

## Appendix 4: The Committee Document Request and Compliance

On August 5, 2010, the committee issued a comprehensive document request to 30 different companies operating for-profit colleges. In order to achieve a cross-section of the for-profit sector, as well as capture the colleges that enroll most students in the sector, the committee asked 30 companies for information: all 15 publicly traded companies for information plus 15 additional privately held companies based on regional distribution, variation in size and ownership. Together, the 30 companies selected enroll approximately 70 percent of all students at for-profit colleges.

The document request generally sought information for a 5-year period beginning with the companies' fiscal year 2006 and continuing through the date of production in 2010. The request was divided into two parts. The first part asked companies to produce high-level financial information, student enrollment data, and company governance information. The second part of the request sought documents on a wide array of topics. For some topics that the committee deemed particularly important the request sought email communications.

The information requested in the second part included: how the company spent its funds, the number of employees that worked in different jobs within the company, some limited information on accreditation, the amount and types of Federal revenues received by the company, and complaints filed by students. The request also sought information on each company's profits and 90/10 revenues. It sought information on the cost of tuition and fees of each program offered and cost increases. The request asked for information about recruiting students, including lead generators, scripts and training manuals provided to recruiters, and information about recruiter compensation, as well as whether the company had recruited at homeless shelters and veterans facilities. Information on debt and debt management was also requested, including contracts with outside entities to manage delinquent students and the shift to a 3-year cohort default rate. Companies were also asked to provide information regarding institutional loan programs including the size of those programs and interest charged, as well as the reserve rates or expected rate of default.

Companies that had bricks and mortar campuses also received a request for documents specific to one or two campuses (depending on enrollment) that sought information including email communications regarding recruiting, accreditation, cost, 90/10 compliance, default rates, and job placement. Companies operating largely online did not receive these additional campus-based requests.

In general, response to the first part of the production was comprehensive on the part of each of the companies. The companies exhibited varying levels of compliance with the second half of the committee's request. Some schools withheld information on specific topics like tuition (Corinthian) or 90/10 (Keiser), while others declined to meaningfully respond to any topic (American Career College).

Among the large publicly traded for-profit education companies Kaplan, ITT, and EDMC largely complied with all aspects of the document request. Kaplan provided the most extensive and comprehensive response of any company, reflecting a general commitment to openness and to change that continued through the course of the investigation. EDMC, DeVry, and Apollo similarly demonstrated a willingness to be responsive throughout the investigation. Among the smaller companies, Concorde, Rasmussen, and Vatterott provided thorough information.

Companies that generally failed to provide adequate information and failed to fully respond to additional inquiries include Corinthian, Career Education Corporation, Keiser, and Strayer. American Career College (ACC), Drake, and Chancellor University failed to provide any meaningful information for most items in the request. ACC produced 44 documents in total, far below the compliance level of

other schools. For the schools that provided complaints, these complaints helped to identify areas of concern. While student complaints may not be representative of the experience of the majority of students, they do provide an important window into academic and financial concerns that some students face.

Provided significant records of student complaints	Provided spreadsheet summary of complaints	Provided no Complaints
Anthem Herzing ITT Kaplan Vatterott UTI Bridgepoint Capella NAU Walden Apollo <sup>2977</sup> Lincoln	Westwood Strayer Corinthian CEC Grand Canyon	Drake DeVry Rasmussen ACC EDMC TUI

Some companies failed to produce requested email communications while other companies failed to provide information on default management or lead generators and lead generation contracts. Most companies failed to provide any significant information on actual job placements for graduating students.

Overall however, the committee commends the sector for the time, care, and expense that went into the responsive material provided.

Below are the document requests that the committee sent to each company.

**HELP Committee Document Request of August 5, 2010 (Campus Based):**

**The following information is due to the Health, Education, Labor, and Pensions Committee no later than August 26, 2010.**

*For the period commencing with the beginning of Company's fiscal year 2006 through present, from documents located at the headquarters of the Company or the headquarters of an individual school operated by the Company, or held in the custody and control of any individual employed at the headquarters level of the corporate entity or the executive management level of individual schools owned and operated by the Company including College, please produce the following:*

1. A document listing the name and title of each executive and director, past and present, of the Company including, but not limited to, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Provost, all members of the Board of Directors or Board of Trustees, and the president, manager or administrator of each school and each campus and branch campus. Please also provide the name and title of each person responsible for the following functions at each

<sup>2977</sup> After extensive negotiation, Apollo provided the committee with a small sample of student complaints but failed to provide the vast majority of the 5,152 complaints students lodged with the company.

school operated by the Company: admissions, recruiting, advertising, sales, other promotional marketing, financial aid, registration and student records, career services and placement, student advising, financial management, legal compliance, student debt management, academics, faculty hiring and administration and advising, educational curriculum, facilities, quality control, and human resources. Please provide this information as a list along with an organizational structure chart.

