

**STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS**

IN THE INVESTIGATION OF:

Case No. L10-3-1192

**KAPLAN HIGHER EDUCATION, LLC,
KAPLAN HIGHER EDUCATION CAMPUSES, and
KAPLAN UNIVERSITY,**

Respondents

ASSURANCE OF VOLUNTARY COMPLIANCE

PURSUANT to the provisions of Chapter 501, Part II of the Florida Statutes, Florida's Deceptive and Unfair Trade Practices Act, the OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS (hereinafter referred to as the "Department") conducted an investigation of allegations involving multiple entities within the for-profit higher education sector in Florida, including Kaplan Higher Education, LLC, Kaplan Higher Education Campuses and Kaplan University (hereinafter "Respondents").

This Assurance of Voluntary Compliance (hereafter referred to as the "Assurance") closes the Department's investigation regarding Respondents. Respondents enter into this Assurance for the sole purpose of concluding this matter with the Department and without an admission that they have violated Florida's Deceptive and Unfair Trade Practices Act, or any other law, and the Department has not filed a cause of action asserting any such claims or charges.

The Department, by and through the undersigned Associate Deputy Attorney General, accepts this Assurance and agrees to the termination of this investigation as set out in the terms of this Assurance as to Respondents only, pursuant to Section 501.207(6), Florida Statutes, and by virtue of the authority vested in the Department by said statute.

I. STIPULATED FACTS

The Department and Respondents hereby agree and stipulate to the following:

1. Respondents offer and provide college, career, and other educational programs in the State of Florida through ground campuses and online.

2. The Department has investigated allegations that multiple entities within the for-profit higher education sector in Florida, including Respondents, made certain misrepresentations, misleading statements or otherwise omitted or failed to disclose material information in connection with marketing their schools and programs to prospective students in violation of Florida Statutes Section 501.201 *et seq.*

3. Respondents make no admission that they engaged in any wrongdoing or committed any violation of Florida Statutes Section 501.201 *et seq.*, and the Department has not filed a cause of action asserting any such claims or charges. This Assurance contains neither findings of fact nor conclusions of law.

4. In 2010, Respondents developed and implemented a new program called the "Kaplan Commitment." The Kaplan Commitment program was designed in part to remedy any perceived deficiencies in the student enrollment process, and to help assure that students enrolling in Respondents' educational facilities could be successful in their studies and pleased with their chosen program of study. Pursuant to the Kaplan Commitment, students receive a period of time of several weeks in which to attend classes and determine if the curriculum, faculty, and classroom or on-line platform is suitable for them. As part of the program, Respondents also conduct assessments to help determine whether students are likely to be successful in their chosen course of study. At any time during this introductory period, the student may opt-out or withdraw without incurring any tuition cost or other financial obligation to Respondents, except for a nominal application fee. Students who choose to withdraw during this introductory period and students who do not pass the assessment do not have to pay for the coursework. The Kaplan Commitment was first implemented during the last quarter of 2010, but if it had been in effect for the entire year, Respondents estimate that it would have reduced their annual higher education revenue by approximately \$140 million nationally in 2010. Since 2010, Respondents have continued to stand behind the Kaplan Commitment and waived tuition and fees under that program for a number of Florida students exceeding 2,400. As a direct result of the impact of tuition and fees that have been waived by Respondents for Florida students during that time and continuing throughout the course of this investigation, Respondents experienced a reduction in revenues in excess of six million dollars in Florida alone.

5. Respondents and the Department desire to conclude all aspects of this investigation.

6. This Assurance is based upon the stipulated facts set forth in Paragraphs 1-5 above. The Department shall not be estopped from taking further action in this matter should the facts described herein be shown to be incorrect in any material way, or the Assurance not be complied with in full by Respondents.

II. AGREED TERMS

7. Since 2010, Respondents have also revised their admissions procedures and the training provided to their admissions personnel. The purpose of this Section II of this Assurance is to confirm that Respondents' procedures and training continue to adhere to what the Department has identified as best practices for the sector. Respondents agree to comply or, to the extent already established by Respondents as part of their standard practices, continue to comply with the best practices set forth in this Section II. Respondents' agreement hereunder shall not be construed as an admission of any past violation, or that any of Respondents' past practices were in any way deemed less than satisfactory by the Department.

