise that each of you brings to the conversation, and I can't tell you how much I enjoy working with you and learning from you. These are complicated transactions and I appreciate your willingness to teach me and guide me through the process.

Diane

From: Mangold, Donna

Sent: Wednesday, December 26, 2018 6:33 PM

To: Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie; Finley, Steve

Subject: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION

Here is my draft of the response to the Studio letter. I haven't proofed or even reviewed what I wrote, but wanted to circulate it tonight. I will tell Glass that we should have something back to him tomorrow late in the day.

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Frola, Michael

From: Frola, Michael
Sent: Thursday, December 27, 2018 11:43 AM
To: Mangold, Donna; Jones, Diane; Minor, Robin; Frola, Michael; Arthur, Julie; Finley, Steve
Cc: Puffer, Rhonda
Subject: FW: Candlewood - DOE Meeting -- Second Version
Attachments: Dream Center LOC Alloc. option.xlsx

(b)(5)

-Mike

From: Puffer, Rhonda
Sent: Thursday, December 27, 2018 11:30 AM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

(b)(5)

Let me know if you need anything else or have questions.

Rhonda

On Dec 26, 2018, at 1:15 PM, Frola, Michael <Michael.Frola@ed.gov> wrote:

Update. We need LOC amounts for all the OPEIDs for the period 7/1/17 to 6/30/18.

From: Frola, Michael
Sent: Wednesday, December 26, 2018 12:17 PM
To: Puffer, Rhonda
Subject: FW: Candlewood - DOE Meeting -- Second Version

Hi Rhonda,
I hope you had a Merry Christmas.

(b)(5)

Thanks,
Mike

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:54 PM
To: Frola, Michael (Michael.Frola@ed.gov)
Subject: FW: Candlewood - DOE Meeting -- Second Version

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:22 PM
To: Sikora, Tara
Subject: RE: Candlewood - DOE Meeting -- Second Version

Just got clarification.

They want to restructure 2 main Ai's as new independent non-profit entities. Also, take over 7 additional locations:

02291300	Art Institute of Seattle (The)	2323 Elliott Avenue	Seattle	WA
02117100	Art Institute of Houston (The)	4140 Southwest Freeway	Houston	

Current additional locations for Ai Houston:

02117102	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Austin
02117104	Art Institute of Houston (The) - The Art Institute of San Antonio	10000 West Interstate Highway 10	San Antonio

2 Locations to be added under Ai Houston:

008878	00887800	Miami International University of Art & Design	1501 Biscayne Boulevard	Miami
008878	00887805	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Tampa
008878	00887807	Miami International University of Art & Design - Art Institute Dallas	Two North Park	Dallas
008878	00887808	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	Charlotte
008878	00887809	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Durham

Main location for Atlanta and additional location Virginia Beach:

00927000	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	Atlanta	GA
00927002	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	Arlington	VA
00927003	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive	Nashville	TN
00927004	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	Charleston	SC
00927007	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Virginia Beach	VA

One additional location under Argosy:

02179947	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road	San Diego	CA
----------	---	--------------------------	-----------	----

From: Sikora, Tara
Sent: Thursday, December 20, 2018 3:48 PM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

Do you have the specific locations they are referring to? It only mentions locations specifically that they don't want.

From: Frola, Michael
Sent: Thursday, December 20, 2018 3:39 PM
To: Sikora, Tara
Subject: FW: Candlewood - DOE Meeting -- Second Version

What is funding for just the 9 Ai-locations listed in the attachment?

From: Minor, Robin
Sent: Thursday, December 20, 2018 3:37 PM
To: Frola, Michael
Subject: FW: Candlewood - DOE Meeting -- Second Version

This limits LOC to \$6.5 million, what is the Title IV funding for these locations?

From: Glass, Jonathon [<mailto:jglass@cooley.com>]
Sent: Thursday, December 20, 2018 3:27 PM
To: Minor, Robin; Frola, Michael
Subject: Fwd: Candlewood - DOE Meeting -- Second Version

Here you Go.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

Begin forwarded message:

From: "Glass, Jonathon" <jglass@cooley.com>
Date: December 20, 2018 at 12:09:48 PM EST
To: John Altorelli <john@aequumlaw.com>, "bryan@studioenterprise.com" <bryan@studioenterprise.com>, "cbrown@colbeck.com" <cbrown@colbeck.com>
Cc: Jason Beckman <jbeckman@colbeck.com>, "Lee Carey, Katherine" <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

With attachment this time

Jonathon C. Glass
Cooley LLP
1299 Pennsylvania Avenue, NW, Suite 700
Washington, DC 20004-2400

+1 202 776 2691 office
+1 202 842 7899 fax
+1 202 415 3302 mobile
jglass@cooley.com

www.cooley.com

www.ed.cooley.com

From: Glass, Jonathon
Sent: Thursday, December 20, 2018 12:09 PM
To: 'John Altorelli' <john@aequumlaw.com>; 'bryan@studioenterprise.com' <bryan@studioenterprise.com>; 'cbrown@colbeck.com' <cbrown@colbeck.com>
Cc: 'Jason Beckman' <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

Jonathon C. Glass

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+1 202 842 7899 fax
+1 202 415 3302 mobile
jglass@cooley.com

www.cooley.com

www.ed.cooley.com

From: John Altorelli <john@aequumlaw.com>
Sent: Thursday, December 20, 2018 8:16 AM
To: Glass, Jonathon <jglass@cooley.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting

Thanks. I am in the conference room on my call.

From: Glass, Jonathon <jglass@cooley.com>
Sent: Thursday, December 20, 2018 8:06 AM
To: John Altorelli <john@aequumlaw.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: Re: Candlewood - DOE Meeting

Yu all should be able to sign in now. Then go to 7 and get a room.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 20, 2018, at 7:19 AM, John Altorelli <john@aequumlaw.com> wrote:

Jonathan,

We are coming to your offices to meet with Candlewood. I need to take a call at 8 am. The meeting with Candlewood starts at 9am. Is there a room or phone booth I can use? I am heading over now so could you alert the front desk. Also add Jason Beckman, Bryan Newman and Chris Brown.

Regards,
John

----- Original message -----

From: "Glass, Jonathon" <jpglass@cooley.com>
Date: 12/19/18 5:26 PM (GMT-05:00)
To: Jason Beckman <jbeckman@colbeck.com>
Cc: "Lee Carey, Katherine" <kleeccarey@cooley.com>, John Altorelli <john@aequumlaw.com>
Subject: Re: Candlewood - DOE Meeting

I have to get to a meeting this evening but it would seem useful to catch up on today's ED events when you can. are you around tomorrow am at all?

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 19, 2018, at 8:51 AM, Jason Beckman <jbeckman@colbeck.com> wrote:

We will be coming by around 11am to meet with Mike Lau

Jason Beckman | Managing Partner
Colbeck Capital Management
888 Seventh Avenue | 29th Floor
New York, NY 10106
O: 212.603.2808 | M: 917.856.5920

From: Glass, Jonathon <jpglass@cooley.com>
Sent: Tuesday, December 18, 2018 5:02 PM
To: Lee Carey, Katherine; Jason Beckman; John Altorelli (john@aequumlaw.com)
Subject: RE: Candlewood - DOE Meeting

All: I would be glad to meet or arrange to talk prior to your ED meetings tomorrow, while Kate is out of town. I have some familiarity w the state of play and can arrange to assist if and when useful.

Jonathon C. Glass

Cooley LLP
1299 Pennsylvania Avenue, NW, Suite 700
Washington, DC 20004-2400
+1 202 776 2691 office
+1 202 842 7899 fax
+1 202 415 3302 mobile
jpglass@cooley.com

www.cooley.com

www.ed.cooley.com

From: Lee Carey, Katherine <kleeccarey@cooley.com>
Sent: Tuesday, December 18, 2018 4:30 PM
To: Jason Beckman (jbeckman@colbeck.com) <jbeckman@colbeck.com>; John Altorelli (john@aequumlaw.com) <john@aequumlaw.com>
Cc: Glass, Jonathon <jpglass@cooley.com>
Subject: Candlewood - DOE Meeting

Jason and John,

I heard from Mike Goldstein that you all are planning to meet with the Department of Ed tomorrow, in conjunction with Candlewood. My colleague, Jonathon Glass, is available tomorrow if you would like to have him attend with you, or meet prior to the meeting to discuss. He is copied on this email, and would be happy to talk to you all at your convenience. (His office line is 202-776-2691.)

Let me know if there is anything I can do to assist.

Katherine (Kate) Lee Carey

Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121-1909
+1 858 550 6089 office
+1 858 550 6420 fax
kleeccarey@cooley.com
www.cooley.com/people/katherine-lee-carey
www.cooley.com/services/practice/education
www.ed.cooley.com

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14,383,753	100.00%	26,504,263	100.00%	20,632,851	100.00%	78,378,262	100.00%	7,367,262	100.00%	147,266,391	14,726,639	10%
6,489,374	45.12%	18,051,788	68.11%	20,632,851	100.00%	1,506,430	1.92%	7,367,262	100.00%	54,047,706	5,404,771	
7,893,804	54.88%	8,452,209	31.89%			76,873,399	98.08%			93,219,412	9,321,941	

Miami Inte	00887800	127	Art Institut	00927000	243	Art Institut	02117100	184	Argosy Uni	02179900	169	Art Institut	02291300	112
Art Institut	00887805	67	Art Institut	00927002	53	Art Institut	02117102	83	Argosy Uni	02179901	399			
Art Institut	00887807	120	Art Institut	00927003	38	Art Institut	02117104	111	Argosy Uni	02179902	456			
Art Institut	00887808	58	Art Institut	00927004	49			378	Argosy Uni	02179903	220			
Art Institut	00887809	58	Art Institut	00927007	56				Argosy Uni	02179905	230			
		430			439				Argosy Uni	02179907	1096			
									Argosy Uni	02179908	50			
									Argosy Uni	02179909	385			
									Argosy Uni	02179913	4			
									Argosy Uni	02179914	43			
									Argosy Uni	02179918	84			
									Argosy Uni	02179919	55			
									Argosy Uni	02179921	76			
									Argosy Uni	02179928	85			
									Argosy Uni	02179929	30			
									Argosy Uni	02179930	50			
									Argosy Uni	02179932	78			
									Argosy Uni	02179935	34			
									Argosy Uni	02179936	236			
									Western S	02179937	434			
									Art Institut	02179938	120			
									Art Institut	02179943	56			
									Art Institut	02179944	76			
									Art Institut	02179945	53			
									Art Institut	02179947	86			
									Art Institut	02179948	118			
											4473			

OPE ID	Total	10%	% of Total
887800	14,383,753	1,438,375	0.03
747000	39,868,703	3,986,870	0.09
781900	5,786,802	578,680	0.01
835000	9,750,399	975,040	0.02
927000	26,504,263	2,650,426	0.06
1019500	7,252,436	725,244	0.02
1258400	13,920,362	1,392,036	0.03
1303900	20,623,244	2,062,324	0.06
2078900	5,795,698	579,570	0.01
2117100	20,632,851	2,063,285	0.05
2179900	78,378,262	7,837,826	0.17
2291300	7,367,262	736,726	0.02
4051300	14,794,500	1,479,450	0.03
	449,088,846	44,908,885	

* Allocation based on student roster submitted for November. Included all students since withdrawal students would be eligible for closed school discharges.
 * Could not use COD funding as it is higher than actual draws.
 * GS not separate by location.

South Univ	01303900	1157
South Univ	01303904	316
South Univ	01303906	172
South Univ	01303907	324
South Univ	01303908	294
South Univ	01303910	231
South Univ	01303911	187
South Univ	01303914	138
South Univ	01303915	142
South Univ	01303922	105
South Univ	01303923	73
South Univ	01303926	45

Frola, Michael

From: Frola, Michael
Sent: Thursday, December 27, 2018 11:43 AM
To: Mangold, Donna; Jones, Diane; Minor, Robin; Frola, Michael; Arthur, Julie; Finley, Steve
Cc: Puffer, Rhonda (Rhonda.Puffer@ed.gov)
Subject: FW: Candlewood - DOE Meeting -- Second Version
Attachments: ATP Scan In Progress.msg

(b)(5)

-Mike

From: Puffer, Rhonda
Sent: Thursday, December 27, 2018 11:30 AM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

(b)(5)

Let me know if you need anything else or have questions.

Rhonda

On Dec 26, 2018, at 1:15 PM, Frola, Michael <Michael.Frola@ed.gov> wrote:

Update. We need LOC amounts for all the OPEIDs for the period 7/1/17 to 6/30/18.

From: Frola, Michael
Sent: Wednesday, December 26, 2018 12:17 PM
To: Puffer, Rhonda
Subject: FW: Candlewood - DOE Meeting -- Second Version

Hi Rhonda,
I hope you had a Merry Christmas.

(b)(5)

Thanks,
Mike

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:54 PM
To: Frola, Michael (Michael.Frola@ed.gov)
Subject: FW: Candlewood - DOE Meeting -- Second Version

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:22 PM
To: Sikora, Tara
Subject: RE: Candlewood - DOE Meeting -- Second Version

Just got clarification.

They want to restructure 2 main Ai's as new independent non-profit entities. Also, take over 7 additional locations:

02291300	Art Institute of Seattle (The)	2323 Elliott Avenue	Seattle	WA
02117100	Art Institute of Houston (The)	4140 Southwest Freeway	Houston	

Current additional locations for Ai Houston:

02117102	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Austin
02117104	Art Institute of Houston (The) - The Art Institute of San Antonio	10000 West Interstate Highway 10	San Antonio

2 Locations to be added under Ai Houston:

008878	00887800	Miami International University of Art & Design	1501 Biscayne Boulevard	Miami
008878	00887805	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Tampa
008878	00887807	Miami International University of Art & Design - Art Institute Dallas	Two North Park	Dallas
008878	00887808	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	Charlotte
008878	00887809	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Durham

Main location for Atlanta and additional location Virginia Beach:

00927000	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	Atlanta	GA
00927002	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	Arlington	VA
00927003	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive	Nashville	TN
00927004	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	Charleston	SC
00927007	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Virginia Beach	VA

One additional location under Argosy:

02179947	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road	San Diego	CA
----------	---	--------------------------	-----------	----

From: Sikora, Tara
Sent: Thursday, December 20, 2018 3:48 PM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

Do you have the specific locations they are referring to? It only mentions locations specifically that they don't want.

From: Frola, Michael
Sent: Thursday, December 20, 2018 3:39 PM
To: Sikora, Tara
Subject: FW: Candlewood - DOE Meeting -- Second Version

What is funding for just the 9 Ai-locations listed in the attachment?

From: Minor, Robin
Sent: Thursday, December 20, 2018 3:37 PM
To: Frola, Michael
Subject: FW: Candlewood - DOE Meeting -- Second Version

This limits LOC to \$6.5 million, what is the Title IV funding for these locations?

From: Glass, Jonathon [<mailto:jglass@cooley.com>]
Sent: Thursday, December 20, 2018 3:27 PM
To: Minor, Robin; Frola, Michael
Subject: Fwd: Candlewood - DOE Meeting -- Second Version

Here you Go.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

Begin forwarded message:

From: "Glass, Jonathon" <jglass@cooley.com>
Date: December 20, 2018 at 12:09:48 PM EST
To: John Altorelli <john@aequumlaw.com>, "bryan@studioenterprise.com" <bryan@studioenterprise.com>, "cbrown@colbeck.com" <cbrown@colbeck.com>
Cc: Jason Beckman <jbeckman@colbeck.com>, "Lee Carey, Katherine" <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

With attachment this time

Jonathon C. Glass
Cooley LLP
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Washington, DC 20004-2400

+1 202 776 2691 office
+1 202 842 7899 fax
+1 202 415 3302 mobile
jglass@cooley.com

www.cooley.com

www.ed.cooley.com

From: Glass, Jonathon
Sent: Thursday, December 20, 2018 12:09 PM
To: 'John Altorelli' <john@aequumlaw.com>; 'bryan@studioenterprise.com' <bryan@studioenterprise.com>; 'cbrown@colbeck.com' <cbrown@colbeck.com>
Cc: 'Jason Beckman' <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

Jonathon C. Glass

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jglass@cooley.com

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From: John Altorelli <john@aequumlaw.com>
Sent: Thursday, December 20, 2018 8:16 AM
To: Glass, Jonathon <jglass@cooley.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting

Thanks. I am in the conference room on my call.