2. All audited or unaudited financial statements held in the custody and control of the Company, or audit firm employed by the Company, including any notes and definitions attached to or accompanying the statements, as well as audit work papers or desk files and the audit plan and audit risk assessment.
3. All agendas, reports, minutes, presentations and financial statements provided to, or produced by, the Board of Directors or Board of Trustees.
4. A document listing, on an annual basis for each school operated by the Company, the amount of revenue generated from each of the following categories after required refunds: Pell Grants, Stafford Loans (separated by subsidized and unsubsidized), PLUS Loans (separated by parent and graduate loans), Perkins Loans, Federal Work Study, Federal Supplemental Educational Opportunity Grants, Academic Competitiveness Grants, Teach Grants, SMART Grants, Federal veterans' education benefits, Department of Defense tuition assistance benefits, Workforce Investment Act Grants, vocational rehabilitation funds, private loans, institutional loans, State loans (separated by state and loan type), State grants, student paid tuition, employer paid tuition and any and all other sources of revenue. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007.
5. For the period July 1, 2007 to June 30, 2010, please provide a document for each year beginning July 1 and ending June 30 that includes the following information. For each school operated by the Company: the total number of students enrolled as of July 1, separated by program and campus and whether the students attended online, in-person or a combination of online and in-person classes ("hybrid"); the number of new students enrolled each month between July 1 and June 30 (separated by program and campus and whether the students attended online, in-person or hybrid), the total number of students completing each program between July 1 and June 30 by attaining a sufficient number of credits to receive a certificate or an associate's, bachelor's or graduate degree, and the total number of students who departed the school, either by formally withdrawing or by ceasing to attend class between July 1 and June 30 of each covered year by program and type of enrollment. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007. A suggested format appears below.

	Students Enrolled as of July 1	Number of new students who enroll each month												Total enrolled as of Jun. 30	Number no longer attending, for reasons other than program completion.	Number completed or graduated Jul.-Jun.	Total new enrolled Jul.-Jun.
		Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.				
<b>School # 1</b>																	
<b>Atlanta Campus</b>																	
Program #1 (e.g. Medical Technician)																	
	Online																
	In-person																
	Hybrid																
Program #2																	
	Online																
	In-person																
	Hybrid																

6. For the period July 1, 2008 to June 30, 2010, for each school operated by the Company, provide the following information: A list of each student (identified by randomized numbers) who was enrolled on July 1, 2007 or who enrolled between July 1, 2007 and June 30, 2009 together with the student's date of enrollment, and date of completion or graduation, or date of last attendance in class or date of estimated completion or graduation. Please also provide the type of degree being pursued (certificate, associate's, bachelor's, graduate). Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007. A suggested format appears below.

ID	Campus	Date of Enrollment	Completed or Graduated?	Date of Completion or Graduation	Date of Last Attendance	Estimated Date of Completion or Graduation (if still enrolled)	Type of degree or certificate
67321	Columbus, OH	3/1/06	N			8/1/10	BA
43672	Pensacola, FL	10/1/07	Y	12/1/09			AAS
54311	Los Angeles, CA	10/1/08	N		2/1/09		AA

The following information is due to the Health, Education, Labor and Pensions Committee no later than September 16, 2010.

*For the period commencing with the beginning of Company's fiscal year 2006 through present, from documents located at the headquarters of the Company or the headquarters of an individual school operated by the Company, or held in the custody and control of any individual employed at the headquarters level of the corporate entity or the executive management level of individual schools owned and operated by the Company including College and College, please produce the following:*

