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**AUG 21 2017**

**LOS ANGELES  
SUPERIOR COURT**

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

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

Plaintiff,

v.

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

Defendants.

Case No.

**BC 672973**

~~PROPOSED~~ **FINAL JUDGMENT AND  
PERMANENT INJUNCTION**

Plaintiffs, the PEOPLE OF THE STATE OF CALIFORNIA (“People”), appearing through their attorney, Xavier Becerra, Attorney General of the State of California, by Deputy Attorney General Bernard A. Eskandari, and Ronald Greenspan, appointed receiver of the above-captioned defendants (collectively, “Defendants”), appearing through the Receiver’s attorney, William C. Herbert of Morrison & Foerster LLP, having stipulated to the entry of this Judgment by the Court without the taking of proof and without trial or adjudication of any fact or law, without Defendants admitting or denying any liability, and with all parties having waived their

1 right to appeal, and the Court having considered the matter and good cause appearing:

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

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

7 **I. FINDINGS**

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

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

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

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

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

25 **II. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

1 Court.

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

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

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

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

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

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

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

20 **III. OVERVIEW AND BACKGROUND**

21 8. The People commenced this civil action on August 21, 2017, to obtain consumer  
22 redress, injunctive relief, and other relief, from the Defendants. The Complaint alleges violations  
23 of Business and Professions Code section 17200 et seq., in connection with Defendants’ funding,  
24 purchasing, and maintaining loans made to students at Corinthian. Specifically, the Complaint  
25 alleges Defendants funded and maintained the private student-loan program offered to Corinthian  
26 students as part of a scheme to allow Corinthian to present a façade of compliance with state and  
27 federal laws requiring that a certain portion of a for-profit school’s revenue come from sources  
28 other than federal student aid. The Complaint also alleges that Defendants profited from this

1 scheme, and in doing so, took unreasonable advantage of Corinthian’s student borrowers who  
2 were unaware of the scheme associated with this loan program, and therefore were unable to  
3 protect their interests in taking out such loans.

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

13 **IV. CONDUCT PROVISIONS**

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

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

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

28 B. A report of all Active Aequitas Genesis Loans including for each such

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

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

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

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

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

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

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

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

1 following:

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

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

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

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

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

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

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

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

28 2. The name of the proposed purchaser, transferee or assignee;

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

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

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

- 1. Notice of its intention to file any such motion; and
- 2. The proposed motion papers, including any attachments thereto;

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

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

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

A. Engaging in any collection activity with respect to each such Active Aequitas Genesis Loan that seeks an amount in principal greater than the amount identified in paragraph 19, including by means of the following:



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

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

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

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

26       **V.       REMEDICATION AND REDRESS**

27           18.       Within 60 days after the Effective Date, Defendants, or the Receiver on behalf of  
28           Defendants, shall discharge and cancel all amounts shown as owed in the report provided to the

1 People under paragraph 11, including principal, interest, fees, or any other amounts, in connection  
2 with the following:

- 3 A. All Closed School Loans; and
- 4 B. All Defaulted Aequitas Genesis Loans.

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

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

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

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

27 A. The outstanding amount that had been owed under each Aequitas Genesis  
28 Loan as of the Effective Date by such Borrower;

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

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

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

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

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

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

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

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

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

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

1 Amortization Payment Amount may reduce the amount such Borrower pays each month but will  
2 cost the Borrower more over the life of the loan than if he or she continued with the Current  
3 Payment Amount;

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

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

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

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

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

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

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

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

28 N. A statement (1) notifying Borrowers that the relief described does not

1 waive or extinguish any rights, claims, or defenses that the Borrower, any co-borrower, or  
2 guarantor may have with respect to his or her loan; and (2) directing Borrowers that for legal  
3 advice or representation, the Borrower may wish to contact a local legal-aid office, and for a  
4 referral, the Borrower should visit <http://lawhelpca.org/> and click on the “Find Legal Help” tab.

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

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

## 12 **VI. REPORTING REQUIREMENTS**

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

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

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

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

26 29. Defendants, or the Receiver on behalf of Defendants, in carrying out the  
27 provisions of this Judgment, are permitted to make such adjustments to loan balance amounts,  
28 accrual of interest and Borrower payment amounts and process refunds to Borrowers (including

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

5 **VII. JUDGMENT DISTRIBUTION AND ACKNOWLEDGEMENT**

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

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

17 **VIII. RECORDKEEPING**

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

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

25 **IX. NOTICES**

26 34. Unless otherwise directed in writing by the People, Defendants, or the Receiver on  
27 behalf of Defendants, must provide all submissions, requests, communications, or other  
28 documents relating to this Judgment in writing, with the subject line *People v. Aequitas*

1 *Management, LLC*, and shall be sent both by a nationally recognized overnight-courier service  
2 and by email to the named person (or such other person who may be designated by the relevant  
3 party from time to time) at the following address:

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

10 **X. COOPERATION WITH THE PEOPLE**

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

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

19 **XI. MODIFICATIONS TO NON-MATERIAL REQUIREMENTS**

20 37. Notwithstanding the provisions of paragraph 40 (section 0), any time limits for  
21 performance fixed by this Judgment may be extended by mutual written agreement of the parties  
22 (or, as applicable, the Receiver) and without further Court approval. Additionally, details related  
23 to the administration of Sections VI through X of this Order may be modified by written  
24 agreement of the parties (or, as applicable, the Receiver) and without further Court approval. Any  
25 other modifications to this Order may be made only upon approval of the Court, upon motion by  
26 any party.

27 **XII. RES JUDICATA EFFECT**

28 38. This Judgment shall have res judicata effect and shall resolve any claim by the



1 People against Defendants that the People have or might have asserted based on the acts or  
2 practices described in the Complaint, to the extent such acts or practices occurred before the  
3 Effective Date and the People know about them as of the Effective Date. The People may use the  
4 acts or practices described in this Judgment in future enforcement actions against Defendants,  
5 including, without limitation, to establish a pattern or practice of violations or the continuation of  
6 a pattern or practice of violations or to calculate the amount of any penalty. Nothing herein  
7 precludes or affects any right of the People to determine and ensure compliance with this  
8 Judgment, or to seek penalties for any violations of this Judgment.

9 **XIII. LIMITATION OF LIABILITY UNDER RECEIVERSHIP ORDER**

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

20 *///*

1 **XIV. RETENTION OF JURISDICTION**

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

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

5 ORDERED AND ADJUDGED at Los Angeles, California.

6 **AUG 21 2017**

7 DATED: \_\_\_\_\_

*Judge Terry A. Green*

8 JUDGE OF THE SUPERIOR COURT

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**Schedule 1**

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

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

**Schedule 2**

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