From: Glass, Jonathon <jglass@cooley.com>
Sent: Thursday, December 20, 2018 8:06 AM
To: John Altorelli <john@aequumlaw.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: Re: Candlewood - DOE Meeting

Yu all should be able to sign in now. Then go to 7 and get a room.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 20, 2018, at 7:19 AM, John Altorelli <john@aequumlaw.com> wrote:

Jonathan,

We are coming to your offices to meet with Candlewood. I need to take a call at 8 am. The meeting with Candlewood starts at 9am. Is there a room or phone booth I can use? I am heading over now so could you alert the front desk. Also add Jason Beckman, Bryan Newman and Chris Brown.

Regards,
John

----- Original message -----

From: "Glass, Jonathon" <jpglass@cooley.com>
Date: 12/19/18 5:26 PM (GMT-05:00)
To: Jason Beckman <jbeckman@colbeck.com>
Cc: "Lee Carey, Katherine" <kleeccarey@cooley.com>, John Altorelli <john@aequumlaw.com>
Subject: Re: Candlewood - DOE Meeting

I have to get to a meeting this evening but it would seem useful to catch up on today's ED events when you can. are you around tomorrow am at all?

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 19, 2018, at 8:51 AM, Jason Beckman <jbeckman@colbeck.com> wrote:

We will be coming by around 11am to meet with Mike Lau

Jason Beckman | Managing Partner
Colbeck Capital Management
888 Seventh Avenue | 29th Floor
New York, NY 10106
O: 212.603.2808 | M: 917.856.5920

From: Glass, Jonathon <jpglass@cooley.com>
Sent: Tuesday, December 18, 2018 5:02 PM
To: Lee Carey, Katherine; Jason Beckman; John Altorelli (john@aequumlaw.com)
Subject: RE: Candlewood - DOE Meeting

All: I would be glad to meet or arrange to talk prior to your ED meetings tomorrow, while Kate is out of town. I have some familiarity w the state of play and can arrange to assist if and when useful.

Jonathon C. Glass

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From: Lee Carey, Katherine <kleeccarey@cooley.com>
Sent: Tuesday, December 18, 2018 4:30 PM
To: Jason Beckman (jbeckman@colbeck.com) <jbeckman@colbeck.com>; John Altorelli (john@aequumlaw.com) <john@aequumlaw.com>
Cc: Glass, Jonathon <jpglass@cooley.com>
Subject: Candlewood - DOE Meeting

Jason and John,

I heard from Mike Goldstein that you all are planning to meet with the Department of Ed tomorrow, in conjunction with Candlewood. My colleague, Jonathon Glass, is available tomorrow if you would like to have him attend with you, or meet prior to the meeting to discuss. He is copied on this email, and would be happy to talk to you all at your convenience. (His office line is 202-776-2691.)

Let me know if there is anything I can do to assist.

Katherine (Kate) Lee Carey

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+1 858 550 6420 fax
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www.cooley.com/services/practice/education
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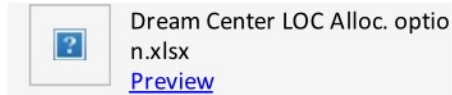
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ATP Dynamic Delivery

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Once we complete the scan for the message this message will be replaced with either the attachments where the attachment scan verdict is clean, or with an unsafe attachment blocked message.

[Learn more about Advanced Threat Protection and previewable supported file types...](#)

Mangold, Donna

From: Mangold, Donna
Sent: Thursday, December 27, 2018 12:48 PM
To: Minor, Robin
Cc: Finley, Steve; Jones, Diane; Frola, Michael; Bennett, Ron; Arthur, Julie
Subject: RE: DCEH - Cooley escrow letter
Attachments: DCEH - Cooley Escrow Letter-1356372 (003)(ED edits 2).docx

Robin, (b)(5)

The Cooley escrow letter is different (attached with Steve's edits).

From: Minor, Robin
Sent: Thursday, December 27, 2018 12:36 PM
To: Mangold, Donna
Cc: Finley, Steve; Jones, Diane; Frola, Michael; Bennett, Ron; Arthur, Julie
Subject: Re: DCEH - Cooley escrow letter

(b)(5) looks good to go from me.

On Dec 27, 2018, at 11:55 AM, Mangold, Donna <Donna.Mangold@ed.gov> wrote:

I will wait until 1 pm to see if anyone else has edits, and then I will send back to Mike G.

From: Finley, Steve
Sent: Thursday, December 27, 2018 11:45 AM
To: Mangold, Donna
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Bennett, Ron; Arthur, Julie
Subject: RE: DCEH - Cooley escrow letter

A few clarifying edits are on the attached (b)(5)

(b)(5)

I am going offline until mid-afternoon, but will check in later.

From: Mangold, Donna
Sent: Thursday, December 27, 2018 11:03 AM
To: Finley, Steve
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Bennett, Ron; Arthur, Julie
Subject: DCEH - Cooley escrow letter

Steve, thanks for checking in periodically. Can you please take a look and let me know if you have any edits so I can return to Mike G. later today.

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

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(b)(5)

of the Freedom of Information and Privacy Act

Mangold, Donna

From: Mangold, Donna
Sent: Thursday, December 27, 2018 12:59 PM
To: Frola, Michael; Jones, Diane; Minor, Robin; Arthur, Julie; Finley, Steve
Subject: DCEH remaining LOC balance and uses of funds
Attachments: RE: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION.msg
Importance: High

(b)(5)

From: Puffer, Rhonda
Sent: Thursday, December 27, 2018 12:19 PM
To: Mangold, Donna; Frola, Michael; Jones, Diane; Minor, Robin; Arthur, Julie; Finley, Steve
Subject: RE: Candlewood - DOE Meeting -- Second Version

Donna-

I think this is what you are asking for. Please let know if you need something else.

Rhonda

(b)(5)

(b)(5)

From: Mangold, Donna
Sent: Thursday, December 27, 2018 10:51 AM
To: Frola, Michael; Jones, Diane; Minor, Robin; Arthur, Julie; Finley, Steve
Cc: Puffer, Rhonda
Subject: RE: Candlewood - DOE Meeting -- Second Version

(b)(5)

From: Frola, Michael
Sent: Thursday, December 27, 2018 11:43 AM
To: Mangold, Donna; Jones, Diane; Minor, Robin; Frola, Michael; Arthur, Julie; Finley, Steve
Cc: Puffer, Rhonda
Subject: FW: Candlewood - DOE Meeting -- Second Version

(b)(5)

-Mike

From: Puffer, Rhonda
Sent: Thursday, December 27, 2018 11:30 AM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

(b)(5)

Let me know if you need anything else or have questions.

Rhonda

On Dec 26, 2018, at 1:15 PM, Frola, Michael <Michael.Frola@ed.gov> wrote:

Update. We need LOC amounts for all the OPEIDs for the period 7/1/17 to 6/30/18.

From: Frola, Michael
Sent: Wednesday, December 26, 2018 12:17 PM
To: Puffer, Rhonda

Subject: FW: Candlewood - DOE Meeting -- Second Version

Hi Rhonda,
I hope you had a Merry Christmas.

(b)(5)

Thanks,
Mike

From: Frola, Michael
Sent: Thursday, December 20, 2018 4:54 PM
To: Frola, Michael (Michael.Frola@ed.gov)
Subject: FW: Candlewood - DOE Meeting -- Second Version

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Sent: Thursday, December 20, 2018 4:22 PM
To: Sikora, Tara
Subject: RE: Candlewood - DOE Meeting -- Second Version

Just got clarification.

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One additional location under Argosy:

02179947	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road	San Diego	CA
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From: Sikora, Tara
Sent: Thursday, December 20, 2018 3:48 PM
To: Frola, Michael
Subject: RE: Candlewood - DOE Meeting -- Second Version

Do you have the specific locations they are referring to? It only mentions locations specifically that they don't want.

From: Frola, Michael
Sent: Thursday, December 20, 2018 3:39 PM
To: Sikora, Tara
Subject: FW: Candlewood - DOE Meeting -- Second Version

What is funding for just the 9 Ai-locations listed in the attachment?

From: Minor, Robin
Sent: Thursday, December 20, 2018 3:37 PM
To: Frola, Michael
Subject: FW: Candlewood - DOE Meeting -- Second Version

This limits LOC to \$6.5 million, what is the Title IV funding for these locations?

From: Glass, Jonathon [<mailto:jglass@cooley.com>]
Sent: Thursday, December 20, 2018 3:27 PM
To: Minor, Robin; Frola, Michael
Subject: Fwd: Candlewood - DOE Meeting -- Second Version

Here you Go.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

Begin forwarded message:

From: "Glass, Jonathon" <jglass@cooley.com>
Date: December 20, 2018 at 12:09:48 PM EST
To: John Altorelli <john@aequumlaw.com>, "bryan@studioenterprise.com" <bryan@studioenterprise.com>, "cbrown@colbeck.com" <cbrown@colbeck.com>
Cc: Jason Beckman <jbeckman@colbeck.com>, "Lee Carey, Katherine" <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

With attachment this time

Jonathon C. Glass

Cooley LLP
1299 Pennsylvania Avenue, NW, Suite 700
Washington, DC 20004-2400
+1 202 776 2691 office
+1 202 842 7899 fax
+1 202 415 3302 mobile
jglass@cooley.com

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From: Glass, Jonathon
Sent: Thursday, December 20, 2018 12:09 PM
To: 'John Altorelli' <john@aequumlaw.com>; 'bryan@studioenterprise.com' <bryan@studioenterprise.com>; 'cbrown@colbeck.com' <cbrown@colbeck.com>
Cc: 'Jason Beckman' <jbeckman@colbeck.com>; Lee Carey, Katherine <kleecarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting -- Second Version

Jonathon C. Glass

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jglass@cooley.com

www.cooley.com

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From: John Altorelli <john@aequumlaw.com>

Sent: Thursday, December 20, 2018 8:16 AM
To: Glass, Jonathon <[jglass@cooley.com](mailto:glass@cooley.com)>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleeccarey@cooley.com>
Subject: RE: Candlewood - DOE Meeting

Thanks. I am in the conference room on my call.

From: Glass, Jonathon <[jglass@cooley.com](mailto:glass@cooley.com)>
Sent: Thursday, December 20, 2018 8:06 AM
To: John Altorelli <john@aequumlaw.com>
Cc: Jason Beckman <jbeckman@colbeck.com>; Lee Carey, Katherine <kleeccarey@cooley.com>
Subject: Re: Candlewood - DOE Meeting

Yu all should be able to sign in now. Then go to 7 and get a room.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 20, 2018, at 7:19 AM, John Altorelli <john@aequumlaw.com> wrote:

Jonathan,

We are coming to your offices to meet with Candlewood. I need to take a call at 8 am. The meeting with Candlewood starts at 9am. Is there a room or phone booth I can use? I am heading over now so could you alert the front desk. Also add Jason Beckman, Bryan Newman and Chris Brown.

Regards,
John

----- Original message -----

From: "Glass, Jonathon" <[jglass@cooley.com](mailto:glass@cooley.com)>
Date: 12/19/18 5:26 PM (GMT-05:00)
To: Jason Beckman <jbeckman@colbeck.com>
Cc: "Lee Carey, Katherine" <kleeccarey@cooley.com>, John Altorelli <john@aequumlaw.com>
Subject: Re: Candlewood - DOE Meeting

I have to get to a meeting this evening but it would seem useful to catch up on today's ED events when you can. are you around tomorrow am at all?

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 19, 2018, at 8:51 AM, Jason Beckman <jbeckman@colbeck.com> wrote:

We will be coming by around 11am to meet with Mike Lau

Jason Beckman | Managing Partner
Colbeck Capital Management
888 Seventh Avenue | 29th Floor
New York, NY 10106
O: 212.603.2808 | M: 917.856.5920

From: Glass, Jonathon <[jglass@cooley.com](mailto:glass@cooley.com)>
Sent: Tuesday, December 18, 2018 5:02 PM
To: Lee Carey, Katherine; Jason Beckman; John Altorelli (john@aequumlaw.com)
Subject: RE: Candlewood - DOE Meeting

All: I would be glad to meet or arrange to talk prior to your ED meetings tomorrow, while Kate is out of town. I have some familiarity w the state of play and can arrange to assist if and when useful.

Jonathon C. Glass
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From: Lee Carey, Katherine <kleeccarey@cooley.com>
Sent: Tuesday, December 18, 2018 4:30 PM
To: Jason Beckman (jbeckman@colbeck.com) <jbeckman@colbeck.com>; John Altorelli (john@aequumlaw.com) <john@aequumlaw.com>
Cc: Glass, Jonathon <jglass@cooley.com>
Subject: Candlewood - DOE Meeting

Jason and John,

I heard from Mike Goldstein that you all are planning to meet with the Department of Ed tomorrow, in conjunction with Candlewood. My colleague, Jonathon Glass, is available tomorrow if you would like to have him attend with you, or meet prior to the meeting to discuss. He is copied on this email, and would be happy to talk to you all at your convenience. (His office line is 202-776-2691.)

Let me know if there is anything I can do to assist.

Katherine (Kate) Lee Carey

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Mangold, Donna

From: Mangold, Donna
Sent: Thursday, December 27, 2018 9:00 AM
To: Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie; Finley, Steve
Subject: RE: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION
Attachments: DSM ltr to J. Glass (re Studio)(DAJ).docx

If anyone has edits, please add them to Diane's edits above.

Re: your comment:

(b)(5)

(b)(5)

From: Jones, Diane
Sent: Wednesday, December 26, 2018 7:46 PM
To: Mangold, Donna; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie; Finley, Steve
Subject: RE: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION

Thanks for drafting this, Donna. I've made a couple of suggestions for you to consider based on our conversation today.

Thanks to everyone for joining the call today, and especially to those who are on leave. I appreciate the support and expertise that each of you brings to the conversation, and I can't tell you how much I enjoy working with you and learning from you. These are complicated transactions and I appreciate your willingness to teach me and guide me through the process.

Diane

From: Mangold, Donna
Sent: Wednesday, December 26, 2018 6:33 PM
To: Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie; Finley, Steve
Subject: DCEH - Studio Proposal -- ATTORNEY CLIENT COMMUNICATION

Here is my draft of the response to the Studio letter. I haven't proofed or even reviewed what I wrote, but wanted to circulate it tonight. I will tell Glass that we should have something back to him tomorrow late in the day.

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Frola, Michael

From: Frola, Michael
Sent: Friday, December 28, 2018 9:15 AM
To: Bennett, Ron; Jones, Diane; Mangold, Donna; Minor, Robin; Finley, Steve
Subject: RE: Dream Center - Interim Framework Agreement/AI Proposal

I'm available at 2:00 today.

From: Bennett, Ron
Sent: Friday, December 28, 2018 9:15 AM
To: Jones, Diane; Mangold, Donna; Frola, Michael; Minor, Robin; Finley, Steve
Subject: RE: Dream Center - Interim Framework Agreement/AI Proposal

I'm available then

From: Jones, Diane
Sent: Friday, December 28, 2018 9:14 AM
To: Mangold, Donna; Frola, Michael; Minor, Robin; Finley, Steve; Bennett, Ron
Subject: FW: Dream Center - Interim Framework Agreement/AI Proposal

So much for a holiday break. I think we need to get back on the phone with this group at 2pm to talk through the new proposal. How many of you could be available then – or if you can't be available, do you have someone from your team who could be? I'm so sorry to ask for another call and I understand if people can't participate.
Diane

From: Mangold, Donna
Sent: Friday, December 28, 2018 8:33 AM
To: Glass, Jonathon
Cc: Lee Carey, Katherine; Jones, Diane; Bryan Newman; Mike.Lau@candlewoodgroup.com; Goldstein, Mike
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

We would also like FSA to participate, so 2pm will give us a chance to find out who might be available because of leave schedules.