1. A document listing, on an annual basis by school, the amount spent on each of the following: advertising on television, radio, print, Internet and billboard; direct mail; telemarketing; all other marketing and promotional spending not including admissions representatives' compensation; admissions representatives and managers' compensation including salaries, benefits, bonuses and awards; all other admissions spending; faculty compensation; executive compensation; all other employee compensation; financial aid administration; educational facilities (purchase, lease, maintenance and improvements); other real estate holdings; property equipment (including computer hardware and software, courseware, classroom and instructional materials, furniture, fixtures, equipment and vehicles); online curriculum development; other curriculum development; curriculum quality control; all other instructional expenses; litigation expenses; all other legal fees; corporate debt interest payments; and private distributions to shareholders. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007.
2. A document listing, on an annual basis by school and including the Company's corporate offices, the total number of personnel employed in any capacity, including as a consultant or contractor, in each of the following categories: teaching, recruiting and admissions, financial aid assistance, career services and placement, other marketing or advertising functions, other student services, curriculum development and quality control. For each category, please indicate how many people are full-time and how many are part-time or contract employees.
3. A document listing by campus the date of each initial review, periodic review and any other type of inquiry or visit by any national or regional accrediting agency, as well as the name and title of the Company employee or employees responsible for overseeing the review or inquiry.
4. A document listing on an annual basis the number of students receiving aid from each of the following programs or categories: Pell Grants, Stafford Loans (separated by subsidized and unsubsidized), PLUS Loans (separated by parent and graduate loans), Perkins Loans, Federal Work Study, Federal Supplemental Educational Opportunity Grants, Academic Competitiveness Grants, Teach Grants, SMART grants, Federal veterans' education benefits, Department of Defense education benefits, Workforce Investment Act Grants, vocational rehabilitation funds, private loans, institutional loans, state based loans and state grants.
5. Documents concerning complaints by students and former students made to any school operated by the Company that relate to admissions and enrollment, teaching, equipment, tuition or program cost, financial aid, loans and debt, job placement and career services and school administration including, but not limited to, policies, plans, practices and procedures for reviewing and resolving complaints.

#### Revenues

6. A document listing the operating profits (revenues minus costs before taxes and depreciation) of the Company on an annual basis.
7. All policies, plans, practices or procedures for tracking and recording revenues in accordance with the 90/10 revenue limitation.
8. A document listing the annual 90/10 revenue for each campus of each school operated by the Company.
9. All documents, including all e-mail communications, concerning the possibility, likelihood or risk that any school, campus or branch campus operated by the Company is approaching or could exceed the 90% threshold for Title IV dollars, or concerning plans or efforts to lower the 90/10 revenue ratio at any school, campus or branch campus operated by the Company.

#### Tuition and Program Information

10. A document listing, for each school operated by the Company, the current credit hour cost, total program cost or tuition and the number of credit hours required for each degree and certificate program offered as of January 1, 2010. To the extent that credit hour or program costs or tuition for the same program differ by student, by campus or by online and in-person enrollment, provide the cost of each. To the extent that credit hour cost, program cost or tuition has increased since the beginning of the Company's fiscal year 2006, please provide each increase together with the date and amount of the increase for each program, including any differences in cost by type of student, campus, or online/in-person instruction.
11. All documents, including e-mail communications, concerning tuition increases in any program, including any increase in credit hour cost or number of credit hours required to complete each program.
12. All policies, plans, practices and procedures concerning any required student payments, not including funds received from title IV, to a school operated by the Company including the amount and frequency of any such payment.

#### Recruiting and Enrollment

13. For the period January 1, 2009 to present, documents concerning lead generator agents including, but not limited to, agreements with such agents and documents concerning the number of contacts such agents generated.
14. All manuals, presentations, scripts and handouts used in the process of training and supervising employees responsible for recruiting and admissions.

15. All documents concerning performance and compensation of employees involved in recruiting, enrolling or admitting new students including, but not limited to, the ways employees' performances are monitored, tracked, and recorded; as well as documents concerning termination, demotion, performance reviews, evaluations and self-evaluations, and prizes, trips, cash bonuses or other performance-based awards.
16. All policies, plans, practices and procedures for enrolling, tracking attendance and withdrawing students from on-campus and online courses and programs, including but not limited to, responsibility of admissions staff for tracking students after enrollment, student retention bonuses, processes or procedures when a student fails to attend one or more class sessions or submit assigned coursework, policies or process for enrolling any student in a class, course or module when the student failed to complete a previous class, course or module, and policies, practices and procedures to ensure attendance and participation and prevent cheating or other manipulation by students, teachers or administrators. No individual attendance records are included in this request.
17. All documents, including all e-mail communications, concerning recruiting in or near Department of Defense or Veterans Affairs rehabilitation facilities, wounded warrior transition units, homeless shelters, welfare and unemployment offices, or substance abuse and treatment facilities.