8. The terms used herein shall have the following meanings:

a. "**Make readily available**" shall mean promptly providing true and accurate information as may be reasonably requested by a consumer in a medium that is reasonably accessible to the consumer (i.e., an Internet site) or the medium in which the consumer has communicated with Respondents (i.e., via email, telephone or mail). Such information provided in a medium specifically permitted or required by the standards of a federal agency or a federally recognized accrediting body is presumed to be "made readily available."

b. "**Clear and conspicuous**" (including "clearly and conspicuously" and any derivative thereof) means that a statement, representation, claim, disclosure or term being conveyed shall be presented in a way that a reasonable consumer will notice and understand the statement, representation, claim, disclosure or term. The following, without limitation, shall be considered in determining whether a statement, claim, term, or representation is clear and conspicuous:

i. whether it is of sufficient prominence in terms of font, size, placement, color, contrast, duration of appearance, sound and speed, as compared with accompanying statements, claims, terms or representations so that it is readily noticeable and understandable, and likely to be read by the person to whom it is directed; and if written or conveyed electronically, that it is not buried on the back or bottom, or in unrelated information or placed on the page in a manner, or location, where a reasonable person would not think it important to read;

ii. whether it is presented to the person(s) to whom it is directed in a coherent and meaningful sequence with respect to other terms, representations, claims, or statements being conveyed;

iii. whether it is in close proximity to the statement, representation, claim, or term it clarifies, modifies, explains, or to which it otherwise relates;

iv. whether it contradicts, or renders ambiguous or confusing, any other information with which it is presented;

v. whether, if it is oral, it is at an understandable pace and in the same tone and volume as the sales offer;

vi. whether it appears for a duration sufficient to allow listeners or viewers to have a reasonable opportunity to notice, read, or otherwise understand;

vii. whether the language and terms used are commonly understood by the consumer in the context in which they are used;

viii. whether it is presented in such a way as to be free of distractions, including but not limited to sound, graphics, text or other offers that compete for the attention of the consumer;

ix. whether, in advertising on the Internet, it is made on the same page as any other term, statement, claim or representation that it modifies, and above the fold (*i.e.*, portions of a webpage that can be visible without scrolling); and

x. whether the disclosure, term, condition or representation appears on the Internet on a co-registration order path in which numerous offers for various goods and services are represented to be free, and the consumer is required to accept a certain number of offers.

Any statement, representation, claim, disclosure, or term conveyed in a format specifically permitted or required by the standards of a federal agency or federally recognized accrediting body is presumed to be "clear and conspicuous."

9. Respondents and their representatives, agents, employees, successors, assigns, independent contractors or any other person who acts under, by, through, or on behalf of Respondents in the State of Florida, directly or indirectly, shall:

a. Comply with the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes;

b. Make readily available true and accurate information regarding the following in response to any inquiry from students or prospective students with a Florida address at the time:

they contacted Respondents regarding enrollment or during the time they were enrolled at a Florida campus or for on-line classes ("Florida Students or Prospective Florida Students"):

i. the price and all reasonably estimable costs charged by Respondents (including tuition, books, and any other fees or costs) associated with completion of any program, degree, or course offered by Respondents;

ii. any prerequisites or requirements for admission to the school or program;

iii. the content, length, availability, start dates and frequency of Respondents' programs, including, to the extent a Prospective Florida Student inquires as to a specific program, whether Respondents offer that program; to the extent Respondents suggest an alternative to a specifically requested program, Respondents shall also accurately disclose the material distinctions between the alternate program and the program initially sought by the Prospective Florida Student;

iv. whether the cost of taking any licensing or certification exams the successful completion of which is required to practice in Florida in the field pertaining to programs selected by the student is included in the cost of the program or is reimbursable by Respondents; and website or other contact information for the entity administering the license or certification requirements, which website or other contact information shall be updated annually;

v. the most recently reported graduation rates and placement rates for the Respondents' programs to the extent such rates are recorded and required to be publicly reported by Respondents' accrediting agencies and/or applicable federal Higher Education Act requirements; and

vi. the scope and nature of any employment placement services that Respondents may provide, including specifically the type of job placement services (if any) provided to students, including on-campus interviewing, resume forwarding, or job-matching programs.

c. Clearly and conspicuously disclose the following information in school catalogs and/or other consumer information materials or presentations for Florida Students and Prospective Florida Students:

i. the nature and source of Respondents' accreditation as an institution, whether the specific program or school at issue is separately or programmatically accredited, and whether the program is a certificate or degree program;

ii. the availability and process for applying for financial aid and the extent and nature of financial assistance including repayment obligations in the event of lack of satisfactory academic progress or failure to complete the course(s).

d. Provide that all admissions representatives of Respondents are trained and periodically monitored to ensure that any representations regarding the following are accurate and complete:

i. Any applicable accreditations, including that representatives should not represent that any school or program is "fully accredited," but instead should indicate that accreditation indicates compliance with the standards of the actual accrediting agency; and representatives should not represent that similar or identical accreditations necessarily equate to similar or identical academic reputations or educational experiences;

ii. Any applicable admissions requirements for the program at issue, including that representatives should not represent that a "recommendation" or "interview" is required unless such a requirement is expressly stated in the current catalogue or addenda thereto;

iii. Any applicable deadlines for application or completion of enrollment, including that representatives should not use artificial and/or arbitrary deadlines and shall accurately disclose the availability, if any, of the class or program at a later date;

iv. Any applicable limits on the availability of classes in the term being currently enrolled (including that a program should not be described as in "high demand," or having limited availability), unless such limitations actually exist;

v. That an estimate of financial aid eligibility will be provided to Prospective Florida Students before such student would be obligated for tuition costs;

vi. Representations as to the nature of federal or state financial aid, (including that federal grants should not be described as "free money"; and

vii. Prospective Florida Students should only be enrolled in an online program if such prospective student has regular access to a computer with Internet access; prospective students without regular access to a computer with Internet access should be encouraged to enroll in a campus-based program.