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Glass, Jonathon" <jglass@cooley.com>
Date: 12/28/18 8:14 AM (GMT-05:00)
To: "Mangold, Donna" <Donna.Mangold@ed.gov>
Cc: "Lee Carey, Katherine" <kleecarey@cooley.com>, "Jones, Diane" <Diane.Jones@ed.gov>, Bryan Newman <bnewman@studioenterprise.com>, Mike.Lau@candlewoodgroup.com, "Goldstein, Mike" <mgoldstein@cooley.com>
Subject: RE: Dream Center - Interim Framework Agreement/AI Proposal

Donna and All: Thanks for the offer of the call. Based on the other emails and recent questions about the structure, Studio believes that a phone call would be very helpful. It would also be helpful to have this entire group on the call to review all of the corporate and regulatory issues for all 3 groups – AI and South and Argosy.

I am not sure if the 930 Eastern slot would work for this whole group, but if so that works for me. Otherwise can we plan a time when Donna is available again after 2 pm?

Jonathon C. Glass

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From: Mangold, Donna <Donna.Mangold@ed.gov>
Sent: Thursday, December 27, 2018 9:18 PM
To: Glass, Jonathon <jglass@cooley.com>
Cc: Lee Carey, Katherine <kleecarey@cooley.com>; Jones, Diane <Diane.Jones@ed.gov>; Bryan Newman <bnewman@studioenterprise.com>; Mike.Lau@candlewoodgroup.com; Goldstein, Mike <mgoldstein@cooley.com>
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

I am on leave tomorrow but will be on duty nevertheless to deal with this. I am not available from 10.30 to 2ish. How about 9.30?

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Glass, Jonathon" <jglass@cooley.com>
Date: 12/27/18 9:14 PM (GMT-05:00)
To: "Mangold, Donna" <Donna.Mangold@ed.gov>
Cc: "Lee Carey, Katherine" <kleecarey@cooley.com>, "Jones, Diane" <Diane.Jones@ed.gov>, Bryan Newman <bnewman@studioenterprise.com>, Mike.Lau@candlewoodgroup.com, "Goldstein, Mike" <mgoldstein@cooley.com>
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

Donna. Do you have some time to discuss tomorrow am to be sure we understand ED's concerns on this subject?

Jonathon Glass.

Sent from my mobile -- please forgive typos.

On Dec 27, 2018, at 7:51 PM, Mangold, Donna <Donna.Mangold@ed.gov> wrote:

Jonathon,

I have just learned from Diane that this deal seems to be shifting in its structure – at least from ED’s perspective. We will not be responding to Cooley’s 12-22 letter detailing Studio’s requested conditions. Please provide a letter that encompasses AI and South, and we will respond.

But as we have been considering the requests in the 12-22 letter, we want to alert you to an issue that needs to be resolved -- included in the nine campuses is the Art Institute San Diego, which is currently an additional location of Argosy University. The Art Institute San Diego cannot be transferred outside of its main campus. Accordingly, Studio will have to include Argosy University in its transfer plans to obtain the Art Institute San Diego, or defer acquisition of acquisition of Art Institute San Diego until the disposition of Argosy University is resolved.

From: Glass, Jonathon [<mailto:jglass@cooley.com>]
Sent: Thursday, December 27, 2018 11:25 AM
To: Mangold, Donna
Cc: Lee Carey, Katherine; Jones, Diane; Bryan Newman; Mike.Lau@candlewoodgroup.com; Goldstein, Mike
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

Donna and all. Thanks for the update. Yes please respond to all.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 26, 2018, at 6:40 PM, Mangold, Donna <Donna.Mangold@ed.gov> wrote:

The Department met for several hours today to consider the requests in Jonathon and Kate’s 12-22 letter regarding Studio/AI. We hope to get back to you with a written response late tomorrow. Unless directed otherwise by Jonathon or Kate, our response will go to everyone on this e-mail.

From: Lee Carey, Katherine [<mailto:kleeccarey@cooley.com>]
Sent: Saturday, December 22, 2018 5:13 PM
To: Jones, Diane; Mangold, Donna
Cc: Bryan Newman; Glass, Jonathon; Mike.Lau@candlewoodgroup.com; Goldstein, Mike
Subject: Dream Center - Interim Framework Agreement/AI Proposal

Dear Diane and Donna,

As follow up to your meeting with Jonathon Glass and Studio Enterprise on Thursday, attached are the Interim Framework Agreement that you have been discussing, as well as a more detailed proposal for the Art Institute related transaction. Also attached is a chart reflecting the proposed OPEID structure for the ongoing AI campus locations.

Please let Jonathon or I know if you would like to discuss these or if further information is needed. As you know, time is of the essence with this situation and Jonathon and I can make ourselves available at your earliest convenience.

Thank you again for your assistance and guidance.

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San Diego, CA 92121-1909

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Mangold, Donna

From: Mangold, Donna
Sent: Friday, December 28, 2018 10:22 AM
To: Todd, Teresa; Collins, Barry; Barnes, Stephanie
Cc: Osineme, Sylvester; Matthews, Gail; Jones, Diane; Finley, Steve; Frola, Michael; Sikora, Tara
Subject: RE: Re: Dream Center School - Additional Funds Submission.04
Attachments: TPPPA Addendum - Additional Funds Submission 04 Notification.pdf

Stephanie,

Another payment from the LOC proceeds has been authorized for Dream Center Educational Holdings, LLC (DCEH).

I have attached the Additional Funds Submission.04 Notification which authorizes the release of a **\$4,000,000** Additional Funds payment to DCEH (from Escrow0283 – OPE ID 0074700). The Notification has been executed by Diane Jones, Principal Deputy Under Secretary delegated the duties of Under Secretary. We request that payment be initiated so that the funds are received by DCEH by 12/31/18. *Thank you for all you have been doing to keep these transfers moving quickly.*

Please let me know when you have initiated the transfer.

Please contact me if you have any questions. Thank you for your assistance.

Donna S. Mangold
Attorney
Office of General Counsel
Division of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Mangold, Donna
Sent: Wednesday, December 12, 2018 10:25 AM
To: Todd, Teresa; Collins, Barry
Cc: Osineme, Sylvester; Matthews, Gail; Jones, Diane; Finley, Steve
Subject: RE: Re: Dream Center School - Additional Funds Submission.04B

Teresa and Barry,

Another payment from the LOC proceeds has been authorized for Dream Center Educational Holdings, LLC (DCEH).

I have attached the Additional Funds Submission.04B Notification which authorizes the release of a **\$9,225,285** Additional Funds payment to DCEH. The Notification has been executed by Diane Jones, Principal Deputy Under Secretary delegated the duties of Under Secretary. We request that payment be initiated so that the funds are received by DCEH within 5 business days.

Please let me know when you have initiated the transfer.

Please contact me if you have any questions. Thank you for your assistance.

Donna S. Mangold
Attorney
Office of General Counsel
Division of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Mangold, Donna
Sent: Wednesday, November 21, 2018 9:46 AM
To: Todd, Teresa; Collins, Barry
Cc: Osineme, Sylvester; Matthews, Gail; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: Re: Dream Center School - Additional Funds Submission.03

Teresa and Barry,

Another payment from the LOC proceeds has been authorized for Dream Center Educational Holdings, LLC (DCEH).

I have attached the Additional Funds Submission.03 Notification which authorizes the release of a **\$4,000,000** Additional Funds payment to DCEH. The Notification has been executed by Diane Jones, Principal Deputy Under Secretary delegated the duties of Under Secretary. We request that payment be initiated so that the funds are received by DCEH within 5 business days.

Please let me know when you have initiated the transfer.

Please contact me if you have any questions. Thank you for your assistance.

Donna S. Mangold
Attorney
Office of General Counsel
Division of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Mangold, Donna
Sent: Thursday, October 18, 2018 6:47 PM
To: Todd, Teresa; Collins, Barry
Cc: Osineme, Sylvester; Matthews, Gail; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: Re: Dream Center School - Additional Funds Submission.01

Teresa and Barry,

Another payment from the LOC proceeds has been authorized for Dream Center Educational Holdings, LLC (DCEH).

I have attached the Additional Funds Submission.02 Notification which authorizes the release of a **\$4,000,000** Additional Funds payment to DCEH (please see the top of page 2). The Notification has been executed by Diane Jones, Principal Deputy Under Secretary delegated the duties of Under Secretary. We request that payment be initiated so that the funds are received by DCEH within 5 business days.

Please let me know when you have initiated the transfer.

Please contact me if you have any questions. Thank you for your assistance.

Donna S. Mangold
Attorney
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400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Mangold, Donna
Sent: Tuesday, October 02, 2018 12:58 PM
To: Todd, Teresa; Collins, Barry
Cc: Osineme, Sylvester; Matthews, Gail; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: Re: Dream Center School - Additional Funds Submission.01

Teresa and Barry,

Another payment from the LOC proceeds has been authorized for Dream Center Educational Holdings, LLC (DCEH).

I have attached the Additional Funds Submission.01 Notification which authorizes the release of a **\$4,000,000** Additional Funds payment to DCEH (please see the top of page 2). The Notification has been executed by Diane Jones, Principal Deputy Under Secretary delegated the duties of Under Secretary. Please let us know when you have initiated the transfer. We request that payment be initiated so that the funds are received by DCEH within 5 calendar days.

Please contact me if you have any questions. Thank you for your assistance.

Donna S. Mangold
Attorney

Office of General Counsel
Division of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:17 PM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail; Collins, Barry
Subject: RE: Re: Dream Center School - Supplemental Advance Notification

Teresa and Barry,

Another payment from the LOC proceeds has been authorized for Dream Center Educational Holdings, LLC (DCEH). Please let me know if I need to transmit the background information on the LOC proceeds again (the proceeds are from an LOC originally posted by EDMC).

I have attached the Supplemental Advance Notification which authorizes the release of the \$4,361,704 Supplemental Advance payment to DCEH (see the top of page 3). The Notification has been executed by Diane Jones, Principal Deputy Under Secretary delegated the duties of Under Secretary. Please let us know when you have initiated the transfer. We request that payment be initiated so that the funds are received by DCEH within 5 calendar days. (This is not as quick of a turn-around as the August 24th request).

Please contact me if you have any questions. Thank you for your assistance.

Donna

Donna S. Mangold
Attorney
Office of General Counsel
Division of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Mangold, Donna
Sent: Friday, August 24, 2018 7:59 AM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail; Collins, Barry
Subject: RE: Re: Dream Center School - Initial Advance Notification

Barry,

I have attached the Initial Advance Notification which authorizes the release of the \$10,000,000 Initial Advance

payment to Dream Center Education Holdings, LLC. The Notification has been executed by Diane Jones, Principal Deputy Under Secretary delegated the duties of Under Secretary. I have also attached the Form 1199 again. Please let us know when you have initiated the transfer.

Please contact me if you have any questions. Thank you for your assistance.

Donna

Donna S. Mangold
Attorney
Office of General Counsel
Division of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Mangold, Donna
Sent: Thursday, August 23, 2018 5:41 PM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail; Collins, Barry
Subject: RE: Re: Dream Center School

Barry, the document with the authority to advance \$10M will be transmitted to you tomorrow. We have FSA's recommendation and we will get you the authority to pay notification tomorrow.

From: Todd, Teresa
Sent: Thursday, August 23, 2018 3:15 PM
To: Mangold, Donna; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail; Collins, Barry
Subject: RE: Re: Dream Center School
Importance: High

Donna,

I haven't heard anything else from you today and I will be leaving shortly. I will be out of the office on Friday. If documents are ready on Friday, send them to Barry Collins. He will have the information to proceed.

Teresa D. Todd

From: Mangold, Donna
Sent: Wednesday, August 22, 2018 5:42 PM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Teresa, it is likely that we will be forwarding the request to you tomorrow, with the goal of getting the transfer done so that funds are available for the schools on Friday.

From: Mangold, Donna
Sent: Tuesday, August 21, 2018 4:17 PM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve

Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Hi Teresa – here is the form 1199.

The only thing remaining is FSA's receipt and review of the financial information so that OGC can make the request on behalf of FSA.

Thanks for all of your help,
Donna

From: Todd, Teresa
Sent: Tuesday, August 21, 2018 11:03 AM
To: Mangold, Donna; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

No. That's it.

Teresa D. Todd

From: Mangold, Donna
Sent: Tuesday, August 21, 2018 11:01 AM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Thank you. For Documents – confirming:

Form 1199 (to be submitted)
FSA and OGC approval (to be submitted)
Agreements (submitted on 8/21)

Did I miss anything?

From: Todd, Teresa
Sent: Tuesday, August 21, 2018 10:59 AM
To: Mangold, Donna; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Donna,

It takes approximately 48 hours from the time we receive all of the documents, including the 1199 form.

Teresa D. Todd

From: Mangold, Donna
Sent: Tuesday, August 21, 2018 10:53 AM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Teresa, how long will it take to transfer the funds once OGC transmits FSA's approval? (per my August 15th email

below – it needs to be done quickly)

From: Todd, Teresa
Sent: Tuesday, August 21, 2018 7:04 AM
To: Mangold, Donna; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Donna,

These all appear to be written in “Legaleze”. Can you give me a consolidated list of how much is being sent to each school?

Teresa D. Todd

From: Mangold, Donna
Sent: Monday, August 20, 2018 5:24 PM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Teresa, attached are copies of the agreements with the schools pursuant to which the funds will be disbursed. Things will be moving pretty quickly this week for the request of funds, and I will get the Form 1199 to you promptly.

From: Todd, Teresa
Sent: Wednesday, August 15, 2018 1:56 PM
To: Mangold, Donna; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Sorry,

I didn't answer all of the questions. We just need a request from OGC with the specifics of how much and when along with the completed 1199 form and a contact person with the Dream Center in case we need to contact them regarding the payment itself.

Teresa D. Todd

From: Mangold, Donna
Sent: Wednesday, August 15, 2018 1:52 PM
To: Todd, Teresa; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

We will be requesting (likely within the next few days) for funds to be transferred to the Dream Center via electronic funds transfer. The first transfer will be \$10M, and there will be subsequent payments, with the next one probably within 7 days, and thereafter in rolling two week increments. These payments will be governed by an agreement that has not yet been finalized. We have received the above form for requesting funds from Tiffany, but it seems like it doesn't quite fit this situation. But if this is the form, then it is the one we will use. Please confirm. The funds will need to move as quickly as possible upon the Department's review and approval of back-up documentation, so please let us know if there is any impediment to moving these requests expeditiously.

Please let us know what level of internal approvals (if any) or additional forms you need for the payments to issue in accordance with the agreement.

From: Todd, Teresa
Sent: Wednesday, August 15, 2018 1:06 PM
To: Mangold, Donna; Jones, Diane; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Donna,

We have the funds. Is there something that you are requesting me to do?

Teresa D. Todd

From: Mangold, Donna
Sent: Wednesday, August 15, 2018 12:35 PM
To: Jones, Diane; Todd, Teresa; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Teresa,

The following language is from an Oct. 5, 2017 letter to Dream Center, which now owns schools previously owned by EDMC. That is why the prior e-mail I sent to you refers to an EDMC LOC, and not "Dream Center." In Par. 1, the reference to "Institutions under their new ownership" is to institutions now owned by Dream Center. Par. 2 refers to the portion of the LOC (\$14M) being held for EDMC schools that were not conveyed to Dream Center. When Dream Center and EDMC failed to replace the LOCs when they expired in May, the Department drew down the funds.

Please call me if you have any questions.

2. Following the First CIO Closing, and until a substitute LOC is posted by DC ED Holdings/DCF, the Department will continue to hold the EDMC LOCs on behalf of the Institutions under their new ownership, in the amount of \$92,624,329. This amount is equal to 10% of the schools' (including the additional locations of those schools which are part of the CIO) Title IV funding for the 2016-2017 award year referenced on the first page of this letter ("DCF Institutions/ Additional Locations");

3. Following the First CIO Closing, the Department will continue to hold a portion of the EDMC LOCs on behalf of the Non-DCF Institutions, to provide for payment of any amounts owed to the Department, including for any closed school loan discharges ("Non DCF LOC Amount"). The Non-DCF LOC Amount is \$14,884,804, and the Department will continue to hold the Non-DCF LOC Amount until after the Non-DCF Institutions have been closed for two years and the final audits for these institutions are completed. The Department reserves the right to re-evaluate the Non-DCF LOC Amount once the locations are closed;

From: Mangold, Donna
Sent: Wednesday, August 15, 2018 12:27 PM
To: Jones, Diane; Todd, Teresa; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Teresa,

The attached email and its attachments should get you to the correct information.