#### Loans and Defaults

18. All manuals, presentations, scripts and other handouts used in the process of training and supervising employees responsible for financial aid and debt and default management.
19. All policies, plans, practices and procedures concerning refund payments made to the Department of Education for Pell Grant and Stafford Loans upon a student failing to attend class or formally withdrawing from a program.
20. All policies, plans, practices and procedures concerning student loan default rates and compliance with cohort default rate limits for Title IV eligibility, including efforts to manage cohort default rates through deferment, forbearance and any other means.
21. Documents listing the name, contact information, a description of the services provided, the dollar amount paid to any debt management or default consultants or other entity, including loan servicing and guarantee agencies, retained or employed for the purpose of working with former students of schools operated by the Company to manage student debt including providing advice on forbearance, deferment and income contingent repayment plans, together with any contracts or other agreements with such entity or consultants.
22. All documents, including e-mail communications, concerning the change from a two to three-year cohort default measurement period, as well as documents, including e-mail communications, concerning the number, percentage or increase of delinquent or defaulted Federal student loans.

23. All documents concerning any payments or payoff of Title IV loans by the Company where the Federal loan was replaced by any institutional or private loans.

Institutional Loans:

24. Documents concerning any lending program utilized, designed, created, put into place or operated by the Company (“institutional lending program”) including, but not limited to, all documents concerning underwriting criteria developed, created, used or approved by the Company; reserves held by the Company in anticipation of possible defaults; and one copy of each version of any documents provided to students in connection with any institutional lending program including, but not limited to, supplemental financing agreements, promissory notes, and interest rate disclosures.
25. All contracts, agreements, memoranda of understanding or other written arrangements between the Company and any private lender or loan servicer related to any institutional lending program.
26. A document listing, for each institutional lending program, on a quarterly basis the number of loans originated, origination fees, total principal, average loan amount per student borrower, average interest rate, lowest interest rate, highest interest rate, 90-day delinquency rate, 120-day delinquency rate, 180-day delinquency rate, loan default rate, the number of student borrowers who stopped attending class or formally withdrew, the number of student borrowers who graduated and the number of loans purchased or owned by the Company. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007.
27. All documents concerning any analysis, review, examination or audit of any institutional lending program, whether performed by the Company or any other person or entity, including, but not limited to, any analysis, review, examination or audit of the value of such loans and forecasts of the default potential of such loans.

*With regard to documents and e-mail communications held at the Campus, Location campus of College owned by Company, or in the custody and control of individuals employed at the Campus, for the period commencing with the beginning of the Company’s fiscal year 2006 through present, please produce the following:*

28. A document listing the name, current address and telephone number for each current and former president, dean or head administrator of the campus as well as the person or persons in charge of each of the following functions: admissions or recruiting, student records, financial aid, career planning and placement, academics and instruction, curriculum development, facilities, quality control, marketing and promotion, human resources, and student debt tracking and management.
29. One copy of each and every version of the student enrollment package including the enrollment agreement, financial aid and loan disclosures for Federal, private and institutional loans, any documents with statements regarding placement and employment and any documents regarding students’ financial obligation outside available Federal aid. This request does not include any individual student enrollment information.



30. For the period July 1, 2007 to July 1, 2009, all documents, including e-mail communications, concerning supervision, monitoring and performance of employees responsible for recruiting and admissions, including, but not limited to, documents, including e-mail communications, concerning the number of applications, starts, and retention achieved by any employee and any contests, prizes, trips, cash bonuses, gift certificates or other performance-based awards.
31. All documents, including all e-mail communications, concerning or prepared in response to or in preparation for the initial review, periodic review or any other type of inquiry or visit by any national or regional institutional accrediting agency, including all communications with any person affiliated with an accrediting agency.
32. All documents, including e-mail communications, concerning increases in tuition, program, or cost of credit hour cost.
33. All documents, including e-mail communications, concerning calculation of and compliance with the 90/10 Title IV revenue restriction including, but not limited to, documents concerning when and how Title IV revenue is earned and recorded for accounting purposes, and all documents and e-mail communications concerning the campus's 90/10 ratio.
34. All documents, including e-mail communications, concerning student attendance and refund of Title IV funds, including, but not limited to, policies or process for enrolling any student in a class, course or module after the failed to complete any prior course, class or module.
35. All documents, including e-mail communications, concerning any payments or payoff, other than refunds of Title IV loans by the school including, but not limited to, any replacement or substitution of Title IV loans by institutional or private loans.
36. All documents, including e-mail communications, concerning loan default rates including any efforts made to help or advise students to obtain deferment or forbearance and any assignment of authority allowing the Company, or any outside debt and default management consultant or entity, to enter any student's loans into forbearance or deferment.
37. All documents concerning placement, employment and salary information of former students or alumnae provided to any national or regional accrediting agency.
38. For the period January 1, 2008 to present, one copy of all versions of written materials and disclosures provided to prospective students concerning placement, employment or salary information of former students or alumnae.
39. All policies, plans, practices and procedures concerning tracking and recording job placement and employment rates and salary information including, but not limited to, documents concerning how students employed at the same job the student had before, during and after attendance are counted in placement rates.