e. Provide that all financial aid representatives of Respondents in Florida are trained and periodically monitored to ensure that representations regarding the following are accurate and complete:

i. The availability and nature of federal or state financial aid, including training that federal grants should not be described as "free money", and that representatives should not state or imply that any financial aid does not have to be repaid without clearly disclosing that repayment of the grants may be required if satisfactory academic progress is not maintained or the student does not complete the applicable course(s), and fully and accurately disclosing that any funding of living expenses through financial aid will commensurately reduce the total financial aid availability for tuition-

related expenses which may cause a increased shortfall in financial aid in subsequent funding periods; and

ii. Any applicable deadlines for application or completion of financial aid packaging (including that representatives should not use artificial and/or arbitrary deadlines).

10. In addition, Respondents shall cause the following policies to be promptly implemented (to the extent not already in place) as to Florida Students and Prospective Florida Students:

a. Respondents shall clearly and conspicuously disclose that transferability of credits is at the discretion of the accepting institution and that it is the student's responsibility to confirm whether or not credits will be accepted by another institution of the student's choice. If a Respondent has entered into written articulation agreements with other institutions, a list of those other institutions will be provided upon request to the student, along with any conditions or limitations on the amount of kinds of transfer credit that may be accepted;

b. If and to the extent any error, omission, failure, delay, or other action by Respondents is the primary cause of a student receiving less than the federal financial aid specifically requested by the student and for which the Respondent communicated to the student that he or she would be eligible (other than Respondents' action to correct inaccurate information submitted by the student and/or to update the student's status or other information due to events subsequent to the submission of the applicable FAFSA application), Respondents shall promptly notify the student of the processing issue and shall (a) credit the student's account in the amount of any portion of federal grants not received due to the processing issue and (b) offer the student a school loan in the amount of any subsidized or unsubsidized federal loans not received due to the processing issue which shall be on equivalent terms to the federal loan that would otherwise have been available to the student;

c. Within a reasonable amount of time of any request by a student, including via telephonic, written, or electronic communication, to withdraw from school or drop a course or program, Respondents shall promptly facilitate the drop and/or withdrawal of the student so that it is given effect as of the date of the request or the date of last attendance, whichever is earlier;

d. Respondents shall not pay any employees directly responsible for admission or financial aid (whether staff or management in the admissions or financial aid departments) incentive compensation based upon quotas or numerical standards as to student enrollment or

retention. This subsection does not apply to employment termination decisions by Respondents and does not expand Respondents' obligations under current federal regulations such as 34 CFR §668.14(b)(22); and

e. Continue to provide sufficient financial aid staffing and resources such that Respondents make reasonable efforts to provide a prompt substantive response to telephone messages or calls from a current or prospective student regarding financial aid within five (5) business days of the request (i.e., a non-automated response either providing a resolution or indicating that the inquiry has been received and is under review, with a substantive response or resolution to follow within a short additional period of time); to the extent the recipient of the request is on scheduled leave or extended absence, notice shall be provided to the inquiring student of alternate personnel to whom the request can be directed in order to receive a timely response.

III. ADDITIONAL BENEFITS TO CONSUMERS

11. As more specifically set forth in Paragraph 5, Respondents initiated the Kaplan Commitment program in the fourth quarter of 2010. Since that time, the program has continued to be in effect and to benefit students by providing tuition savings that have exceeded six million dollars in Florida alone. Respondents intend to continue the Kaplan Commitment program. In the event the program is terminated prior to generating the further tuition savings described in paragraph 12 below, a General Scholarship Donation under the terms of paragraph 12 may be due. In the interest of further encouraging Florida students to pursue and complete their education, Respondents also agree to provide additional scholarships and benefits to eligible students as follows:

a. Definitions

i. "Scholarship Eligible Returning Students" as used herein shall mean every student who during the Relevant Period resided in the State of Florida and: (a) attended a Scholarship Eligible Program at one of the Respondents' campuses, learning centers, or on-line during the Relevant Period; and (b) certifies that the student voluntarily dropped the Scholarship Eligible Program on or before November 1, 2010, and the student specifically did not withdraw due to disciplinary violation(s), failure or inability to attend class due to budgetary issues, health or family issues, childcare issues, transportation issues, relocation, schedule conflicts, imprisonment, pregnancy, military

service, academic failure (including failure to meet satisfactory academic progress standards) or eligibility for unemployment benefits or receipt of other government support.

ii. “Scholarship Eligible Programs” as used herein shall mean all certificate programs of Respondents during the Relevant Period.