Donna

Donna S. Mangold
Attorney
Office of General Counsel
Division of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E108
Washington, D.C. 20202-2110
202-453-6710

From: Jones, Diane
Sent: Wednesday, August 15, 2018 12:20 PM
To: Todd, Teresa; Mangold, Donna; Riemer, Jeffrey (Justin); Finley, Steve
Cc: Osineme, Sylvester; Matthews, Gail
Subject: RE: Re: Dream Center School

Hi Teresa,

I'm going to loop in the people who are experts in this area so that they can give you accurate information. I don't know all of the financial details.

Thanks for your help,

Diane

From: Todd, Teresa
Sent: Wednesday, August 15, 2018 12:07 PM
To: Jones, Diane
Cc: Osineme, Sylvester; Matthews, Gail
Subject: Re: Dream Center School

Diane,

It is my understanding that you are looking for information regarding a Letter of Credit for Dream Center School. I can't find any record of funds that we have received under that specific name. Can you, please, provide more information about this?

Teresa D. Todd

Accountant
Accounts Receivable and Bank Management Group, FMO/OCFO
U.S. Department of Education
(202) 245-8288
teresa.todd@ed.gov



UNITED STATES DEPARTMENT OF EDUCATION

THE UNDER SECRETARY

To: Brent Richardson
Shelly Murphy

Re: ADDITIONAL FUNDS SUBMISSION.04 NOTIFICATION
Pursuant to Addendum to Temporary Provisional Program Participation Agreements (TPPPAs) for Institutions Owned by Dream Center Educational Holdings, LLC ("DCEH")

In October 2017 and January 2018, DCEH (through its subsidiaries) purchased a number of institutions and additional locations of institutions owned by Education Management Corporation ("EDMC") (hereinafter collectively referred to as "the Purchased Schools"). DCEH is in the process of closing a number of the Purchased Schools, both main locations and additional locations ("the Closing Schools"). The Department has agreed to provide funds to DCEH to facilitate the transfer of students to other institutions and to facilitate the teach-out of the Closing Schools. On August 17, 2018 each of the Purchased Schools executed an Addendum to their respective TPPPAs with the Department ("Addendum") which sets forth the terms and conditions upon which the Department will provide funds to DCEH. Each Addendum was countersigned by the Department on August 17, 2018. As required by Item 4 of the Addendum, DCEH has retained the services of a certified public accountant ("CPA"). The CPA is responsible for reviewing and verifying the Initial Advance Submission, any Supplemental Advance Submission and the Additional Funds Submissions (collectively referred to as "Submissions" and as described more fully in the Addendum). The CPA is further required to certify the allowable costs as determined in accordance with the terms of the Addendum.

The Department has made the following payments to date:

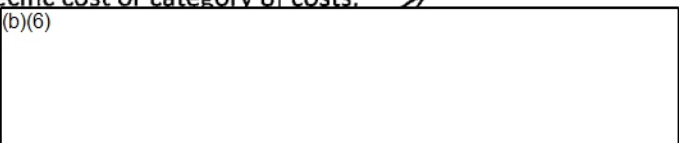
	Submission Date	Paid Date	Amount
Revised Initial Advance Submission	August 22, 2018	August 27, 2018	\$10,000,000
Supplemental Advance Submission	September 7, 2018	September 21, 2018	\$ 4,361,704
Additional Funds Submission.01	September 24, 2018	October 12, 2018	\$ 4,000,000
Additional Funds Submission.02	October 9, 2018	October 23, 2018	\$ 4,000,000
Additional Funds Submission.03	October 23, 2018	November 28, 2018	\$ 4,000,000
Additional Funds Submission.04B	December 7, 2018	December 18, 2018	\$ 9,268,738

Exhibit A (transmitted herewith) is a schedule of the submissions to date, including adjustment and payment details.

Pursuant to Item 8 of the Addendum, DCEH made an additional request for funds on November 21, 2018,¹ certified by the CPA in accordance with Item 8.b of the Addendum (“Additional Funds Submission.04”). Additional Funds Submission.04 included \$4,048,990 of certified costs.² During the course of its review of Additional Funds Submission.04, the Department determined that in addition to the costs questioned by the CPA, other amounts should be disallowed as not included in the Addendum items of allowable teach out expenses. The details of the disallowed expenses are set forth in the spreadsheets transmitted herewith as Exhibits B-1 and B-2. Therefore, the Department has deducted \$143,131 from the costs submitted in Additional Funds Submission.04, and has determined that only \$3,905,859 is allowed under the terms of the Addendum for Additional Funds Submission.04. However, the Department will apply \$94,141 in approved costs carried forward from prior submissions, to authorize an additional payment of \$4,000,000.

Accordingly, the Department hereby authorizes the payment of Additional Funds Submission.04 to DCEH in the amount of \$4,000,000 in accordance with the limitation set forth in Item 8.c of the Addendum.

The Department’s determination of allowed costs and authorization of payment is subject to future adjustment as a result of the Department’s determination that previously allowed costs should be disallowed. Any disallowance of costs will require DCEH to adjust future Submissions, or will result in an adjustment in the Department’s future payments to DCEH. In addition, the Department continues to review and evaluate what costs should be allowed. The fact that a cost has been allowed to date, or is allowed in the future does not preclude the Department from changing its determination in regard to a specific cost or category of costs.

(b)(6)
By: 

Diane Auer Jones
Principal Deputy Under Secretary
Delegated to Perform the Duties of the Under Secretary and the Assistant Secretary for Post-Secondary Education

Date: 12/27/18

¹ The approval of Submission.04 has been delayed to allow the expedited approval and payment of Submission.04B.

² DCEH presented \$4,321,545 for payment to the CPA. The CPA identified \$272,555 of that amount as questioned costs, and certified the remaining balance of \$4,048,990.

Finley, Steve

From: Finley, Steve
Sent: Friday, December 28, 2018 10:51 AM
To: Jones, Diane; Mangold, Donna; Frola, Michael; Minor, Robin; Bennett, Ron
Subject: RE: Dream Center - Interim Framework Agreement/AI Proposal

I will try to be available at 2pm.

From: Jones, Diane
Sent: Friday, December 28, 2018 9:14 AM
To: Mangold, Donna; Frola, Michael; Minor, Robin; Finley, Steve; Bennett, Ron
Subject: FW: Dream Center - Interim Framework Agreement/AI Proposal

So much for a holiday break. I think we need to get back on the phone with this group at 2pm to talk through the new proposal. How many of you could be available then – or if you can't be available, do you have someone from your team who could be? I'm so sorry to ask for another call and I understand if people can't participate.
Diane

From: Mangold, Donna
Sent: Friday, December 28, 2018 8:33 AM
To: Glass, Jonathon
Cc: Lee Carey, Katherine; Jones, Diane; Bryan Newman; Mike.Lau@candlewoodgroup.com; Goldstein, Mike
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

We would also like FSA to participate, so 2pm will give us a chance to find out who might be available because of leave schedules.

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Glass, Jonathon" <jglass@cooley.com>
Date: 12/28/18 8:14 AM (GMT-05:00)
To: "Mangold, Donna" <Donna.Mangold@ed.gov>
Cc: "Lee Carey, Katherine" <kleecarey@cooley.com>, "Jones, Diane" <Diane.Jones@ed.gov>, Bryan Newman <bnewman@studioenterprise.com>, Mike.Lau@candlewoodgroup.com, "Goldstein, Mike" <mgoldstein@cooley.com>
Subject: RE: Dream Center - Interim Framework Agreement/AI Proposal

Donna and All: Thanks for the offer of the call. Based on the other emails and recent questions about the structure, Studio believes that a phone call would be very helpful. It would also be helpful to have this entire group on the call to review all of the corporate and regulatory issues for all 3 groups – AI and South and Argosy.

I am not sure if the 930 Eastern slot would work for this whole group, but if so that works for me. Otherwise can we plan a time when Donna is available again after 2 pm?

Jonathon C. Glass

Cooley LLP
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Washington, DC 20004-2400
+1 202 776 2691 office
+1 202 842 7899 fax
+1 202 415 3302 mobile
jglass@cooley.com

www.cooley.com

www.ed.cooley.com

From: Mangold, Donna <Donna.Mangold@ed.gov>
Sent: Thursday, December 27, 2018 9:18 PM
To: Glass, Jonathon <jglass@cooley.com>
Cc: Lee Carey, Katherine <kleecarey@cooley.com>; Jones, Diane <Diane.Jones@ed.gov>; Bryan Newman <bnewman@studioenterprise.com>; Mike.Lau@candlewoodgroup.com; Goldstein, Mike <mgoldstein@cooley.com>
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

I am on leave tomorrow but will be on duty nevertheless to deal with this. I am not available from 10.30 to 2ish. How about 9.30?

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Glass, Jonathon" <jglass@cooley.com>
Date: 12/27/18 9:14 PM (GMT-05:00)
To: "Mangold, Donna" <Donna.Mangold@ed.gov>
Cc: "Lee Carey, Katherine" <kleecarey@cooley.com>, "Jones, Diane" <Diane.Jones@ed.gov>, Bryan Newman <bnewman@studioenterprise.com>, Mike.Lau@candlewoodgroup.com, "Goldstein, Mike" <mgoldstein@cooley.com>
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

Donna. Do you have some time to discuss tomorrow am to be sure we understand ED's concerns on this subject?

Jonathon Glass.

Sent from my mobile -- please forgive typos.

On Dec 27, 2018, at 7:51 PM, Mangold, Donna <Donna.Mangold@ed.gov> wrote:

Jonathon,

I have just learned from Diane that this deal seems to be shifting in its structure – at least from ED's perspective. We will not be responding to Cooley's 12-22 letter detailing Studio's requested conditions. Please provide a letter that encompasses AI and South, and we will respond.

But as we have been considering the requests in the 12-22 letter, we want to alert you to an issue that needs to be resolved -- included in the nine campuses is the Art Institute San Diego, which is currently an additional location of Argosy University. The Art Institute San Diego cannot be transferred outside of its main campus. Accordingly, Studio will have to include Argosy University in its transfer plans to obtain the Art Institute San Diego, or defer acquisition of acquisition of Art Institute San Diego until the disposition of Argosy University is resolved.

From: Glass, Jonathon [<mailto:jglass@cooley.com>]
Sent: Thursday, December 27, 2018 11:25 AM
To: Mangold, Donna
Cc: Lee Carey, Katherine; Jones, Diane; Bryan Newman; Mike.Lau@candlewoodgroup.com; Goldstein, Mike
Subject: Re: Dream Center - Interim Framework Agreement/AI Proposal

Donna and all. Thanks for the update. Yes please respond to all.

Jonathon Glass.
Sent from my mobile -- please forgive typos.

On Dec 26, 2018, at 6:40 PM, Mangold, Donna <Donna.Mangold@ed.gov> wrote:

The Department met for several hours today to consider the requests in Jonathon and Kate's 12-22 letter regarding Studio/AI. We hope to get back to you with a written response late tomorrow. Unless directed otherwise by Jonathon or Kate, our response will go to everyone on this e-mail.

From: Lee Carey, Katherine [<mailto:kleecarey@cooley.com>]
Sent: Saturday, December 22, 2018 5:13 PM
To: Jones, Diane; Mangold, Donna
Cc: Bryan Newman; Glass, Jonathon; Mike.Lau@candlewoodgroup.com; Goldstein, Mike
Subject: Dream Center - Interim Framework Agreement/AI Proposal

Dear Diane and Donna,

As follow up to your meeting with Jonathon Glass and Studio Enterprise on Thursday, attached are the Interim Framework Agreement that you have been discussing, as well as a more detailed proposal for the Art Institute related transaction. Also attached is a chart reflecting the proposed OPEID structure for the ongoing AI campus locations.

Please let Jonathon or I know if you would like to discuss these or if further information is needed. As you know, time is of the essence with this situation and Jonathon and I can make ourselves available at your earliest convenience.

Thank you again for your assistance and guidance.

Katherine (Kate) Lee Carey

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Newton, James A.

From: Newton, James A.
Sent: Friday, December 28, 2018 7:46 PM
To: Mike Lau; Jones, Diane
Cc: Glass, Jonathon; Mangold, Donna; Frola, Michael; Minor, Robin; Bennett, Ron; Lee Carey, Katherine; Bryan Newman; Goldstein, Mike; Janet Miller; Goren, Todd M.; Butterfield, Benjamin W.
Subject: RE: Dream Center - Interim Framework Agreement. Proposal for all school groups

Michael,

As long as all of the claims against and liens on assets of Argosy are retained, a transfer to the new not-for-profit owner, as contemplated during our call earlier, should not be a problem under the first or second lien credit documents.

-James

JAMES NEWTON

Morrison & Foerster LLP

250 West 55th Street | New York, NY 10019-9601

P: +1 (212) 336-4116

mofo.com | [LinkedIn](#) | [Twitter](#)

From: Mike Lau [mailto:Mike.Lau@candlewoodgroup.com]
Sent: Friday, December 28, 2018 7:36 PM
To: Jones, Diane
Cc: Glass, Jonathon; Mangold, Donna; Frola, Michael; Minor, Robin; Bennett, Ron; Lee Carey, Katherine; Bryan Newman; Goldstein, Mike; Newton, James A.; Janet Miller
Subject: Re: Dream Center - Interim Framework Agreement. Proposal for all school groups

- External Email -

OK. This is a technical matter. Our settlement w/ lenders is predicated upon voting thresholds for the 2nd lien release that rely on us "not releasing all or substantial all of the collateral". If that was not the case, it is arguable that we would need to get 100% of the 2nd lien lenders to sign (which would be virtually impossible). 1) We could make the argument that we still aren't releasing substantially all of the collateral, which I think is the better argument but less of a margin of safety if challenged after the fact; 2) We could stagger the transition over 2 days, South/Argosy close first, then Argosy the following day or 3) assuming we are retaining a security interest in Argosy for DCEH creditors post transition, we should be fine. I will have the lawyers review and come back. I just don't want to have to resolicit votes over the Holiday weekend. We have all signatures in escrow now and ready to go.

Michael Lau, CEO
Candlewood Investment Group, LP

On Dec 28, 2018, at 6:57 PM, Jones, Diane <Diane.Jones@ed.gov> wrote:

I wanted to let you know that I may have jumped in too soon in suggesting that perhaps Argosy needed to remain with DCEH. After talking to WASC, it appears that if Argosy goes into receivership, its accreditation could be at risk since a receiver would be in control of the institution. Therefore, I think the plan you originally proposed with all three institutions spinning off into independent entities may be the best way forward.

I didn't talk to WASC until after our 2pm call was over, so I wasn't aware of their concern.

Diane

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Glass, Jonathon

From: Glass, Jonathon
Sent: Monday, December 31, 2018 12:05 PM
To: Jones, Diane; Mangold, Donna; Finley, Steve; robin.minor@d.gov; Frola, Michael
Cc: Lee Carey, Katherine; Goldstein, Mike; Mike Lau; Bryan Newman
Subject: FW: DCEH Transactions
Attachments: Letter to D Jones with Attachments (12-31-18).pdf

Diane and Donna: As discussed, please see our letter explaining the broader DCEH transactions.

Unfortunately, time is very short so we again request your review and response as quickly as possible. I have copied the ED team on our recent conference call to facilitate your review. We can be available to speak at any time today, and suggest that another conference call would be very useful.

We also appreciate your continued efforts to reach out and coordinate with the applicable state regulators and accrediting agencies since those are also vital to the transactions.

Jonathon C. Glass

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of the Freedom of Information and Privacy Act

Frola, Michael

From: Frola, Michael
Sent: Monday, December 31, 2018 1:55 PM
To: Mangold, Donna; Minor, Robin; Bennett, Ron; Arthur, Julie
Cc: Jones, Diane; Finley, Steve
Subject: RE: Dream Center Education Holdings; Argosy University

(b)(5)

-Mike

From: Mangold, Donna
Sent: Monday, December 31, 2018 1:05 PM
To: Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie
Cc: Jones, Diane; Finley, Steve
Subject: RE: Dream Center Education Holdings; Argosy University

I am responding to only the financial statement issue, because it relates to when they can close the transaction.