HELP Committee Document Request of August 5, 2010 (Online):

**The following information is due to the Health, Education, Labor and Pensions Committee no later than August 26, 2010.**

*For the period commencing with the beginning of Company's ("the Company") fiscal year 2006 through present, from documents located at the headquarters of the Company, or held in the custody and control of any individual employed at the headquarters level of Company, please produce the following:*

1. A document listing the name and title of each executive and director, past and present, of the Company including, but not limited to, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Provost, all members of the Board of Directors or Board of Trustees. Please also provide the name and title of each person responsible for the following functions: admissions, recruiting, advertising, sales, other promotional marketing, financial aid, registration and student records, career services and placement, student advising, financial management, legal compliance, student debt management, academics, faculty hiring and administration and advising, educational curriculum, facilities, quality control, and human resources. Please provide this information as a list along with an organizational structure chart.
2. All audited or unaudited financial statements held in the custody and control of the Company, or audit firm employed by the Company, including any notes and definitions attached to or accompanying the statements, as well as audit work papers or desk files and the audit plan and audit risk assessment.
3. All agendas, reports, minutes, presentations and financial statements provided to, or produced by, the Board of Directors or Board of Trustees.
4. A document listing, on an annual basis for each school operated by the Company, the amount of revenue generated from each of the following categories after required refunds: Pell Grants, Stafford Loans (separated by subsidized and unsubsidized), PLUS Loans (separated by parent and graduate loans), Perkins Loans, Federal Work Study, Federal Supplemental Educational Opportunity Grants, Academic Competitiveness Grants, Teach Grants, SMART Grants, Federal veterans' education benefits, Department of Defense tuition assistance benefits, Workforce Investment Act Grants, vocational rehabilitation funds, private loans, institutional loans, state loans (separated by state and loan type), state grants, student paid tuition, employer paid tuition and any and all other sources of revenue. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007.
5. For the period July 1, 2007 to June 30, 2010, please provide a document for each year beginning July 1 and ending June 30 that includes the following information. For each school operated by the Company: the total number of students enrolled as of July 1, separated by program; the number of new students enrolled each month between July 1 and June 30; the total number of students completing each program between July 1 and June 30 by attaining a sufficient number of credits to receive a certificate or an associate's, bachelor's or graduate degree, and the total number of students who departed the school, either by formally withdrawing or by ceasing to attend class between July 1 and June 30 of each covered year by program and type of enrollment. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007. A suggested format appears below.

	Students Enrolled as of July 1	Number of new students who enroll each month												Total enrolled as of Jun. 30	Number no longer attending, <del>for reasons other than</del>	Number completed or Total new enrolled Jul.-Jun.	
		Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.				
Program #1 (e.g. Medical Technician)																	
Program #2																	

6. For the period July 1, 2008 to June 30, 2010, for each school operated by the Company, provide the following information: A list of each student (identified by randomized numbers) who was enrolled on July 1, 2007 or who enrolled between July 1, 2007 and June 30, 2009 together with the student’s date of enrollment, and date of completion or graduation, or date of last attendance in class or date of estimated completion or graduation. Please also provide the type of degree being pursued (certificate, associate’s, bachelor’s, graduate). Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007. A suggested format appears below.

ID	Date of Enrollment	Completed or Graduated?	Date of Completion or Graduation	Date of Last Attendance	Estimated Date of Completion or Graduation (if still enrolled)	Type of degree or certificate
67321	3/1/06	N			8/1/10	BA
43672	10/1/07	Y	12/1/09			AAS
54311	10/1/08	N		2/1/09		AA

**The following information is due to the Health, Education, Labor, and Pensions Committee no later than September 16, 2010.**

*For the period commencing with the beginning of Company (“the Company”) fiscal year 2006 through present, from documents located at the headquarters of the Company, or held in the custody and control of any individual employed at the headquarters level of Company, please produce the following:*

1. A document listing, on an annual basis by school, the amount spent on each of the following: advertising on television, radio, print, Internet and billboard; direct mail; telemarketing; all other marketing and promotional spending not including admissions representatives’ compensation; admissions representatives and managers’ compensation including salaries, benefits, bonuses and awards; all other admissions spending; faculty compensation; executive compensation; all other employee compensation; financial aid administration; educational facilities (purchase, lease, maintenance and improvements); other real estate holdings; property equipment (including computer hardware and software, courseware, classroom and instructional materials, furniture, fixtures, equipment and vehicles); online curriculum development; other curriculum development; curriculum

quality control; all other instructional expenses; litigation expenses; all other legal fees; corporate debt interest payments; and private distributions to shareholders. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007.