iii. “Relevant Period” as used herein shall mean from January 1, 2008 through November 1, 2010.

iv. “Scholarship Amount” as used herein shall mean the total tuition charges, technology fees, book charges, and any other fees charged by Respondents to the respective Scholarship Eligible Returning Student in connection with his/her enrollment and/or attendance in any course or program during the Relevant Period, which amounts were not fully refunded or waived.

b. Scholarships for Returning to School

i. For each Scholarship Eligible Returning Student, Respondents will provide the student with a credit in the applicable Scholarship Amount for that student, which credit may be applied at the student’s sole election to any tuition charges or other fees associated with attending another course or program of Respondents for which the Scholarship Eligible Returning Student meets all current, regularly applicable admissions requirements. Each credit may be redeemed only by the Scholarship Eligible Returning Student. Credits may be applied to any certificate course or program offered by Respondents, either on-line or in-person, provided said course or program is within the same field of study as the Scholarship Eligible Program originally attended by the student. In the event that a Scholarship Eligible Returning Student is interested in attending such a course or program at a different Kaplan institution than that he or she originally attended, the parties recognize that circumstances (such as different institutional accreditors) may impact the transfer of academic credits; accordingly, Respondents will assist the student in determining the extent to which his or her original academic credits would transfer to the proposed different institution. To this end, Respondents will also designate an internal administrator as a liaison to receive and assist with these or any other inquiries relating to this scholarship

opportunity, and will work with the office of the Attorney General to resolve any questions that might arise.

ii. Within 60 days of the effective date of this Assurance, Respondents shall use good faith efforts and all reasonable means to individually notify all Scholarship Eligible Returning Students of the availability of the credits. Scholarship Eligible Returning Students may redeem the credits on or before September 5, 2014, after which date the credits will expire.

iii. If a Scholarship Eligible Returning Student timely redeems the credit, it will be applied to the student's account (including, if appropriate, a credit balance to be applied toward future tuition) and shall be effective to offset any tuition or fees otherwise chargeable to the student's account.

iv. A Scholarship Eligible Returning Student may redeem his or her credit only once and may not use the credit to re-enter school in a different program after withdrawing from a program commenced pursuant to this Assurance. Respondents will respect any documented leaves of absence in accordance with published policies.

v. Respondents shall provide the Department with updates on a quarterly basis as to credit redemption commencing thirty (30) calendar days after the effective date of this Assurance and continuing for twelve (12) months, which reports shall detail Respondents' compliance with the obligations set forth in this Paragraph.

12. General Scholarship Donation. As part of the student benefits set forth in paragraphs 5 and 11, Respondents intend to continue the Kaplan Commitment program and provide scholarships to all Scholarship-Eligible Returning Students, as set forth therein. Additionally, Respondents are prepared to donate the amount of \$350,000 (three hundred fifty thousand dollars) to the scholarship fund(s) designated by the Department ("Scholarship Fund"), which shall be divided equally between the Florida Bright Futures Scholarship fund, the Florida Public Postsecondary Career Education Students Assistance Grant Program, and/or the Scholarships for Children and Spouses of Deceased or Disabled Veterans and Service members (any unawarded funds in any of the aforementioned scholarships may be allocated by the Florida Department of Education to the remaining scholarship(s) identified herein). However,

Respondents shall be entitled to offset the amounts of tuition and fees waived for Florida Students as a result of the Kaplan Commitment from the effective date of the Assurance until four years from the effective date of the Assurance. Respondents shall submit a compliance affidavit on an annual basis (no later than December 15th of each year) to the Department attesting to the amounts of tuition and fees waived for Florida Students as a result of the Kaplan Commitment for that given year. The annual compliance affidavits shall contain a statement identifying the relevant amounts offset by the Respondent, and, if appropriate, may be designated as containing confidential trade secrets. At the end of four years, or after the total amounts that may become due under this paragraph have been offset, Respondent's shall submit a Final Compliance Affidavit attesting to whether the amounts of tuition and fees waived for Florida Students as a result of the Kaplan Commitment has exceeded the General Scholarship Donation amount set forth above. The Final Compliance Affidavit shall not contain specific amounts of fees waived, and shall not be designated as containing confidential trade secrets. All compliance affidavits shall at a minimum include a statement indicating the position and title of the affiant, and a statement that the affiant is executing the affidavit on behalf of Respondent pursuant to this Assurance. Respondents agree to maintain its records in support of the compliance affidavits and to make such records available to the Department within ten (10) business days of a written request. All payments to the Scholarship Fund as may remain owed after four years following the effective date of this Assurance shall be made payable as the Department may instruct and shall be provided to Mark Hamilton, Special Counsel, PL-01, The Capitol, Tallahassee, Florida 32399-1050.

