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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

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

Plaintiff,

**v.**

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

Defendants.

Case No.

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

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

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

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

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

8 **I. FINDINGS**

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

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

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

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

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

26 **II. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **III. OVERVIEW AND BACKGROUND**

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

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

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

#### 14 **IV. CONDUCT PROVISIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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2. The name of the proposed purchaser, transferee or assignee;
3. The list of Active Aequitas Genesis loans to be sold, transferred, or assigned; and
4. The proposed written agreement memorializing the terms of the proposed sale, transfer, or assignment.

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



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1 paragraph 19, including by means of the following:

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

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

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

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

## 27 **V. REMEDIATION AND REDRESS**

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

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

4 A. All Closed School Loans; and

5 B. All Defaulted Aequitas Genesis Loans.

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

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

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

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

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

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1 Loan as of the Effective Date by such Borrower;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 13 VI. REPORTING REQUIREMENTS

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

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

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

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

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

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

**VII. JUDGMENT DISTRIBUTION AND ACKNOWLEDGEMENT**

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

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

**VIII. RECORDKEEPING**

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

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

**IX. NOTICES**

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



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

Michael E. Ellison,  
Supervising Deputy Attorney General  
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## **X. COOPERATION WITH THE PEOPLE**

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

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

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

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

## **XII. RES JUDICATA EFFECT**

**DRAFT – CAAG 2017-08-08**

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

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

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

### **XIV. RETENTION OF JURISDICTION**

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

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

ORDERED AND ADJUDGED at Los Angeles, California.

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

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT

## Schedule 1

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

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

| Schedule 2                      |                    |   |  |                  |       |                                    |
|---------------------------------|--------------------|---|--|------------------|-------|------------------------------------|
| Zenith Closed School OPEID List |                    |   |  |                  |       | Corinthian<br>"Zenith"<br>School # |
| OPEID                           | SCHOOL NAME        | LOCATION  | ADDRESS  | CITY             | STATE |                                    |
| 2100401                         | EVEREST INSTITUTE  | EVEREST INSTITUTE - KALAMAZOO                           | 5177 WEST MAIN STREET  | KALAMAZOO        | MI    | 347                                |
| 982809                          | EVEREST INSTITUTE  | EVEREST INSTITUTE - CHELSEA                             | 70 EVERETT AVENUE  | CHELSEA          | MA    | 315                                |
| 2300105                         | EVEREST COLLEGE    | EVEREST COLLEGE - EARTH CITY                            | 3420 RIDER TRAIL SOUTH   | EARTH CITY       | MO    | 377                                |
| 2617507                         | EVEREST COLLEGE    | EVEREST COLLEGE - EVEREST INSTITUTE - 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                                |