2. A document listing, on an annual basis by school and including the Company's corporate offices, the total number of personnel employed in any capacity, including as a consultant or contractor, in each of the following categories: teaching, recruiting and admissions, financial aid assistance, career services and placement, other marketing or advertising functions, other student services, curriculum development and quality control. For each category, please indicate how many people are full-time and how many are part-time or contract employees.
3. A document listing the date of each initial review, periodic review and any other type of inquiry or visit by any national or regional accrediting agency, as well as the name and title of the Company employee or employees responsible for overseeing the review or inquiry.
4. All documents, including all e-mail communications, concerning or prepared in response to or in preparation for the initial review, periodic review or any other type of inquiry or visit by any national or regional institutional accrediting agency, including all communications with any person affiliated with an accrediting agency.
5. A document listing on an annual basis the number of students receiving aid from each of the following programs or categories: Pell Grants, Stafford Loans (separated by subsidized and unsubsidized), PLUS Loans (separated by parent and graduate loans), Perkins Loans, Federal Work Study, Federal Supplemental Educational Opportunity Grants, Academic Competitiveness Grants, Teach Grants, SMART grants, Federal veterans' education benefits, Department of Defense education benefits, Workforce Investment Act Grants, vocational rehabilitation funds, private loans, institutional loans, state based loans and state grants.
6. Documents concerning complaints by students and former students made to any school operated by the Company that relate to admissions and enrollment, teaching, equipment, tuition or program cost, financial aid, loans and debt, job placement and career services and school administration including, but not limited to, policies, plans, practices and procedures for reviewing and resolving complaints.
7. All policies, plans, practices and procedures concerning tracking and recording job placement and employment rates and salary information including, but not limited to, documents concerning how students employed at the same job the student had before, during and after attendance are counted in placement rates.

#### Revenues

8. A document listing the operating profits (revenues minus costs before taxes and depreciation) of the Company on an annual basis.
9. A document listing the annual 90/10 revenue of each school operated by the Company.
10. All documents, including e-mail communications, concerning calculation of and compliance with the 90/10 Title IV revenue restriction including, but not limited to, documents concerning when and how Title IV revenue is earned and recorded for accounting purposes.

11. All documents, including all e-mail communications, concerning the possibility, likelihood or risk that any school operated by the Company is approaching or could exceed the 90% threshold for Title IV dollars, or concerning plans or efforts to lower the 90/10 revenue ratio at any school operated by the Company.

#### Tuition and Program Information

12. A document listing, for each school operated by the Company, the current credit hour cost, total program cost or tuition and the number of credit hours required for each degree and certificate program offered as of January 1, 2010. To the extent that credit hour or program costs or tuition for the same program differ by student, provide the cost of each. To the extent that credit hour cost, program cost or tuition has increased since the beginning of the Company's fiscal year 2006, please provide each increase together with the date and amount of the increase for each program, including any differences in cost by type or location of a student.
13. All documents, including e-mail communications, concerning tuition increases in any program, including any increase in credit hour cost or number of credit hours required to complete each program.
14. All policies, plans, practices and procedures concerning any required student payments, not including funds received from Title IV, to a school operated by the Company including the amount and frequency of any such payment.

#### Recruiting and Enrollment

15. For the period January 1, 2009 to present, documents concerning lead generator agents including, but not limited to, agreements with such agents and documents concerning the number of contacts such agents generated.
16. All manuals, presentations, scripts and handouts used in the process of training and supervising employees responsible for recruiting and admissions.
17. For the period July 1, 2007 to July 1, 2009, all documents, including e-mail communications, concerning supervision, monitoring, compensation and performance of employees responsible for recruiting and admissions, including, but not limited to, documents, including e-mail communications, concerning the number of applications, starts, and retention achieved by any employee and any contests, prizes, trips, cash bonuses, gift certificates or other performance-based awards.
18. All policies, plans, practices and procedures for enrolling, tracking attendance and withdrawing students from online courses and programs, including but not limited to, responsibility of admissions staff for tracking students after enrollment, student retention bonuses, processes or procedures when a student fails to attend one or more class sessions or submit assigned coursework, policies or process for enrolling any student in a class, course or module when the student failed to complete a previous class, course or module, and policies, practices and procedures to ensure attendance and participation and prevent cheating or other manipulation by students, teachers or administrators. No individual attendance records are included in this request.