13. Attorneys' Fees and Investigative Costs. The parties agree that Respondents shall contribute \$200,000 (two hundred thousand dollars) to the State of Florida, Office of the Attorney General, Department of Legal Affairs, pursuant to Section 501.2105, Florida Statutes, as reimbursement for the attorneys' fees, costs and investigative fees expended by the Department since 2010, and toward monitoring of this Assurance in the future. Respondents shall submit such payment to Mark Hamilton of the Department simultaneously with the original Assurance executed by authorized representatives of Respondents. Payments due hereunder shall be made by cashier's check or other certified funds payable to Department of Legal Affairs Revolving Trust Fund.

14. Expedited Arbitration. Prior to and during the course of this investigation, the Department had received or become aware of complaints raised by certain Florida Students regarding their participation in a program or class offered by Respondents. The Department makes no findings as to the merits of those complaints. Respondents have agreed to create an expedited process to address those complaints. Accordingly, certain Florida Students who enrolled in a program or class, or who incurred tuition charges in connection with a program or course, and who have asserted a claim for relief against Respondents relating to the students' enrollment with or attendance at Respondents' institutions between April 1, 2008 and the date of this Assurance may, in lieu of pursuing relief in any other forum, participate in an Expedited Arbitration Process as follows:

- a. "Asserted a claim" means that the Florida Student has, from four years prior to the effective date of this Assurance through the effective date of this assurance, filed an arbitration or lawsuit that has not reached final resolution or submitted a written or e-mail grievance to Kaplan that was not resolved as demonstrated by the agreement, release or other documentation indicating the acceptance of the student. "Documentation" as used in the preceding sentence may include evidence of an unequivocal denial of the claim transmitted to the complaining Florida Student followed by at least 12 months of inactivity. "Asserted a claim" shall also mean Florida Students who submitted a complaint to the Department from April 1, 2008 through the effective date of this Assurance that was not resolved (as determined in the reasonable business judgment of the Department).
- b. The AAA Consumer Due Process Protocol and the AAA Consumer Related Disputes Supplementary Procedures shall apply except as set forth herein.
- c. Respondents, with the assistance of the Department, will identify each Expedited Arbitration Eligible Florida Student who is not a plaintiff in a civil action pending against Respondents, and the Respondents shall communicate with said students within 60 days of the effective date of this Assurance by sending the notification and claim form attached hereto as Composite Exhibit A (claim portion of which is referred to herein as "Claim.") Eligible Florida Students may submit a claim no later than September 5, 2014 using a claim form similar or substantially in the form of the Claim attached hereto as part of Composite Exhibit A. The Claim

may be submitted through any regular means of communication including U.S. mail, facsimile and e-mail, and shall be accompanied by a check made out to the American Arbitration Association in the amount of \$100. Respondents shall establish and make readily available a dedicated email address and U.S. Mail address for receipt of such Claims.

- d. Within ten (10) days of receipt of any Claim, Respondents shall provide notice to the student of receipt of the Claim and, if applicable, initiate a consumer arbitration under the AAA Consumer-Related Disputes Supplementary Procedures. If the Claim is deemed incomplete or ineligible for any reason, Respondents shall notify the student and, if applicable, return the check. Any filing fees, arbitrator fees, or other costs or fees due in connection with the filing of the Claim or adjudication of the Claim other than the \$100 paid by the student will be paid by Respondents.
- e. Per the Consumer-Related Supplementary Proceedings, an arbitrator will be appointed by the AAA.
- f. Respondents shall submit their answer, if any, to the Claim within ten (10) days of the submission of the Claim to the AAA. If Respondents submit a counterclaim, including, without limitation a claim for unpaid tuition or other balance due on the student's account with Respondents, the student shall have twenty (20) days to submit a written response to the AAA. For any Claim in the monetary amount of less than \$10,000, Respondents shall not request a hearing. If the student requests a hearing, a telephonic hearing (or, at the student's request, an in-person hearing not to exceed three hours in duration) shall be held by the arbitrator.
- g. Per the Consumer-Related Supplementary Proceedings, the arbitrator will issue the award within 14 days of the closing of the hearing or the final documents submitted to the arbitrator.
- h. Any documents relating to the student's enrollment or attendance at Respondents' institution(s) that may reasonably be requested by the student, whether in connection with a filed Claim or in the student's preparation of a Claim, shall be promptly provided to the student by Respondent.

- i. Notwithstanding any written agreement or provision elsewhere to the contrary, the arbitrator may award monetary damages to the student and may compel specific injunctive relief relating solely to the student's enrollment, diploma, degree, or completion of the student's program; however, the arbitrator may not award exemplary, incidental, consequential, punitive damages or attorneys' fees.
 - j. A student's submission of any Claim pursuant to the procedures set forth in this Paragraph 14 shall be deemed to comply with any otherwise applicable grievance or appeal procedures established by Respondents;
 - k. A student's submission of any Claim pursuant to the procedures set forth in this paragraph 14 shall operate as a waiver of any right to pursue in any other forum any claims arising out of and/or related to the facts on which the Claim is based.
15. Respondents shall submit verified quarterly reports to the Department as to the claims asserted, the status, and the adjudications to date.