(b)(5)

From: Jones, Diane
Sent: Monday, December 31, 2018 12:10 PM
To: Finley, Steve; Mangold, Donna
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael
Subject: RE: Dream Center Education Holdings; Argosy University

Hi all,

(b)(5)

(b)(5)

(b)(5)

Thanks,
Diane

Diane Auer Jones
Principal Deputy Under Secretary
Delegated to Perform the Duties of Under Secretary
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202
202-453-7333
Diane.jones@ed.gov

From: Finley, Steve
Sent: Saturday, December 29, 2018 12:19 PM
To: Mangold, Donna; Jones, Diane
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael
Subject: RE: Dream Center Education Holdings; Argosy University

(b)(5)

(b)(5)

From: Mangold, Donna
Sent: Friday, December 28, 2018 5:11 PM
To: Jones, Diane
Cc: Finley, Steve; Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael
Subject: RE: Dream Center Education Holdings; Argosy University

Diane, the plan is also to keep DCEH on route pay for now.

From: Mangold, Donna
Sent: Friday, December 28, 2018 5:09 PM
To: Jones, Diane
Cc: Finley, Steve; Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael
Subject: RE: Dream Center Education Holdings; Argosy University

Diane,

(b)(5)

Mangold, Donna

From: Mangold, Donna
Sent: Monday, December 31, 2018 3:49 PM
To: Jones, Diane
Cc: Minor, Robin; Bennett, Ron; Frola, Michael; Finley, Steve
Subject: FW: South University, Argosy University, Miami International University
Attachments: State of Florida DCEH Restructuring Letter Dec 2018.pdf

Diane, Barton keeps saying "consent and approval" in these letters.

From: Randall Barton [mailto:rbarton4953@gmail.com]
Sent: Monday, December 31, 2018 3:45 PM
To: samuel.ferguson@fldoe.org
Cc: susan.hood@fldoe.org; Jones, Diane; Minor, Robin; Frola, Michael; Mangold, Donna; Echols, Deana C.
Subject: South University, Argosy University, Miami International University

Dear Sam;

As a follow up to recent phone conversations attached is a letter regarding Dream Center Education Holdings and our Florida campuses.

Thanks for your kind consideration.

--

Randall K. Barton, JD
Chairman of the Board
Dream Center Education Holdings
Mobile: (b)(6)



1255 S. Spectrum Boulevard, Chandler, AZ 85286

December 31, 2018

Samuel Ferguson, Executive Director
Commission on Independent Education
325 West Gaines Street, Suite 1414
Tallahassee, Florida 32399-0400

Via Email

samuel.ferguson@fldoe.org

Re: South University (Tampa, Orlando & West Palm Beach), Argosy University (Tampa and Sarasota) and Miami International University of Art & Design with a Tampa branch

Dear Mr. Ferguson:

To follow up on the call that we understand you had a couple days ago with Acting U.S. Undersecretary of Education Diane Jones and the calls that our counsel Ron Holt has had with your assistant Susan Hood, on behalf of (i) Dream Center Education Holdings, LLC (“DCEH”) and (ii) South University in Tampa, Orlando and West Palm Beach (“South”) and (iii) Argosy University in Tampa and Sarasota (“Argosy”), and (iv) Miami International University of Art & Design with its Tampa branch (“Miami” and, together, with South and Argosy, collectively, the “Institutions”), I write to notify you of certain organizational changes that the Institutions intend to make on January 1, 2019. These will involve replacing DCEH as the sole member in the Institutions’ existing nonprofit LLC ownership structure with another non-profit foundation as sole member, as well as changes to the governing board of the institutions that will preserve and enhance the independence of the institutions’ Boards of Trustees.

As I believe you have heard, these changes have been discussed extensively with the U.S. Department of Education, as well as the DCEH lenders, the Institutions’ board of trustees, and other parties as a means to stabilize the Institutions to allow them to maintain their mission and continue to serve their students, alumni and community. These changes are being made with the consent and approval of the U.S. Department of Education.

While we regret this is not the full 30-day advance notice referenced in your agency’s regulations, the Institutions are providing notice of these changes as soon as possible and we appreciate your review and response to this notice over the year-end holiday period. We understand there likely will be further proceedings with your agency concerning the planned changes and we look forward to assisting in your review. We also confirm that we will participate in an expeditious manner and provide all required information as rapidly as possible.

Mr. Samuel Ferguson
December 31, 2018
Page Two

Given the imminent nature of these changes, we are requesting written confirmation from you that the Institutions will remain licensed after the changes occur on January 1, 2019 and during the period while your agency is completing its necessary review.

We appreciate your consideration and response to this request, particularly over the holidays.

If you have any questions, please contact me or Deana Echols (dcechols@dcedh.org).

Sincerely,

(b)(6)

Randall K. Barton
Chairman of the Board
Te (b)(6)
Rbarton4953@gmail.com

cc (via email):

Susan Hood
susan.hood@fldoe.org

Diane Jones, Acting Undersecretary
US Department of Education
Diane.jones@ed.gov

Robin Minor, Chief Compliance Officer
Office for Federal Student Aid
US Department of Education
robin.minor@ed.gov

Michael Frola, Director
Multi-Regional and Foreign Institution Participation Division
Office for Federal Student Aid
US Department of Education
Michael.frola@ed.gov

Donna Mangold, Deputy Assistant General Counsel
US Department of Education
Donna.mangold@ed.gov

Jones, Diane

From: Jones, Diane
Sent: Monday, December 31, 2018 8:25 PM
To: Mangold, Donna
Cc: Minor, Robin; Bennett, Ron; Frola, Michael; Finley, Steve
Subject: Re: South University, Argosy University, Miami International University

Yes, and he also ignored advice that the letters should come from the schools. But I emailed the accreditors on Friday to clarify and I talked to TX and FL to explain as well.

Sent from my iPhone

On Dec 31, 2018, at 3:48 PM, Mangold, Donna <Donna.Mangold@ed.gov> wrote:

Diane, Barton keeps saying "consent and approval" in these letters.

From: Randall Barton [<mailto:rbarton4953@gmail.com>]
Sent: Monday, December 31, 2018 3:45 PM
To: samuel.ferguson@fldoe.org
Cc: susan.hood@fldoe.org; Jones, Diane; Minor, Robin; Frola, Michael; Mangold, Donna; Echols, Deana C.
Subject: South University, Argosy University, Miami International University

Dear Sam;

As a follow up to recent phone conversations attached is a letter regarding Dream Center Education Holdings and our Florida campuses.

Thanks for your kind consideration.

--

Randall K. Barton, JD
Chairman of the Board
Dream Center Education Holdings
Mobile (b)(6)

<State of Florida DCEH Restructuring Letter Dec 2018.pdf>

Frola, Michael

From: Frola, Michael
Sent: Wednesday, January 2, 2019 9:06 AM
To: Jones, Diane; Minor, Robin; Frola, Michael; Bennett, Ron; Finley, Steve; Mangold, Donna
Cc: Frola, Michael
Subject: FW: DCEH Closed Loan Discharges
Attachments: Operating Dream Center Locations' Est CSLDs as of 20190102.xlsx

Please see Closed Loan Discharge estimates for DCEH if they closed today. Total discharge amount for all schools would be \$724,959,596.

Thanks,
Mike

From: Steward, Jamal
Sent: Wednesday, January 02, 2019 8:13 AM
To: Sikora, Tara; Frola, Michael
Subject: RE: DCEH Closed Loan Discharges

Good morning Tara and Mike,

Happy New Years! I've appended to the spreadsheet estimated closed school loan discharge totals for each location. Columns 'K' through 'M' provide an estimate of how much federal student loan volume would be forgiven in the event that the schools closed today.

Jamal

Working hours: Mon-Thur 6:30am – 4:00pm (US EST) and every other Friday 6:30am – 3:00pm (US EST)

PRIVILEGED, PREDECISIONAL, AND DELIBERATIVE COMMUNICATION. DO NOT RELEASE OR OTHERWISE DISSEMINATE.

From: Frola, Michael
Sent: Friday, December 28, 2018 11:09 AM
To: Steward, Jamal
Cc: Sikora, Tara
Subject: DCEH Closed Loan Discharges

Hi Jamal,
Happy New Years! Welcome back.

Please run closed loan discharge numbers for the remaining DCEH schools as of 1/2/18.

Tara can provide you the most up to date list of operating DCEH schools as of 1/2/18.

Thanks,

Mike

Michael Frola

Director

Multi-Regional and Foreign School Participation Division

Office: (202) 377-3364

michael.frola@ed.gov

StudentAid.gov

<image001.png>

<Dream Center All Locations provided by Lia 9.6.18.xlsx>

c2887b57dc6947f7ac62ee93db9844b8

Main OPEID	OPEID	Main Name	Location Name	Address 1	Address 2	City	State	Teach out - expected Closure Date	DCEH Comments	Estimated Closed School Loan Discharge Totals (NSLDS)*		
										Total Outstanding (Principal & Interest)	Number of Borrowers	Number of Loans
007470	00747000	Art Institute of Pittsburgh (The)	Art Institute of Pittsburgh (The)	420 Boulevard of the Allies		Pittsburgh	PA		e-app has been updated to reflect current address - 1400 Penn Ave	\$30,147,034	1,718	7,948
007819	00781900	Art Institute of Portland (The)	Art Institute of Portland (The)	1122 NorthWest Davis Street		Portland	OR	12/31/18		\$0	0	0
007819	00781902	Art Institute of Portland (The)	Art Institute of Portland (The) - Industrial Design Workshop	722 NW Couch Street		Portland	OR	12/31/18		\$0	0	0
007819	00781903	Art Institute of Portland (The)	Art Institute of Portland (The) - Culinary Arts Facility	34 NW 8th Avenue		Portland	OR	12/31/18		\$0	0	0
008350	00835000	Art Institute of Philadelphia (The)	Art Institute of Philadelphia (The) -	1622 Chestnut Street		Philadelphia	PA	12/31/18		\$0	0	0
008350	00835001	Art Institute of Philadelphia (The)	Art Institute of Philadelphia (The)	2300 Market Street		Philadelphia	PA	12/31/18		\$0	0	0
008878	00887800	Miami International University of Art & Design	Miami International University of Art & Design	1501 Biscayne Boulevard	Suite 100	Miami	FL			\$7,555,119	369	1,977
008878	00887805	Miami International University of Art & Design	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Suite 150	Tampa	FL			\$4,476,375	250	1,236
008878	00887807	Miami International University of Art & Design	Miami International University of Art & Design - Art Institute Dallas	Two North Park	8080 Park Lane, Suite 100	Dallas	TX			\$4,635,294	403	1,313
008878	00887808	Miami International University of Art & Design	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	2110 Water Ridge Parkway	Charlotte	NC	12/31/18		\$22,827	2	6
008878	00887809	Miami International University of Art & Design	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Suite 10	Durham	NC	12/31/18		\$10,968	1	4
009270	00927000	Art Institute of Atlanta (The)	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	100 Embassy Row	Atlanta	GA			\$16,891,190	857	4,587
009270	00927002	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	1820 North Fort Myer Drive	Arlington	VA	12/31/18		\$130,093	8	46
009270	00927003	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive		Nashville	TN	12/31/18		\$30,875	2	6
009270	00927004	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	The Carroll Building	Charleston	SC	12/31/18		\$126,212	9	46
009270	00927007	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Suite 100	Virginia Beach	VA			\$4,329,763	222	1,139
010195	01019500	Art Institute of Fort Lauderdale (The)	Art Institute of Fort Lauderdale (The)	1799 Southeast 17th Street		Fort Lauderdale	FL	12/31/18		\$0	0	0
010195	01019501	Art Institute of Fort Lauderdale (The)	Art Institute of Fort Lauderdale (The) - Harbor Place Building	1650 Southeast 17th Street		Fort Lauderdale	FL	12/31/18		\$0	0	0
012584	01258400	Illinois Institute of Art (The)	Illinois Institute of Art (The)	350 North Orleans Street	Suite 136-L	Chicago	IL	12/31/18		\$0	0	0
012584	01258401	Illinois Institute of Art (The)	Illinois Institute of Art (The) - The IL Institute of Art - Schaumburg	1000 Plaza Drive	Suite 100	Schaumburg	IL	12/31/18		\$0	0	0
012584	01258405	Illinois Institute of Art (The)	Illinois Institute of Art (The) - The Art Institute of Michigan	28175 Cabot Drive		Novi	MI	12/31/18		\$0	0	0
013039	01303900	South University	South University	709 Mall Boulevard		Savannah	GA			\$164,334,847	5,917	20,054
013039	01303904	South University	South University - West Palm Beach Campus	9801 Belvedere Road		Royal Palm Beach	FL			\$11,058,546	581	2,459
013039	01303906	South University	South University - Montgomery	5355 Vaughn Road		Montgomery	AL			\$6,407,957	311	1,317
013039	01303907	South University	South University - Columbia	9 Science Court		Columbia	SC			\$23,891,451	768	3,340
013039	01303908	South University	South University - Tampa	4401 North Himes Avenue	Parkside at Tampa Bay Park	Tampa	FL			\$13,755,498	649	2,247
013039	01303909	South University	South University - Art Institute of Atlanta	6600 Peachtree Dunwoody Road		Atlanta	GA			\$0	0	0
013039	01303910	South University	South University - Richmond	2151 Old Brick Road		Glenn Allen	VA			\$10,748,938	441	1,916
013039	01303911	South University	South University - Virginia Beach	301 Bendix Road		Virginia Beach	VA			\$6,287,844	301	1,288
013039	01303914	South University	South University - Novi	41555 Twelve Mile Road		Novi	MI	12/31/19		\$4,515,614	166	676
013039	01303915	South University	South University - Austin	1220 West Louis Henna Boulevard		Round Rock	TX			\$4,305,481	239	1,057
013039	01303922	South University	South University - Cleveland	4743 Richmond Road		Warrensville Heights	OH	12/31/19		\$4,640,311	156	699
013039	01303923	South University	South University - High Point	3975 Premier Drive		High Point	NC	12/31/19		\$3,173,777	98	542
013039	01303926	South University	South University - Orlando ATS	4901 Vineland Road	Suite 140	Orlando	FL			\$2,370,311	83	182
020789	02078900	Art Institute of Colorado (The)	Art Institute of Colorado (The)	1200 Lincoln Street		Denver	CO	12/31/18		\$0	0	0
020789	02078904	Art Institute of Colorado (The)	Art Institute of Colorado (The)	675 South Broadway		Denver	CO	12/31/18		\$0	0	0
021171	02117100	Art Institute of Houston (The)	Art Institute of Houston (The)	4140 Southwest Freeway		Houston	TX			\$13,095,582	637	3,437
021171	02117102	Art Institute of Houston (The)	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Suite 100	Austin	TX			\$7,735,716	361	2,019
021171	02117104	Art Institute of Houston (The)	Art Institute of Houston (The) - The Art Institute of San Antonio	10000 West Interstate Highway 10		San Antonio	TX			\$8,905,315	391	2,267
021799	02179900	Argosy University	Argosy University	601 South Lewis Street		Orange	CA			\$43,978,249	702	2,634
021799	02179901	Argosy University	Argosy University - Twin Cities	1515 Central Parkway		Eagan	MN			\$23,167,955	902	3,493
021799	02179902	Argosy University	Argosy University - Atlanta	980 Hammond Drive	Suite 100	Atlanta	GA			\$30,909,489	747	2,420
021799	02179903	Argosy University	Argosy University - Washington D.C. Area	1550 Wilson Boulevard	Suite 600	Arlington	VA			\$21,725,882	344	1,097
021799	02179905	Argosy University	Argosy University - Hawaii	400 ASB Tower	1001 Bishop Street	Honolulu	HI			\$21,696,956	462	2,077
021799	02179907	Argosy University	Argosy University - Phoenix	2233 West Dunlap Avenue		Phoenix	AZ			\$130,163,609	4,946	19,988
021799	02179908	Argosy University	Argosy University - San Francisco Bay Area	1005 Atlantic Avenue		Alameda	CA	12/31/20		\$6,917,018	86	393
021799	02179909	Argosy University	Argosy University - Tampa	1403 North Howard Avenue		Tampa	FL			\$19,034,713	427	1,278
021799	02179910	Argosy University	Argosy University - Maui Campus	The Wright Center	270 Hookahi, Suite 309	Wailuku	HI			\$0	0	0