19. All documents, including e-mail communications, concerning student attendance and refund of Title IV funds, including, but not limited to, policies or process for enrolling any student in a class, course or module after the failed to complete any prior course, class or module.
20. All documents, including all e-mail communications, concerning recruiting in or near Department of Defense or Veterans Affairs rehabilitation facilities, wounded warrior transition units, homeless shelters, welfare and unemployment offices, or substance abuse and treatment facilities.
21. One copy of each and every version of the student enrollment package including the enrollment agreement, financial aid and loan disclosures for Federal, private and institutional loans, any documents with statements regarding placement and employment and any documents regarding students' financial obligation outside available Federal aid. This request does not include any individual student enrollment information.
22. All documents concerning placement, employment and salary information of former students or alumnae provided to any national or regional accrediting agency.
23. For the period January 1, 2008 to present, one copy of all versions of written materials and disclosures provided to prospective students concerning placement, employment or salary information of former students or alumnae.

#### Loans and Defaults

24. All manuals, presentations, scripts and other handouts used in the process of training and supervising employees responsible for financial aid and debt and default management.
25. All policies, plans, practices and procedures concerning refund payments made to the Department of Education for Pell Grant and Stafford Loans upon a student failing to attend class or formally withdrawing from a program.
26. All documents, including e-mail communications, concerning loan default rates including any efforts made to help or advise students to obtain deferment or forbearance and any assignment of authority allowing the Company, or any outside debt and default management consultant or entity, to enter any student's loans into forbearance or deferment.
27. Documents listing the name, contact information, a description of the services provided, the dollar amount paid to any debt management or default consultants or other entity, including loan servicing and guarantee agencies, retained or employed for the purpose of working with former students of schools operated by the Company to manage student debt including providing advice on forbearance, deferment and income contingent repayment plans, together with any contracts or other agreements with such entity or consultants.
28. All documents, including e-mail communications, concerning the change from a two to three-year cohort default measurement period, as well as documents, including e-mail communications, concerning the number, percentage or increase of delinquent or defaulted Federal student loans.
29. All documents, including e-mail communications, concerning any payments or payoff, other than refunds of Title IV loans by the school including, but not limited to, any replacement or substitution

of Title IV loans by institutional or private loans.

Institutional Loans:

30. Documents concerning any lending program utilized, designed, created, put into place or operated by the Company (“institutional lending program”) including, but not limited to, all documents concerning underwriting criteria developed, created, used or approved by the Company; reserves held by the Company in anticipation of possible defaults; and one copy of each version of any documents provided to students in connection with any institutional lending program including, but not limited to, supplemental financing agreements, promissory notes, and interest rate disclosures.
31. All contracts, agreements, memoranda of understanding or other written arrangements between the Company and any private lender or loan servicer related to any institutional lending program.
32. A document listing, for each institutional lending program, on a quarterly basis the number of loans originated, origination fees, total principal, average loan amount per student borrower, average interest rate, lowest interest rate, highest interest rate, 90-day delinquency rate, 120-day delinquency rate, 180-day delinquency rate, loan default rate, the number of student borrowers who stopped attending class or formally withdrew, the number of student borrowers who graduated and the number of loans purchased or owned by the Company. Please provide this information in a spreadsheet format compatible with Microsoft Excel 2007.
33. All documents concerning any analysis, review, examination or audit of any institutional lending program, whether performed by the Company or any other person or entity, including, but not limited to, any analysis, review, examination or audit of the value of such loans and forecasts of the default potential of such loans.

Document Request Definitions and Instructions

- A. “Company” means Company and shall include any of the directors, members, trustees, officers, employees, agents and representatives thereof, including attorneys, and each of its schools, campuses, parent companies, subsidiaries, affiliates and predecessors.
- B. "All" means "any and all" and the word "any" means "any and all."
- C. "And" and "or" shall be construed conjunctively or disjunctively as necessary to make the request or definition inclusive rather than exclusive. The singular shall be construed to include the plural and the plural to include the singular.
- D. “School” means an entity that is owned and operated by the Company for the purpose of providing education leading to a degree or certificate and that may or may not operate multiple campuses or branch campuses. For example, Saturn College, Saturn Technical, and the Smith Academy of Music would be considered schools of Saturn, Inc.
- E. “Placement” means any student or former student seeking employment as well as any effort by the Company or program put in place by the company to aid students seeking employment.
- F. "Concerning" means relating to, referring to, describing, reflecting, evidencing or constituting.