IV. OTHER PROCEEDINGS

16. The parties are aware that Attorneys General of certain other States may currently be reviewing and investigating practices that are the subject of the present Assurance; Respondents have identified any such State Attorneys General to the Department. Should Respondents resolve any such pending investigation or action with any such State Attorneys General on terms that are materially different than those set forth herein, a copy of the final resolution will be provided to the Department for review within 5 days of its effective date or execution by all parties, whichever comes first. If, within 90 days after receipt and review of the final resolution, the Department reasonably determines that the injunctive, financial and/or any other terms of such resolution relating to the subject matter herein are, taken as a whole and in light of the alleged wrongdoing, materially more favorable to consumers or the respective government entity or restrictive on Respondents than those contained in this Assurance, then the parties stipulate that this Assurance will be amended to reflect all of such more favorable terms reasonably determined to be necessary in place of the terms in this Assurance. This provision will continue to apply to any additional future resolution of pending investigations or actions for one year after the effective date of this Assurance.

17. In the event that Respondents contend, based upon changed circumstances, that there is a need to modify this Assurance in whole or in part, Respondents may request modification of the terms of this Assurance. Such circumstances shall include but not be limited to a showing by the Respondent that the terms of this Assurance have placed it at a competitive disadvantage in the marketplace. The Department shall make a good faith evaluation of the then-existing circumstances referenced and, after collecting any information the Department deems necessary, make a prompt decision, but in no event more than ninety (90) days from the Department's receipt of a request for the same unless both parties agree in writing to a different schedule. At the request of either the Department or Respondents, the parties shall meet to discuss the provision(s) at issue and an appropriate manner in which to resolve any potential disagreement. The decision to modify and/or terminate this Assurance shall rest within the sole discretion of the Attorney General.

V. BUSINESS RECORDS

18. Respondents agree to retain documents and other information reasonably sufficient to establish compliance with the provisions herein for a period of two years following the effective date of this Assurance, and shall provide reasonable access to such documents and information to the Department upon request.

VI. FUTURE ACTIONS

19. Subject to Respondents' compliance with the terms of this Assurance, the Department waives imposition of penalties for acts and practices prior to the effective date of this Assurance that may otherwise be applicable under Florida Deceptive and Unfair Trade Practices Act, provided that in the event of a violation of this Assurance by Respondents, penalties shall be imposed against Respondents as provided by law.

20. Subject to Respondents' compliance with the terms of this Assurance, the Department shall not institute an action against Respondents under FDUTPA arising out of acts or practices before the effective date of this Assurance that were the subject of the investigation giving rise to this Assurance, provided that the Department is not precluded and may institute an action to enforce the provisions of this Assurance. If the Department believes that one or more of the Respondents has failed to satisfy any of the terms of this Assurance, the Department will notify such Respondent of the specific term that Respondents have failed to satisfy and provide

Respondents with a reasonable opportunity to cure. The Department agrees not to seek imposition of civil penalties or sanctions for said violation if the Department determines in its sole discretion that the violation of the Assurance was not material or intentional and was remedied by Respondents in a prompt and reasonable manner.

21. In the event that upon appropriate motion or petition a court of competent jurisdiction makes a determination that a violation of this Assurance has occurred, then upon notice, hearing or presentation of evidence substantiating a violation of this Assurance, Respondents shall be liable for penalties determined based upon applicable law, including the materiality of the violation of this Assurance.

22. Venue for any matter relating to or arising out of this Assurance shall be in Leon County, Florida, where the Attorney General maintains its official office pursuant to s. 16.01, Florida Statutes.

VII. CLOSURE OF INVESTIGATION

23. It is further agreed by the parties that upon the receipt of the agreed upon payments from Respondents (or the submission of the Final Compliance Affidavit as set forth in paragraph 12 of this Assurance), the Office of the Attorney General agrees to close its civil investigation into the activities of Respondents, as set forth above. The parties agree that this Assurance has been entered into based on the truthfulness of the information provided by Respondents' representatives.

VIII. MISCELLANEOUS

24. Respondents shall be responsible for making the substantive terms and conditions of this agreement known to the officers, employees, agents, representatives, or any other persons that are substantially affected by this Assurance and are involved in the businesses, projects and activities of any of the Respondents. The obligation imposed by this paragraph is continuing in nature and shall apply to new officers, employees, agents, representatives or any other persons who become engaged in the entity's business activities such that they are substantially affected by this Assurance.

25. It is further agreed by the parties that none of the Respondents shall affect any change in the form of doing business, or the organizational identity of any of the existing

business entities, or create any new business entities, as a method of avoiding the terms and conditions set forth in this Assurance; any change in ownership or change in school name shall not be deemed to be covered by this provision and Respondents may close any school through an orderly teach-out consistent with applicable regulatory standards or change the name of any school.