c2887b57dc6947f7ac62ee93db9844b8

Main OPEID	OPEID	Main Name	Location Name	Address 1	Address 2	City	State	Teach out - expected Closure Date	DCEH Comments	Estimated Closed School Loan Discharge Totals (NSLDS)*		
										Total Outstanding (Principal & Interest)	Number of Borrowers	Number of Loans
021799	02179911	Argosy University	Argosy University - Hilo Campus	The Ironworks Building	1266 Kamehameha Highway, Suite A-7	Hilo	HI			\$0	0	0
021799	02179913	Argosy University	Argosy University - Seattle	2601-A Elliott Avenue		Seattle	WA	08/31/20		\$584,418	10	66
021799	02179914	Argosy University	Argosy University - Nashville	100 Centerview Drive	Suite 225	Nashville	TN	08/31/19		\$3,035,082	97	313
021799	02179918	Argosy University	Argosy University - Sarasota	5250 17th Street		Sarasota	FL	12/31/18		\$5,016,149	146	433
021799	02179919	Argosy University	Argosy University - Dallas	5001 Lyndon B Johnson Frwy		Dallas	TX	08/31/19		\$5,427,687	180	703
021799	02179921	Argosy University	Argosy University - Schaumburg	1000 Plaza Drive		Schaumburg	IL	12/31/18		\$499,672	20	64
021799	02179928	Argosy University	Argosy University - Los Angeles	5230 Pacific Concourse		Los Angeles	CA			\$6,815,225	186	853
021799	02179929	Argosy University	Argosy University - San Diego	1615 Murray Canyon Road	Suite 100	San Diego	CA	12/31/18		\$628,259	33	98
021799	02179930	Argosy University	Argosy University - Denver	7600 E Eastman Avenue		Denver	CO	12/31/19		\$354,278	20	71
021799	02179932	Argosy University	Argosy University - Inland Empire	3401 Centrelake Drive		Ontario	CA	12/31/18		\$2,394,928	113	430
021799	02179935	Argosy University	Argosy University - Salt Lake City	121 Election Road	Suite 300	Draper	UT	12/31/19		\$2,799,243	89	290
021799	02179936	Argosy University	Argosy University	225 North Michigan Avenue		Chicago	IL			\$460,977	38	50
021799	02179937	Argosy University	Argosy University - Western State University College of Law	1 Banting Drive		Irving	CA			\$14,061,675	329	902
021799	02179938	Argosy University	Argosy University - The Art Institute of California - Hollywood	5250 Lankershim Boulevard		North Hollywood	CA			\$9,299,745	504	2,600
021799	02179940	Argosy University	Argosy University - Ai Hollywood (The Shed)	11128 Magnolia Avenue		North Hollywood	CA			\$0	0	0
021799	02179943	Argosy University	Argosy University - The Art Institute of California - San Francisco	10 United Nations Plaza		San Francisco	CA	12/31/18		\$24,629	3	12
021799	02179944	Argosy University	Argosy University - The Art Institute of California - Orange County	3601 West Sunflower Avenue		Santa Ana	CA	12/31/18		\$268,957	15	69
021799	02179945	Argosy University	Argosy University - The Art Institute of California - Sacramento	2850 Gateway Oaks Drive	Suite 100	Sacramento	CA	12/31/18		\$3,500	1	1
021799	02179947	Argosy University	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road		San Diego	CA			\$6,793,010	325	1,796
021799	02179948	Argosy University	Argosy University - The Art Institute of California - Inland Empire	674 East Brier Drive		San Bernardino	CA	12/31/18		\$639,523	37	197
021799	02179949	Argosy University	Argosy University - UT National Guard Base, SLC	765 North 2200 West		Salt Lake City	UT	12/31/19		\$0	0	0
021799	02179950	Argosy University	Argosy University - Phoenix ATS Chandler	1255 South Spectrom Boulevard		Chandler	AZ			\$0	0	0
021799	02179951	Argosy University	Argosy University - Clay National Guard Center	1000 Halsey Avenue	Building 447	Marietta	GA			\$0	0	0
022913	02291300	Art Institute of Seattle (The)	Art Institute of Seattle (The)	2323 Elliott Avenue		Seattle	WA			\$7,601,286	383	1,910
022913	02291302	Art Institute of Seattle (The)	Art Institute of Seattle (The) -	2601 Elliott Avenue		Seattle	WA			\$0	0	0
040513	04051300	Art Institute of Phoenix (The)	Art Institute of Phoenix (The)	2233 West Dunlap Avenue		Phoenix	AZ	12/31/18		\$94,020	3	27
040513	04051303	Art Institute of Phoenix (The)	Art Institute of Phoenix (The) - Art Institute of Las Vegas (The)	2350 Corporate Circle		Henderson	NV			\$6,975,036	367	1,973
040513	04051304	Art Institute of Phoenix (The)	Art Institute of Phoenix (The) - Art Institute of Indianapolis (The)	3500 Depauw Boulevard		Indianapolis	IN	12/31/18		\$5,488	1	2
										\$724,959,596	26,456	108,048

Notes:

The estimated closed school loan discharge NSLDS query looks at the last enrollment reported at the school. When there is no enrollment* (or withdrawal within 120 days prior to closure) reported by the closed school*, the query looks for a loan (originated by the school location) where the period begin date is with loan status of in-school or in-grace and the balance is greater than zero. If an enrollment* record is found and the anticipated completion date on the enrollment record is within 120 days prior to closure for a student at the closed school, the query also looks for a loan at the school where the current maturity closure and a balance greater than zero.

*Last Reported Enrollment is the most recent enrollment reported by the school – if the school location didn't report enrollment, then this is the last reported enrollment by another entity (i.e. Federal Servicer) and the enrollment status is full-time ('F'), three-quarter time ('Q'), half-time ('H'), less than half-time ('L'), or approved ('W') within 120 days prior to closure. In addition to the enrollment status just listed, 'no enrollment' reported includes graduated ('G').

Main OPEID	OPEID	Main Name
010195	01019502	Art Institute of Fort Lauderdale (The)
040513	04051334	Art Institute of Phoenix (The)
040513	04051337	Art Institute of Phoenix (The)
040513	04051340	Art Institute of Phoenix (The)

Location Name	Address 1
Art Institute of Fort Lauderdale (The) - Harbor Place Building	1600 Southeast 17th Street
Art Institute of Phoenix (The) - ATS Michigan City Humane	722 US Highway 212
Art Institute of Phoenix (The) - ATS N Canton Higbee	4839 Higbee Avenue NW
Art Institute of Phoenix (The) - The Art Institute of Vancouver	2665 Renfrew Street

Address 2	City	State	Teach out - expected Closure Date
	Fort Lauderdale	FL	
	Michigan City	IN	
	Canton	OH	
	Vancouver		

DCEH Comments

EDMC location closed 10/31/13, no longer approved on ECAR

EDMC closed 5/6/16, already entered in e-app

EDMC sold 1/31/17, already entered in e-app

EDMC sold 1/31/17, already entered in e-app

All CPS Transactions Report

NSLDS Query

Table of Contents:

[Click Here](#)

The NSLDS query disclosed below was run on January 1, 2019 for each award year of data included in this workbook.

NSLDS Queries

NSLDS Query

```
--THIS UNION QUERY PROVIDES AN ESTIMATE OF THE LOANS THAT WOULD BE ELIGIBLE  
-- FOR CLOSED SCHOOL DISCHARGES IF A SCHOOL OR SCHOOL GROUP CLOSES  
-- THE DATE IN WHICH THIS QUERY IS EXECUTED.
```

```
SELECT SCH_CODE, SCH_BR_CODE  
, SUM(TOTAL_OUT) TOTAL_OUT  
, SUM(BOR_COUNT) BOR_COUNT  
, SUM(LOAN_COUNT) LOAN_COUNT
```

FROM(

```
-- THIS INNER QUERY SUMS THE OUSTANDING AMOUNTS FOR BORROWERS  
-- WITH ENROLLMENT NOT YET REPORTED  
SELECT L.SCH_CODE, L.SCH_BR_CODE  
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT  
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT  
, COUNT(*) LOAN_COUNT  
FROM LOAN L  
WHERE L.SCH_CODE IN('007470','007819','008350','008878','009270','010195'  
, '012584','013039','020789','021171','021799','022913','040513')  
AND L.PER_BEG_DT >= CURRENT DATE - 120 DAYS  
AND L.CURR_LOAN_STAT IN ('IA','ID')  
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0  
AND NOT EXISTS (SELECT *  
FROM STU_BR S  
WHERE S.SCH_CODE = L.SCH_CODE  
AND S.STU_NO = L.STU_NO  
AND S.STU_SEQ_NO = L.STU_SEQ_NO  
AND S.VAL_IND = ''  
AND ((S.ENRL_CODE IN ('G','F','H','Q','A','L'))  
OR (S.ENRL_CODE = 'W'  
AND S.EFF_DT > CURRENT DATE - 120 DAYS)))  
GROUP BY L.SCH_CODE, L.SCH_BR_CODE
```

UNION ALL

```
-- THIS INNER QUERY SUMS THE OUSTANDING AMOUNTS FOR BORROWERS  
-- WITH ENROLLMENT REPORTED  
SELECT L.SCH_CODE, L.SCH_BR_CODE  
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT  
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT  
, COUNT(*) LOAN_COUNT
```

All CPS Transactions Report

NSLDS Query

NSLDS Query

```
FROM LOAN L
WHERE L.SCH_CODE IN ('007470','007819','008350','008878','009270','010195'
,'012584','013039','020789','021171','021799','022913','040513')
AND L.CURR_MAT_DT >= CURRENT DATE - 120 DAYS
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0
AND EXISTS (SELECT *
FROM STU_BR S
WHERE S.SCH_CODE = L.SCH_CODE
AND S.STU_NO = L.STU_NO
AND S.STU_SEQ_NO = L.STU_SEQ_NO
AND S.VAL_IND = ' '
AND ANTIC_COMPL_DT >= CURRENT DATE - 120 DAYS
AND ANTIC_COMPL_DT <> '0001-01-01'
AND ((S.ENRL_CODE IN ('F','H','Q','A','L'))
OR (S.ENRL_CODE = 'W'
AND S.EFF_DT > CURRENT DATE - 120 DAYS)))
GROUP BY L.SCH_CODE, L.SCH_BR_CODE

) AS A

GROUP BY SCH_CODE, SCH_BR_CODE
```

Frola, Michael

From: Frola, Michael
Sent: Wednesday, January 2, 2019 9:06 AM
To: Jones, Diane; Minor, Robin; Frola, Michael; Bennett, Ron; Finley, Steve (Steve.Finley@ed.gov); Mangold, Donna
Cc: Frola, Michael (Michael.Frola@ed.gov)
Subject: FW: DCEH Closed Loan Discharges
Attachments: Operating Dream Center Locations' Est CSLDs as of 20190102.xlsx

Please see Closed Loan Discharge estimates for DCEH if they closed today. Total discharge amount for all schools would be \$724,959,596.

Thanks,
Mike

From: Steward, Jamal
Sent: Wednesday, January 02, 2019 8:13 AM
To: Sikora, Tara; Frola, Michael
Subject: RE: DCEH Closed Loan Discharges

Good morning Tara and Mike,

Happy New Years! I've appended to the spreadsheet estimated closed school loan discharge totals for each location. Columns 'K' through 'M' provide an estimate of how much federal student loan volume would be forgiven in the event that the schools closed today.

Jamal

Working hours: Mon-Thur 6:30am – 4:00pm (US EST) and every other Friday 6:30am – 3:00pm (US EST)

PRIVILEGED, PREDECISIONAL, AND DELIBERATIVE COMMUNICATION. DO NOT RELEASE OR OTHERWISE DISSEMINATE.

From: Frola, Michael
Sent: Friday, December 28, 2018 11:09 AM
To: Steward, Jamal
Cc: Sikora, Tara
Subject: DCEH Closed Loan Discharges

Hi Jamal,
Happy New Years! Welcome back.

Please run closed loan discharge numbers for the remaining DCEH schools as of 1/2/18.

Tara can provide you the most up to date list of operating DCEH schools as of 1/2/18.