- G. "Communicate" or "communication" means every manner or means of disclosure, transfer or exchange, and every disclosure, transfer or exchange of ideas or information, whether orally, by document, or electronically, or whether face-to-face, by telephone, mail, personal delivery, electronic transmission or otherwise.
- H. "Document" shall include all original written, typed, printed, pictorial, reproduced, recorded or other material bearing representations or symbols of any sort, as well as any copies that differ in any way from the original, in respondent's or respondent's auditor's actual or constructive possession, custody, care or control, including without limitation, all writings, account letters, account recommendations, appointment books, books, books of accounts, calendars, CD-ROMs, charts, computer files, computer printouts, contracts, cost sheets, data compilation from which information can be obtained or can be translated through detection devices into reasonably usable form, diaries, drafts, drawings, faxes, graphs, hotel charges, invoices, ledgers, magnetic discs, magnetic strips, magnetic tape, memoranda, microfiche, microfilm, minutes, notes, optical characters, papers, photographs, punched cards, punched paper tapes, receipts, recognition characters, reports, sound tapes or recordings, statements, statistical records, stenographer notebooks, studies, telegraphs, time sheets or logs, video tapes or recordings, vouchers, weigh tickets, working papers, or any other tangible thing. **"Document" does not include electronic mail, or e-mail, communication.**
- I. "E-mail communications" shall include all written and typed communications and attachments transmitted and stored electronically in respondent's actual or constructive possession, custody, care or control, including without limitation all iterations that differ in any way from the original.
- J. "Title IV" means Title IV of the Higher Education Act of 1965, as amended.
- K. Each request for production of documents shall be deemed continuing so as to require prompt supplemental responses if further documents called for are obtained or discovered after the time of responding to this request.
- L. Please ensure that no education records containing personally identifiable student information are provided in violation of 20 U.S.C. 1232g. Do not produce any individual student's personal information, including name, date of birth, contact information or social security number.
- M. If any documents, or parts of documents, called for by this request are withheld for any reason, a list shall be furnished setting forth as to each such document -the following information: (a) the nature of the document, *e.g.*, letter, memorandum, electronic mail communication, etc.; (b) the name, address, occupation, title and business affiliation of each person who prepared, received, viewed and has or has had possession, custody or control of the document; (c) the date of the document; (d) a description of the subject matter of the document; (e) a statement of the basis upon which the privilege or work product claim is made; and (f) the paragraph(s) of this request that call for the production of the document.
- N. Responsive documents shall be produced as they have been kept in the ordinary course of business or shall be organized and labeled to correspond with the enumerated items in this request. If with respect to any category there are no responsive documents, so state in writing.
- O. If any documents, or parts of documents, called for by this request have been destroyed, discarded, or otherwise disposed of, a list shall be furnished setting forth as to each document the following information: (a) the nature of the document, *e.g.*, letter, memorandum, telegram, etc.; (b) the name,



address, occupation, title and business affiliation of each person who prepared, received, viewed and has or has had possession, custody or control of the document; (c) the date of the document; (d) a description of the subject matter of the document; (e) the date of destruction or other disposition; (f) a statement of the reasons for destruction or other disposition; (g) the name, address, occupation, title and business affiliation of each person who authorized destruction or other disposition; (h) the name, address, occupation, title and business affiliation of each person who destroyed or disposed of the document; and (i) the paragraph(s) of this request which call for the production of the document.

- P. Production is waived for any document that is freely available through public files or records accessible through the Internet, if you identify the document and the source from which the document can be downloaded without cost.
- Q. If any document was, but no longer is, in your possession, custody or control, identify the document and explain the circumstances by which it ceased to be in your possession, custody or control.
- R. Documents shall be produced as delimited text with images and native files in accordance with the attached data delivery standards.
- S. Documents produced on paper (those from paper files that you choose to produce as such) shall not contain any permanent fasteners (e.g. staples), but shall be separated based on the divisions between documents as it is maintained in the custodian's files by non-permanent fasteners (e.g. paper clips, binder clips, rubber bands) or a non-white slip sheet.