26. To the extent that the provisions of this Assurance conflict with any Florida, local, or federal law that now exists, or is later enacted or amended, such law and not this Assurance shall apply where such conflict exists.

27. Nothing in this Assurance shall be construed as a waiver of any private rights of any person or release of any private rights, causes of action, or remedies of any person against Respondent or any other person or entity unless expressly stated herein.

28. The original Assurance, bearing the notarized signatures of the representatives of each Respondent and the applicable payment will be delivered to the attention of: Mark Hamilton, Special Counsel, PL-01, The Capitol, Tallahassee, Florida 32399-1050.

29. It is further agreed by the parties that the effective date of this Assurance shall be the date of its execution and delivery by all the parties, including each of the parties reflected by the signature lines below. Acceptance by the Office of the Attorney General shall be established by the signature of the Associate Deputy Attorney General. The receipt by the Office of the Attorney General of any monies pursuant to the Assurance does not constitute acceptance by the Director of Consumer Protection, and any monies received shall be returned to Respondents if this Assurance is not accepted and executed by the Associate Deputy Attorney General.

30. It is further agreed that future notice to any of the parties to this Assurance may be made by notice sent certified mail to the addresses set forth below unless either party notifies the other by certified mail of another address to which notices should be provided.

31. It is further agreed that the parties jointly participated in the negotiation of the terms of this Assurance. No provision of this Assurance shall be construed for, or against, any party, on the grounds that one party had more control over establishing the terms of this Assurance, than another.


32. It is further agreed that facsimile or other electronic copies of signatures and notary seals may be accepted as original for the purposes of establishing the existence of this agreement. This Assurance may be executed in any number of counterparts, each of which when

executed and delivered shall constitute an original, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

In witness whereof, Respondents have caused this Assurance to be executed by their authorized representatives in the county and state listed below, as of the date affixed thereon.

By my signature I hereby affirm that I am acting in my capacity and within my authority as corporate representative, as well as in my individual capacity, and that by my signature I am binding the referenced entities to the terms and conditions of this Assurance.

KAPLAN HIGHER EDUCATION LLC,

By: 
David Adams
Senior Vice President and General Counsel, Kaplan, Inc.

Dated: 6-9-2014

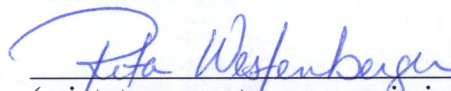
STATE OF ILLINOIS)ss
COUNTY COOK)ss

BEFORE ME, an officer duly authorized to take acknowledgments in the State of ILLINOIS appeared David Adams, who is an authorized agent of Kaplan Higher Education LLC, and who produced IL ADVERS LLC as identification. He acknowledged before me that he executed the foregoing instrument for the purposes therein stated on the 9th day of June, 2014.

Subscribed to before me this 9th day of June, 2014.



NOTARY PUBLIC



(print, type, or stamp commissioned Notary Public)

Personally known or Produced Identification (IL DL) (check one)

Type of Identification Produced: IL DL

KAPLAN HIGHER EDUCATION CAMPUSES

By: *D. Adams*
David Adams
Senior Vice President and General Counsel, Kaplan, Inc.

Dated: 6-9-2014

STATE OF ILLINOIS)ss
COUNTY COOK)ss

BEFORE ME, an officer duly authorized to take acknowledgments in the State of ILLINOIS appeared David Adams, who is an authorized agent of Kaplan Higher Education Campuses, and who produced IL DL as identification. He acknowledged before me that he executed the foregoing instrument for the purposes therein stated on the 9th day of JUNE, 2014.

Subscribed to before me this 9th day of June, 2014.



NOTARY PUBLIC

Rita Westerberger
(print, type, or stamp commissioned Notary Public)

Personally known or Produced Identification (check one)
Type of Identification Produced: IL DL

KAPLAN UNIVERSITY

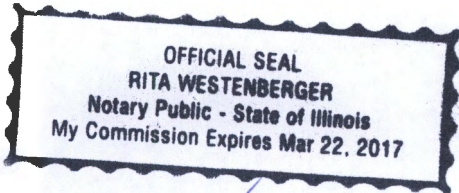
By: *D. Adams*
David Adams
Senior Vice President and General Counsel, Kaplan, Inc.

Dated: *6-9-2014*

STATE OF *ILLINOIS*)ss
COUNTY *COOK*)ss

BEFORE ME, an officer duly authorized to take acknowledgments in the State of *ILLINOIS* appeared David Adams, who is an authorized agent of Kaplan University, and who produced *IL DL* as identification. He acknowledged before me that he executed the foregoing instrument for the purposes therein stated on the *9th* day of *June*, 2014.

Subscribed to before me this *9th* day of *June*, 2014.