Thanks,

Mike

Michael Frola

Director

Multi-Regional and Foreign School Participation Division

Office: (202) 377-3364

michael.frola@ed.gov

StudentAid.gov

<image001.png>

<Dream Center All Locations provided by Lia 9.6.18.xlsx>

c2887b57dc6947f7ac62ee93db9844b8

Main OPEID	OPEID	Main Name	Location Name	Address 1	Address 2	City	State	Teach out - expected Closure Date	DCEH Comments	Estimated Closed School Loan Discharge Totals (NSLDS)*		
										Total Outstanding (Principal & Interest)	Number of Borrowers	Number of Loans
007470	00747000	Art Institute of Pittsburgh (The)	Art Institute of Pittsburgh (The)	420 Boulevard of the Allies		Pittsburgh	PA		e-app has been updated to reflect current address - 1400 Penn Ave	\$30,147,034	1,718	7,948
007819	00781900	Art Institute of Portland (The)	Art Institute of Portland (The)	1122 NorthWest Davis Street		Portland	OR	12/31/18		\$0	0	0
007819	00781902	Art Institute of Portland (The)	Art Institute of Portland (The) - Industrial Design Workshop	722 NW Couch Street		Portland	OR	12/31/18		\$0	0	0
007819	00781903	Art Institute of Portland (The)	Art Institute of Portland (The) - Culinary Arts Facility	34 NW 8th Avenue		Portland	OR	12/31/18		\$0	0	0
008350	00835000	Art Institute of Philadelphia (The)	Art Institute of Philadelphia (The) -	1622 Chestnut Street		Philadelphia	PA	12/31/18		\$0	0	0
008350	00835001	Art Institute of Philadelphia (The)	Art Institute of Philadelphia (The)	2300 Market Street		Philadelphia	PA	12/31/18		\$0	0	0
008878	00887800	Miami International University of Art & Design	Miami International University of Art & Design	1501 Biscayne Boulevard	Suite 100	Miami	FL			\$7,555,119	369	1,977
008878	00887805	Miami International University of Art & Design	Miami International University of Art & Design - Art Inst. of Tampa	4401 North Himes Avenue	Suite 150	Tampa	FL			\$4,476,375	250	1,236
008878	00887807	Miami International University of Art & Design	Miami International University of Art & Design - Art Institute Dallas	Two North Park	8080 Park Lane, Suite 100	Dallas	TX			\$4,635,294	403	1,313
008878	00887808	Miami International University of Art & Design	Miami International University of Art & Design - Art Inst of Charlotte	Three Lake Pointe Plaza	2110 Water Ridge Parkway	Charlotte	NC	12/31/18		\$22,827	2	6
008878	00887809	Miami International University of Art & Design	Miami International University of Art & Design - Art Inst Raleigh	410 Blackwell Street	Suite 10	Durham	NC	12/31/18		\$10,968	1	4
009270	00927000	Art Institute of Atlanta (The)	Art Institute of Atlanta (The)	6600 Peachtree Dunwoody Road	100 Embassy Row	Atlanta	GA			\$16,891,190	857	4,587
009270	00927002	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - Art Institute of Washington (The)	The Ames Center	1820 North Fort Myer Drive	Arlington	VA	12/31/18		\$130,093	8	46
009270	00927003	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - Art Institute of Tennessee-Nashville	100 CNA Drive		Nashville	TN	12/31/18		\$30,875	2	6
009270	00927004	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - The Art Institute of Charleston	24 North Market Street	The Carroll Building	Charleston	SC	12/31/18		\$126,212	9	46
009270	00927007	Art Institute of Atlanta (The)	Art Institute of Atlanta (The) - The Art Institute of Virginia Beach	4500 Main Street	Suite 100	Virginia Beach	VA			\$4,329,763	222	1,139
010195	01019500	Art Institute of Fort Lauderdale (The)	Art Institute of Fort Lauderdale (The)	1799 Southeast 17th Street		Fort Lauderdale	FL	12/31/18		\$0	0	0
010195	01019501	Art Institute of Fort Lauderdale (The)	Art Institute of Fort Lauderdale (The) - Harbor Place Building	1650 Southeast 17th Street		Fort Lauderdale	FL	12/31/18		\$0	0	0
012584	01258400	Illinois Institute of Art (The)	Illinois Institute of Art (The)	350 North Orleans Street	Suite 136-L	Chicago	IL	12/31/18		\$0	0	0
012584	01258401	Illinois Institute of Art (The)	Illinois Institute of Art (The) - The IL Institute of Art - Schaumburg	1000 Plaza Drive	Suite 100	Schaumburg	IL	12/31/18		\$0	0	0
012584	01258405	Illinois Institute of Art (The)	Illinois Institute of Art (The) - The Art Institute of Michigan	28175 Cabot Drive		Novi	MI	12/31/18		\$0	0	0
013039	01303900	South University	South University	709 Mall Boulevard		Savannah	GA			\$164,334,847	5,917	20,054
013039	01303904	South University	South University - West Palm Beach Campus	9801 Belvedere Road		Royal Palm Beach	FL			\$11,058,546	581	2,459
013039	01303906	South University	South University - Montgomery	5355 Vaughn Road		Montgomery	AL			\$6,407,957	311	1,317
013039	01303907	South University	South University - Columbia	9 Science Court		Columbia	SC			\$23,891,451	768	3,340
013039	01303908	South University	South University - Tampa	4401 North Himes Avenue	Parkside at Tampa Bay Park	Tampa	FL			\$13,755,498	649	2,247
013039	01303909	South University	South University - Art Institute of Atlanta	6600 Peachtree Dunwoody Road		Atlanta	GA			\$0	0	0
013039	01303910	South University	South University - Richmond	2151 Old Brick Road		Glenn Allen	VA			\$10,748,938	441	1,916
013039	01303911	South University	South University - Virginia Beach	301 Bendix Road		Virginia Beach	VA			\$6,287,844	301	1,288
013039	01303914	South University	South University - Novi	41555 Twelve Mile Road		Novi	MI	12/31/19		\$4,515,614	166	676
013039	01303915	South University	South University - Austin	1220 West Louis Henna Boulevard		Round Rock	TX			\$4,305,481	239	1,057
013039	01303922	South University	South University - Cleveland	4743 Richmond Road		Warrensville Heights	OH	12/31/19		\$4,640,311	156	699
013039	01303923	South University	South University - High Point	3975 Premier Drive		High Point	NC	12/31/19		\$3,173,777	98	542
013039	01303926	South University	South University - Orlando ATS	4901 Vineland Road	Suite 140	Orlando	FL			\$2,370,311	83	182
020789	02078900	Art Institute of Colorado (The)	Art Institute of Colorado (The)	1200 Lincoln Street		Denver	CO	12/31/18		\$0	0	0
020789	02078904	Art Institute of Colorado (The)	Art Institute of Colorado (The)	675 South Broadway		Denver	CO	12/31/18		\$0	0	0
021171	02117100	Art Institute of Houston (The)	Art Institute of Houston (The)	4140 Southwest Freeway		Houston	TX			\$13,095,582	637	3,437
021171	02117102	Art Institute of Houston (The)	Art Institute of Houston (The) - The Art Institute of Austin	101 W Louis Henna Blvd	Suite 100	Austin	TX			\$7,735,716	361	2,019
021171	02117104	Art Institute of Houston (The)	Art Institute of Houston (The) - The Art Institute of San Antonio	10000 West Interstate Highway 10		San Antonio	TX			\$8,905,315	391	2,267
021799	02179900	Argosy University	Argosy University	601 South Lewis Street		Orange	CA			\$43,978,249	702	2,634
021799	02179901	Argosy University	Argosy University - Twin Cities	1515 Central Parkway		Eagan	MN			\$23,167,955	902	3,493
021799	02179902	Argosy University	Argosy University - Atlanta	980 Hammond Drive	Suite 100	Atlanta	GA			\$30,909,489	747	2,420
021799	02179903	Argosy University	Argosy University - Washington D.C. Area	1550 Wilson Boulevard	Suite 600	Arlington	VA			\$21,725,882	344	1,097
021799	02179905	Argosy University	Argosy University - Hawaii	400 ASB Tower	1001 Bishop Street	Honolulu	HI			\$21,696,956	462	2,077
021799	02179907	Argosy University	Argosy University - Phoenix	2233 West Dunlap Avenue		Phoenix	AZ			\$130,163,609	4,946	19,988
021799	02179908	Argosy University	Argosy University - San Francisco Bay Area	1005 Atlantic Avenue		Alameda	CA	12/31/20		\$6,917,018	86	393
021799	02179909	Argosy University	Argosy University - Tampa	1403 North Howard Avenue		Tampa	FL			\$19,034,713	427	1,278
021799	02179910	Argosy University	Argosy University - Maui Campus	The Wright Center	270 Hookahi, Suite 309	Wailuku	HI			\$0	0	0

c2887b57dc6947f7ac62ee93db9844b8

Main OPEID	OPEID	Main Name	Location Name	Address 1	Address 2	City	State	Teach out - expected Closure Date	DCEH Comments	Estimated Closed School Loan Discharge Totals (NSLDS)*		
										Total Outstanding (Principal & Interest)	Number of Borrowers	Number of Loans
021799	02179911	Argosy University	Argosy University - Hilo Campus	The Ironworks Building	1266 Kamehameha Highway, Suite A-7	Hilo	HI			\$0	0	0
021799	02179913	Argosy University	Argosy University - Seattle	2601-A Elliott Avenue		Seattle	WA	08/31/20		\$584,418	10	66
021799	02179914	Argosy University	Argosy University - Nashville	100 Centerview Drive	Suite 225	Nashville	TN	08/31/19		\$3,035,082	97	313
021799	02179918	Argosy University	Argosy University - Sarasota	5250 17th Street		Sarasota	FL	12/31/18		\$5,016,149	146	433
021799	02179919	Argosy University	Argosy University - Dallas	5001 Lyndon B Johnson Frwy		Dallas	TX	08/31/19		\$5,427,687	180	703
021799	02179921	Argosy University	Argosy University - Schaumburg	1000 Plaza Drive		Schaumburg	IL	12/31/18		\$499,672	20	64
021799	02179928	Argosy University	Argosy University - Los Angeles	5230 Pacific Concourse		Los Angeles	CA			\$6,815,225	186	853
021799	02179929	Argosy University	Argosy University - San Diego	1615 Murray Canyon Road	Suite 100	San Diego	CA	12/31/18		\$628,259	33	98
021799	02179930	Argosy University	Argosy University - Denver	7600 E Eastman Avenue		Denver	CO	12/31/19		\$354,278	20	71
021799	02179932	Argosy University	Argosy University - Inland Empire	3401 Centrelake Drive		Ontario	CA	12/31/18		\$2,394,928	113	430
021799	02179935	Argosy University	Argosy University - Salt Lake City	121 Election Road	Suite 300	Draper	UT	12/31/19		\$2,799,243	89	290
021799	02179936	Argosy University	Argosy University	225 North Michigan Avenue		Chicago	IL			\$460,977	38	50
021799	02179937	Argosy University	Argosy University - Western State University College of Law	1 Banting Drive		Irving	CA			\$14,061,675	329	902
021799	02179938	Argosy University	Argosy University - The Art Institute of California - Hollywood	5250 Lankershim Boulevard		North Hollywood	CA			\$9,299,745	504	2,600
021799	02179940	Argosy University	Argosy University - Ai Hollywood (The Shed)	11128 Magnolia Avenue		North Hollywood	CA			\$0	0	0
021799	02179943	Argosy University	Argosy University - The Art Institute of California - San Francisco	10 United Nations Plaza		San Francisco	CA	12/31/18		\$24,629	3	12
021799	02179944	Argosy University	Argosy University - The Art Institute of California - Orange County	3601 West Sunflower Avenue		Santa Ana	CA	12/31/18		\$268,957	15	69
021799	02179945	Argosy University	Argosy University - The Art Institute of California - Sacramento	2850 Gateway Oaks Drive	Suite 100	Sacramento	CA	12/31/18		\$3,500	1	1
021799	02179947	Argosy University	Argosy University - The Art Institute of California - San Diego	7650 Mission Valley Road		San Diego	CA			\$6,793,010	325	1,796
021799	02179948	Argosy University	Argosy University - The Art Institute of California - Inland Empire	674 East Brier Drive		San Bernardino	CA	12/31/18		\$639,523	37	197
021799	02179949	Argosy University	Argosy University - UT National Guard Base, SLC	765 North 2200 West		Salt Lake City	UT	12/31/19		\$0	0	0
021799	02179950	Argosy University	Argosy University - Phoenix ATS Chandler	1255 South Spectrom Boulevard		Chandler	AZ			\$0	0	0
021799	02179951	Argosy University	Argosy University - Clay National Guard Center	1000 Halsey Avenue	Building 447	Marietta	GA			\$0	0	0
022913	02291300	Art Institute of Seattle (The)	Art Institute of Seattle (The)	2323 Elliott Avenue		Seattle	WA			\$7,601,286	383	1,910
022913	02291302	Art Institute of Seattle (The)	Art Institute of Seattle (The) -	2601 Elliott Avenue		Seattle	WA			\$0	0	0
040513	04051300	Art Institute of Phoenix (The)	Art Institute of Phoenix (The)	2233 West Dunlap Avenue		Phoenix	AZ	12/31/18		\$94,020	3	27
040513	04051303	Art Institute of Phoenix (The)	Art Institute of Phoenix (The) - Art Institute of Las Vegas (The)	2350 Corporate Circle		Henderson	NV			\$6,975,036	367	1,973
040513	04051304	Art Institute of Phoenix (The)	Art Institute of Phoenix (The) - Art Institute of Indianapolis (The)	3500 Depauw Boulevard		Indianapolis	IN	12/31/18		\$5,488	1	2
										\$724,959,596	26,456	108,048

Notes:

The estimated closed school loan discharge NSLDS query looks at the last enrollment reported at the school. When there is no enrollment* (or withdrawal within 120 days prior to closure) reported by the closed school*, the query looks for a loan (originated by the school location) where the period begin date is with loan status of in-school or in-grace and the balance is greater than zero. If an enrollment* record is found and the anticipated completion date on the enrollment record is within 120 days prior to closure for a student at the closed school, the query also looks for a loan at the school where the current maturity closure and a balance greater than zero.

*Last Reported Enrollment is the most recent enrollment reported by the school – if the school location didn't report enrollment, then this is the last reported enrollment by another entity (i.e. Federal Servicer) and the enrollment status is full-time ('F'), three-quarter time ('Q'), half-time ('H'), less than half-time ('L'), or approved ('W') within 120 days prior to closure. In addition to the enrollment status just listed, 'no enrollment' reported includes graduated ('G').

Main OPEID	OPEID	Main Name
010195	01019502	Art Institute of Fort Lauderdale (The)
040513	04051334	Art Institute of Phoenix (The)
040513	04051337	Art Institute of Phoenix (The)
040513	04051340	Art Institute of Phoenix (The)

Location Name	Address 1
Art Institute of Fort Lauderdale (The) - Harbor Place Building	1600 Southeast 17th Street
Art Institute of Phoenix (The) - ATS Michigan City Humane	722 US Highway 212
Art Institute of Phoenix (The) - ATS N Canton Higbee	4839 Higbee Avenue NW
Art Institute of Phoenix (The) - The Art Institute of Vancouver	2665 Renfrew Street

Address 2	City	State	Teach out - expected Closure Date
	Fort Lauderdale	FL	
	Michigan City	IN	
	Canton	OH	
	Vancouver		

DCEH Comments

EDMC location closed 10/31/13, no longer approved on ECAR

EDMC closed 5/6/16, already entered in e-app

EDMC sold 1/31/17, already entered in e-app

EDMC sold 1/31/17, already entered in e-app

All CPS Transactions Report

NSLDS Query

Table of Contents:

[Click Here](#)

The NSLDS query disclosed below was run on January 1, 2019 for each award year of data included in this workbook.

NSLDS Queries

NSLDS Query

```
--THIS UNION QUERY PROVIDES AN ESTIMATE OF THE LOANS THAT WOULD BE ELIGIBLE  
-- FOR CLOSED SCHOOL DISCHARGES IF A SCHOOL OR SCHOOL GROUP CLOSES  
-- THE DATE IN WHICH THIS QUERY IS EXECUTED.
```

```
SELECT SCH_CODE, SCH_BR_CODE  
, SUM(TOTAL_OUT) TOTAL_OUT  
, SUM(BOR_COUNT) BOR_COUNT  
, SUM(LOAN_COUNT) LOAN_COUNT
```

FROM(

```
-- THIS INNER QUERY SUMS THE OUSTANDING AMOUNTS FOR BORROWERS  
-- WITH ENROLLMENT NOT YET REPORTED  
SELECT L.SCH_CODE, L.SCH_BR_CODE  
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT  
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT  
, COUNT(*) LOAN_COUNT  
FROM LOAN L  
WHERE L.SCH_CODE IN('007470','007819','008350','008878','009270','010195'  
, '012584','013039','020789','021171','021799','022913','040513')  
AND L.PER_BEG_DT >= CURRENT DATE - 120 DAYS  
AND L.CURR_LOAN_STAT IN ('IA','ID')  
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0  
AND NOT EXISTS (SELECT *  
FROM STU_BR S  
WHERE S.SCH_CODE = L.SCH_CODE  
AND S.STU_NO = L.STU_NO  
AND S.STU_SEQ_NO = L.STU_SEQ_NO  
AND S.VAL_IND = ''  
AND ((S.ENRL_CODE IN ('G','F','H','Q','A','L'))  
OR (S.ENRL_CODE = 'W'  
AND S.EFF_DT > CURRENT DATE - 120 DAYS)))  
GROUP BY L.SCH_CODE, L.SCH_BR_CODE
```

UNION ALL

```
-- THIS INNER QUERY SUMS THE OUSTANDING AMOUNTS FOR BORROWERS  
-- WITH ENROLLMENT REPORTED  
SELECT L.SCH_CODE, L.SCH_BR_CODE  
, SUM(L.OUT_PRIN_BAL + L.OUT_INT_BAL) TOTAL_OUT  
, COUNT(DISTINCT(HEX(L.STU_NO)!!HEX(L.STU_SEQ_NO))) BOR_COUNT  
, COUNT(*) LOAN_COUNT
```

All CPS Transactions Report

NSLDS Query

NSLDS Query

```
FROM LOAN L
WHERE L.SCH_CODE IN ('007470','007819','008350','008878','009270','010195'
,'012584','013039','020789','021171','021799','022913','040513')
AND L.CURR_MAT_DT >= CURRENT DATE - 120 DAYS
AND L.OUT_PRIN_BAL + L.OUT_INT_BAL > 0
AND EXISTS (SELECT *
FROM STU_BR S
WHERE S.SCH_CODE = L.SCH_CODE
AND S.STU_NO = L.STU_NO
AND S.STU_SEQ_NO = L.STU_SEQ_NO
AND S.VAL_IND = ' '
AND ANTIC_COMPL_DT >= CURRENT DATE - 120 DAYS
AND ANTIC_COMPL_DT <> '0001-01-01'
AND ((S.ENRL_CODE IN ('F','H','Q','A','L'))
OR (S.ENRL_CODE = 'W'
AND S.EFF_DT > CURRENT DATE - 120 DAYS)))
GROUP BY L.SCH_CODE, L.SCH_BR_CODE

) AS A

GROUP BY SCH_CODE, SCH_BR_CODE
```

Jim conely

From: Jim conely
Sent: Wednesday, January 2, 2019 9:38 AM
To: Randall Barton
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Mangold, Donna; Echols, Deana C.; Tim Vick; Jacinta; tivoli.nash@accs.edu
Subject: RE: South University, Argosy University and Art Institutes

Mr. Barton:

Thanks for your message with attached letter regarding organizational changes to be made for South University in Montgomery, Argosy University, and The Art Institutes in Pittsburg and Atlanta. We appreciate being kept informed of the changes.

As requested, I will respond by formal letter, but please note that ACHE is responsible only for program review; Alabama licensing is provided by the Alabama Community College System (ACCS), which is the agency to confirm whether or not the institutions will remain licensed after the changes occur.

*James Conely, Ed.D.
Senior Program Officer
Alabama Commission on Higher Education
P. O. Box 302000
Montgomery, AL 36130-2000
(334) 242.2235*

From: Randall Barton <rbarton4953@gmail.com>
Sent: Monday, December 31, 2018 6:24 PM
To: Jim conely <jim.conely@ache.edu>
Cc: Jones, Diane <diane.jones@ed.gov>; robin.minor@ed.gov; Michael.frola@ed.gov; Donna.mangold@ed.gov; Echols, Deana C. <dcechols@dcedh.org>
Subject: South University, Argosy University and Art Institutes

Mr. Conely;

Attached is a letter updating your office on some changes for Dream Center Education Holdings.

Thanks for your kind assistance.

--

Randall K. Barton, JD
Chairman of the Board
Dream Center Education Holdings
Mobile: 918-200-1000

Finley, Steve

From: Finley, Steve
Sent: Wednesday, January 2, 2019 12:01 PM
To: Mangold, Donna; Bennett, Ron; Frola, Michael; Jones, Diane
Cc: Minor, Robin
Subject: RE: DCEH Closed Loan Discharges

The meeting is scheduled from 1:30 to 2:30 on Outlook.

Are we meeting at 1:00 or at 1:30?

From: Mangold, Donna
Sent: Wednesday, January 02, 2019 11:57 AM
To: Bennett, Ron; Finley, Steve; Frola, Michael; Jones, Diane
Cc: Minor, Robin
Subject: Re: DCEH Closed Loan Discharges

I can talk at 1 also

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: "Bennett, Ron" <Ron.Bennett@ed.gov>
Date: 1/2/19 11:27 AM (GMT-05:00)
To: "Finley, Steve" <Steve.Finley@ed.gov>, "Frola, Michael" <Michael.Frola@ed.gov>, "Jones, Diane" <Diane.Jones@ed.gov>
Cc: "Minor, Robin" <Robin.Minor@ed.gov>, "Mangold, Donna" <Donna.Mangold@ed.gov>
Subject: RE: DCEH Closed Loan Discharges

Same here

From: Finley, Steve
Sent: Wednesday, January 02, 2019 10:41 AM
To: Frola, Michael; Jones, Diane
Cc: Minor, Robin; Bennett, Ron; Mangold, Donna
Subject: RE: DCEH Closed Loan Discharges

I am available at 1:00, too.

From: Frola, Michael
Sent: Wednesday, January 02, 2019 10:36 AM
To: Jones, Diane
Cc: Minor, Robin; Bennett, Ron; Finley, Steve; Mangold, Donna
Subject: RE: DCEH Closed Loan Discharges

I'm available at 1:00.

-Mike

From: Jones, Diane
Sent: Wednesday, January 02, 2019 10:35 AM
To: Frola, Michael
Cc: Minor, Robin; Bennett, Ron; Finley, Steve; Mangold, Donna
Subject: Re: DCEH Closed Loan Discharges

It looks like the transactions are ok on AI and South, but they want to see if we can make LOC dollars available to complete the argosy teach outs. I have to deal with neg reg redlines this morning. Can you all chat at 1pm?

Sent from my iPhone

On Jan 2, 2019, at 9:06 AM, Frola, Michael <Michael.Frola@ed.gov> wrote:

Please see Closed Loan Discharge estimates for DCEH if they closed today. Total discharge amount for all schools would be \$724,959,596.

Thanks,
Mike

From: Steward, Jamal
Sent: Wednesday, January 02, 2019 8:13 AM
To: Sikora, Tara; Frola, Michael
Subject: RE: DCEH Closed Loan Discharges

Good morning Tara and Mike,

Happy New Years! I've appended to the spreadsheet estimated closed school loan discharge totals for each location. Columns 'K' through 'M' provide an estimate of how much federal student loan volume would be forgiven in the event that the schools closed today.

Jamal

Working hours: Mon-Thur 6:30am – 4:00pm (US EST) and every other Friday 6:30am – 3:00pm (US EST)

PRIVILEGED, PREDECISIONAL, AND DELIBERATIVE COMMUNICATION. DO NOT RELEASE OR OTHERWISE DISSEMINATE.

From: Frola, Michael
Sent: Friday, December 28, 2018 11:09 AM
To: Steward, Jamal
Cc: Sikora, Tara
Subject: DCEH Closed Loan Discharges

Hi Jamal,
Happy New Years! Welcome back.

Please run closed loan discharge numbers for the remaining DCEH schools as of 1/2/18.

Tara can provide you the most up to date list of operating DCEH schools as of 1/2/18.

Thanks,
Mike

Michael Frola
Director
Multi-Regional and Foreign School Participation Division
Office: (202) 377-3364
michael.frola@ed.gov
StudentAid.gov
<image001.png>

<Dream Center All Locations provided by Lia 9.6.18.xlsx>
<Operating Dream Center Locations' Est CSLDs as of 20190102.xlsx>

Sikora, Tara

From: Sikora, Tara
Sent: Thursday, January 3, 2019 4:11 PM
To: 'Tim Gaber'; Mangold, Donna; 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve; 'Dave Knutte'; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.04 Notification

It just came to my attention that the email message that I sent earlier today did not read as I had intended it to. I wanted to clarify that the amount the Department paid for Additional Funds Submission.04B (\$9,225,285) was correct. The calculation error I referenced occurred in preparing the *Exhibit A – Submission and Payment Schedule* for the Additional Funds Submission 04 Notification and that figure was used in preparation of the Notification letter.

Additional Funds Submission.04B requested the following amounts:

July Rent	\$ 2,996,490
November Rent	\$ 3,125,071
December Rent	\$ 3,124,155
Total submitted by DCEH	\$ 9,245,716
Knutte QC	(20,430)
Certified for Reimbursement	\$ 9,225,285

And the Department paid \$9,225,285 on December 18, 2018.

Thank you,

Tara

From: Sikora, Tara
Sent: Thursday, January 03, 2019 2:33 PM
To: 'Tim Gaber'; Mangold, Donna; 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve; 'Dave Knutte'; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.04 Notification

Tim,

There was a calculation error in the Additional Funds Submission 04 Notification that resulted in an incorrect amount paid for 04B. The Department confirms that the amount paid for Additional Funds Submission.04B was \$9,225,285. Attached is an updated version of the Submission and Payment schedule for your records. Donna will send an updated Additional Funds Submission 04 Notification letter at a later date.

Thank you,

Tara

From: Sikora, Tara
Sent: Thursday, January 03, 2019 11:49 AM
To: Tim Gaber; Mangold, Donna; 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve; Dave Knutte; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.04 Notification

Hi Tim,

I will work with Donna to review this discrepancy.

Tara

From: Tim Gaber [mailto:timg@knutte.com]
Sent: Thursday, January 03, 2019 11:12 AM
To: Mangold, Donna; 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve; Dave Knutte; Sikora, Tara; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.04 Notification

Donna,

Happy new year! I just wanted some clarification as I'm tracking the carryover for Dream Center on our side. The TPPPA Addendum – Additional Funds Submission 04 Notification that you sent over last week shows \$9,268,738 being paid on 12/18/2018 for Additional Funds Submission.04B. Dream Center forwarded me confirmation of a wire transfer on 12/18/18 for \$9,225,285. Can you look into the correct amount that was paid for Submission 4B as Dream Center should be approaching the \$50,000,000 limit with Submissions 5 and 5b and I wanted everything straightened out before those payments were made.

Thanks,
Tim

Tim Gaber, CPA
7900 S. Cass Avenue
Darien, IL 60561
timg@knutte.com
630-960-3317 ext. 104 (ph)
630-960-9960 (fax)

From: Mangold, Donna <Donna.Mangold@ed.gov>
Sent: Friday, December 28, 2018 2:36 PM
To: 'Murphy, Shelly M.' <smurphy@dcedh.org>; 'Richardson, Brent D.' <brichardson@dcedh.org>; 'Garrett, Chad' <cgarrett@dcedh.org>
Cc: Jones, Diane <Diane.Jones@ed.gov>; Minor, Robin <Robin.Minor@ed.gov>; Frola, Michael <Michael.Frola@ed.gov>; Finley, Steve <Steve.Finley@ed.gov>; Dave Knutte <davek@knutte.com>; Tim Gaber <timg@knutte.com>; Sikora, Tara <Tara.Sikora@ed.gov>; Puffer, Rhonda <Rhonda.Puffer@ed.gov>
Subject: RE: DCEH Additional Funds Submission.04 Notification

The Additional Funds Submission.04 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached, along with the exhibits and an excel (per Tim's prior request). Given the holiday, I am not certain when this will post to DCEH's account.

From: Mangold, Donna
Sent: Wednesday, December 12, 2018 12:02 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Finley, Steve; 'Dave Knutte (davek@knutte.com)'; 'Tim Gaber'; Sikora, Tara; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.04B Notification

The Additional Funds Submission.04B Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Wednesday, November 21, 2018 9:55 AM
To: Murphy, Shelly M.; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve; Dave Knutte (davek@knutte.com); Tim Gaber; Sikora, Tara; Puffer, Rhonda
Subject: RE: DCEH Additional Funds Submission.03 Notification

The Additional Funds Submission.03 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please note the instructions in regard to Additional Funds Submission.04. I have copied Dave Knutte and Tim Gaber so that Knutte's review is consistent with the Department's disallowance of certain expenses.

From: Mangold, Donna
Sent: Friday, October 19, 2018 9:03 AM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.02 Notification

The Additional Funds Submission.02 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, October 02, 2018 2:04 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Additional Funds Submission.01

The Additional Funds Submission.01 Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Tuesday, September 18, 2018 5:19 PM
To: 'Murphy, Shelly M.'; 'Richardson, Brent D.'; 'Garrett, Chad'
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: RE: DCEH Supplemental Advance Notification

The Supplemental Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

From: Mangold, Donna
Sent: Friday, August 24, 2018 8:21 AM
To: 'Murphy, Shelly M.'; Richardson, Brent D.; Garrett, Chad
Cc: Jones, Diane; Minor, Robin; Frola, Michael; Riemer, Jeffrey (Justin); Finley, Steve
Subject: DCEH Initial Advance Notification

The Initial Advance Notification has been transmitted to the Department's financial office for initiation of the funds transfer. A copy is attached.

Please ensure that all future submissions are in sortable form to facilitate the Department's review. In addition, in accordance with the terms of the Addendum, the Department will need to coordinate with the CPA on the required documentation for future submissions. Please provide the appropriate contact information.

Donna

From: Murphy, Shelly M. [<mailto:smurphy@dcedh.org>]
Sent: Wednesday, August 22, 2018 6:26 PM
To: Mangold, Donna; Riemer, Jeffrey (Justin); Jones, Diane
Subject: Fwd: Revised Initial Advance Submission Support

Donna,
Please see the updated information and comments from our CFO.

Shelly Murphy
Chief Officer Regulatory and Government Affairs
Dream Center Education Holdings, LLC
Smurphy@dcedh.org
Cell: 480-650-4249

Begin forwarded message:

From: "Garrett, Chad" <cgarrett@dcedh.org>
Date: August 22, 2018 at 3:21:21 PM MST
To: "Murphy, Shelly M." <smurphy@dcedh.org>
Cc: "brichardson@lopescapital.com" <brichardson@lopescapital.com>
Subject: Revised Initial Advance Submission Support

Shelly,

We have been working with the auditors to validate the Initial Advance Submission. In doing so, we identified that we inadvertently included some non-reimbursable roles (mainly Admissions related) into the payroll information. We have corrected that error. In order to exceed the \$10MM Initial Advance Submission, we have added an additional payroll in August. The additional support is attached in the attached revised submission. Please let me know if you have any questions.

Chad

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works accepts any liability for any damage caused by any virus transmitted by this email.

Frola, Michael

From: Frola, Michael
Sent: Friday, January 4, 2019 8:57 AM
To: Jones, Diane; Finley, Steve; Mangold, Donna
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron
Subject: Update on G5 Requests- Dream Center Education Holdings

Good morning,

Eric confirmed there are no pending claim requests for DCEH as of today. DCEH has not requested any funds in G5 since December 26, 2018.

-Mike

From: Frola, Michael
Sent: Monday, December 31, 2018 2:25 PM
To: Jones, Diane; Finley, Steve; Mangold, Donna
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron
Subject: RE: Dream Center Education Holdings; Argosy University

Works for me. I'll have Eric release all the funds requested from G5.

From: Jones, Diane
Sent: Monday, December 31, 2018 2:24 PM
To: Frola, Michael; Finley, Steve; Mangold, Donna
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron
Subject: RE: Dream Center Education Holdings; Argosy University

\$1750839 covers the total for students who completed last semester. Let's release that. If the transaction really takes place tomorrow as scheduled, then the remainder can be released to the schools. Do others agree?
Diane

Diane Auer Jones
Principal Deputy Under Secretary
Delegated to Perform the Duties of Under Secretary
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202
202-453-7333
Diane.jones@ed.gov

From: Frola, Michael
Sent: Monday, December 31, 2018 1:37 PM
To: Jones, Diane; Finley, Steve; Mangold, Donna
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron
Subject: RE: Dream Center Education Holdings; Argosy University

(b)(6)

-Mike

From: Jones, Diane
Sent: Monday, December 31, 2018 12:10 PM
To: Finley, Steve; Mangold, Donna
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael
Subject: RE: Dream Center Education Holdings; Argosy University

Hi all,

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Thanks,
Diane

Diane Auer Jones
Principal Deputy Under Secretary
Delegated to Perform the Duties of Under Secretary
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202
202-453-7333
Diane.jones@ed.gov

From: Finley, Steve
Sent: Saturday, December 29, 2018 12:19 PM
To: Mangold, Donna; Jones, Diane
Cc: Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael
Subject: RE: Dream Center Education Holdings; Argosy University

(b)(6)

From: Mangold, Donna
Sent: Friday, December 28, 2018 5:11 PM
To: Jones, Diane
Cc: Finley, Steve; Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael
Subject: RE: Dream Center Education Holdings; Argosy University

Diane, the plan is also to keep DCEH on route pay for now.

From: Mangold, Donna
Sent: Friday, December 28, 2018 5:09 PM
To: Jones, Diane
Cc: Finley, Steve; Minor, Robin; Arthur, Julie; Bennett, Ron; Frola, Michael

Subject: RE: Dream Center Education Holdings; Argosy University

Diane,

Mike got this message from FSA staff re info from DCEH's Student Accounting Supervisor (Mr. Winters):

“Mr. Winters provided names of six (6) primary people that request funds in G5. I was able to take that information and determine that there are 80 claims in G5 that total \$4,101,684.50.”

Mike is ok with releasing the funds so they can make payroll if you agree, but we have a recollection that maybe you were waiting for additional documentation from Dennis?

Finley, Steve

From: Finley, Steve
Sent: Friday, January 4, 2019 5:15 PM
To: Mangold, Donna; Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Arthur, Julie
Cc: Adair, Lucas (John)
Subject: RE: DCEH Transactions
Attachments: DAJ ltr to J. Glass (restructuring response) OGC draft 1.4.19 Finley.docx

Suggested edits and comments on the attached.

From: Mangold, Donna
Sent: Friday, January 04, 2019 4:48 PM
To: Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Finley, Steve; Arthur, Julie
Cc: Adair, Lucas (John)
Subject: FW: DCEH Transactions

Cleaning up the e-mail chain by resending to the correct addressees (deleting June Canada, and adding Julie and Lucas) with the attachments.

When you send edits, please reply to this message, not the one I sent at 4:10. Sorry.

From: Mangold, Donna
Sent: Friday, January 04, 2019 4:10 PM
To: Jones, Diane; Minor, Robin; Bennett, Ron; Frola, Michael; Finley, Steve; Canada, June
Subject: FW: DCEH Transactions

I have re-attached Jonathon Glass's incoming letter and a draft of our response. (b)(5)

(b)(5)

Jonathon sent me a message first thing this morning asking where it was, and I reminded him that ED didn't have a chance to meet until yesterday, and that although I was drafting, it required a group effort to review and finalize the response. So far, I haven't heard anything about whether the transaction has closed.

From: Glass, Jonathon [mailto:jglass@cooley.com]
Sent: Monday, December 31, 2018 12:05 PM
To: Jones, Diane; Mangold, Donna; Finley, Steve; robin.minor@d.gov; Frola, Michael
Cc: Lee Carey, Katherine; Goldstein, Mike; Mike Lau; Bryan Newman
Subject: FW: DCEH Transactions

Diane and Donna: As discussed, please see our letter explaining the broader DCEH transactions.

Unfortunately, time is very short so we again request your review and response as quickly as possible. I have copied the ED team on our recent conference call to facilitate your review.