NOTARY PUBLIC

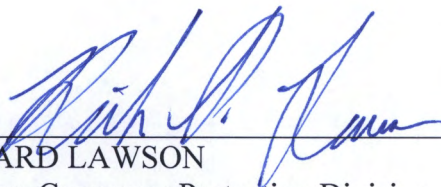
Rita Westenberg
(print, type, or stamp commissioned Notary Public)

Personally known or Produced Identification *IL DL* (check one)
Type of Identification Produced: *IL DL*

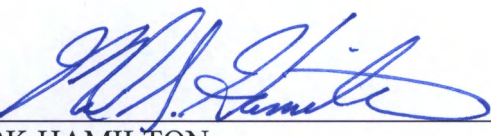
OFFICE OF THE ATTORNEY GENERAL

By: 
PATRICIA A. CONNERS
Associate Deputy Attorney General
Department of Legal Affairs
OFFICE OF THE ATTORNEY GENERAL
PL-01, The Capitol
Tallahassee, FL 32399-1050
(850) 245-0140

Dated: 6/11/14

By: 
RICHARD LAWSON
Director, Consumer Protection Division
Department of Legal Affairs
OFFICE OF THE ATTORNEY GENERAL
PL-01, The Capitol
Tallahassee, FL 32399-1050
(850) 414-3300

Dated: 6/10/14

By: 
MARK HAMILTON
Special Counsel
Consumer Protection Division
Department of Legal Affairs
OFFICE OF THE ATTORNEY GENERAL
PL-01, The Capitol
Tallahassee, FL 32399-1050
(850) 414-3300

Dated: 6-10-14

[Kaplan Higher Education Letterhead]

[Composite Exhibit A]

Notification of Availability of Expedited Arbitration

We are writing to notify you that pursuant to an agreement reached between the Florida Attorney General Pam Bondi and Kaplan Higher Education, you are eligible to have your pending consumer complaint against a Kaplan Higher Education school heard in an expedited arbitration proceeding.

Arbitration is a non-judicial procedure for resolving disputes using a neutral arbitrator. The expedited arbitration proceeding will allow your claim to be heard by a neutral arbitrator within about 60 days after filing your claim, and the arbitrator will decide your claim within two weeks after your case is heard.

Please note that you will be required to pay a total of \$100 in arbitration fees in connection with the arbitration, which must be paid to the American Arbitration Association ("AAA") before an arbitration can begin.

If you choose to initiate an arbitration proceeding, it will be governed by the AAA's Supplementary Procedures for Consumer Related Disputes, which are available on the AAA's website (www.adr.org/aaa/faces/aoe/gc/consumer). You may, if you choose, hire an attorney to represent you in the arbitration, but you are not required to have an attorney. If you choose to participate in expedited arbitration, you are choosing to resolve any claims you may have regarding your prior enrollment(s) at Kaplan school(s) through arbitration rather than a lawsuit in court, and therefore you will not also be able to file a lawsuit in court regarding these claims. You will not be able to recover exemplary, incidental, consequential, or punitive damages or attorneys' fees through the arbitration proceeding.

In order to participate in expedited arbitration, please complete the enclosed form and return the completed and signed form, together with a check made out to American Arbitration Association in the amount of \$100, to the following address postmarked on or before September 5, 2014:

Expedited Arbitration Program
c/o Kaplan, Inc. Legal Department
550 West Van Buren Street
2nd Floor
Chicago, IL 60607

Intent to Participate and Statement of Claim

Please check only one option below (1 -4):

- 1. I desire to participate in the expedited arbitration process described above with respect to my pending complaint. As such, I also agree that the expedited arbitration proceeding is the only forum in which my complaint will be heard; I waive my right to bring a lawsuit or pursue any judicial action against Kaplan arising from my prior attendance at Kaplan; and I understand that exemplary, incidental, consequential, or punitive damages or attorneys' fees cannot be recovered in the expedited arbitration process. If I am currently a party to litigation against Kaplan that has not been stayed or dismissed, I agree to dismiss such action and will do so before an arbitrator is assigned. If my action has already been stayed or dismissed, I agree not to pursue any further appeal.
- 2. I do not intend to participate in the expedited arbitration process described above with respect to my pending complaint.
- 3. I have a complaint against Kaplan in which I am seeking less than \$5,000. (Kaplan may contact you directly to determine whether your complaint can be resolved without the need for arbitration).
- 4. I do not currently have a complaint pending against Kaplan.

If you selected # 1 or #3 above, please briefly describe your claim and, if you are seeking a refund or other monetary relief, list the dollar amount you are seeking:

Description of Claim (You may attach additional pages if necessary): _____

Dollar Amount of Claim: \$ _____

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated in it are true and correct and that I have personal knowledge of the facts stated herein.

Student Signature

Date

Student Printed Name

Return completed and signed form together with check made out to American Arbitration Association in the amount of \$100 postmarked on or before September 5, 2014 to:

Expedited Arbitration Program
c/o Kaplan, Inc. Legal Department
550 West Van Buren Street
2nd Floor
Chicago, IL 60607