



GRANTED

Movant shall serve copies of this ORDER on any pro se parties, pursuant to CRCP 5, and file a certificate of service with the Court within 10 days.

Dated: Mar 14, 2012

**J. Eric Elliff
District Court Judge**

<p>DISTRICT COURT, DENVER CITY AND COUNTY, COLORADO 1437 Bannock Street Denver, Colorado 80202</p> <hr/> <p>STATE OF COLORADO, ex rel. JOHN W. SUTHERS, ATTORNEY GENERAL, and LAURA E. UDIS, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE,</p> <p>Plaintiffs,</p> <p>v.</p> <p>ALTA COLLEGES, INC., a Delaware Corporation; wholly-owned subsidiary WESTWOOD COLLEGE, INC., a Colorado Corporation; and wholly-owned subsidiaries TRAV CORPORATION, ELBERT, Inc., EL NELL, Inc., and GRANT CORPORATION, Colorado Corporations, and WESGRAY CORPORATION, a Delaware Corporation, all d/b/a WESTWOOD COLLEGE,</p> <p>Defendant.</p>	<p>DATE OF ORDER INDICATED ON ATTACHMENT</p> <p style="text-align: center;">▲ COURT USE ONLY ▲</p>
	<p>Case No.:</p>
<p>FINAL CONSENT JUDGMENT WITH ALTA COLLEGES, INC., and WESTWOOD COLLEGE, INC., et. al</p>	

This matter is before the Court on the parties' Stipulation for Entry of a Final Consent Judgment. The Court has reviewed the Stipulation, the Complaint and is otherwise advised in the grounds therefore. The Court concludes that good cause has been shown for entering this Final Consent Judgment.

Accordingly, IT IS ORDERED that:

I. GENERAL PROVISIONS

1.1 Scope of Final Consent Judgment. The provisions of this Final Consent Judgment are entered pursuant to the Colorado Consumer Protection Act, §§ 6-1-101, *et. seq.* C.R.S.

(2012) (“CCPA) and the Uniform Consumer Credit Code, § 5-1-101, *et seq.*, C.R.S. (2010) (“Code” or “UCCC”). This Final Consent Judgment shall apply to DEFENDANT ALTA COLLEGES, INC., a Delaware Corporation; wholly-owned subsidiary WESTWOOD COLLEGE, INC., a Colorado Corporation; and wholly-owned subsidiaries TRAV CORPORATION, ELBERT, Inc., EL NELL, Inc., and GRANT CORPORATION, Colorado Corporations, and WESGRAY CORPORATION, a Delaware Corporation, all doing business as WESTWOOD COLLEGE [hereinafter, collectively, “WESTWOOD” or “DEFENDANT”], and any person under WESTWOOD’s control or at its direction, including but not limited to, any principals, officers, directors, agents, employees, representatives, successors, affiliates, subsidiaries, contractors, and assigns who receives actual notice of this Final Consent Judgment.

1.2 Release of Claims. The State of Colorado, Ex. Rel John W. Suthers, Attorney General and Laura E. Udis, Administrator, Uniform Consumer Credit Code [hereinafter the “STATE”], acknowledge by their execution hereof that this Final Consent Judgment constitutes a complete settlement and release of all claims on behalf of the STATE against Defendant WESTWOOD with respect to all CCPA and UCCC claims, causes of action, damages, fines, costs, and penalties which were asserted or could have been asserted in the Complaint, that arose prior to this date under the CCPA and UCCC and relating to or based upon the acts or practices which are the subject of the Complaint filed in this action. Notwithstanding the foregoing, the STATE may institute an action or proceeding to enforce the terms and provisions of this Final Consent Judgment or take action based on future conduct by WESTWOOD.

1.3 No Admission of Liability. WESTWOOD and the STATE are entering into this Final Consent Judgment for the purpose of compromising and resolving disputed claims and to avoid the expense of further litigation. It is expressly understood, acknowledged and agreed by the parties that nothing in this Consent Judgment constitutes an admission, declaration, or other evidence of the rights or liabilities of any person or entity, except with respect to the terms provided in this Consent Judgment. The STATE acknowledges that WESTWOOD has denied liability for any allegation or claim set forth in the Complaint.

1.4 Preservation of Law Enforcement Action. Nothing herein precludes the STATE from enforcing the provisions of this Final Consent Judgment, or from pursuing any non-released claims, including any law enforcement action with respect to the acts or practices of WESTWOOD not covered by this law enforcement action, Final Consent Judgment or any acts or practices of WESTWOOD conducted after the date of this Final Consent Judgment.

1.5 Compliance with and Application of State Law. Nothing herein relieves WESTWOOD of its duty to comply with applicable laws of the State of Colorado nor constitutes authorization by the STATE for WESTWOOD to engage in acts and practices

prohibited by such laws. This Final Consent Judgment shall be governed by the laws of the State of Colorado.

1.6 Non-Approval of Conduct. Nothing herein constitutes approval by the STATE of WESTWOOD's past business practices. WESTWOOD shall not make any representation contrary to this paragraph.

1.7 Preservation of Private Claims and Relation to Private Settlements. Unless otherwise noted, nothing herein shall be construed as a waiver of any private rights, causes of action, or remedies of any person against WESTWOOD with respect to the acts and practices covered by this Final Consent Judgment.

1.8 Use of Settlement as Defense. WESTWOOD acknowledges that it is the STATE's customary position that an agreement restraining certain conduct on the part of a defendant does not prevent the STATE from addressing later conduct that could have been prohibited, but was not, in the earlier agreement, unless the earlier agreement expressly limited the STATE's enforcement options in that manner. Therefore, nothing herein shall be interpreted to prevent the STATE from taking enforcement action to address conduct occurring after the entry of this Final Consent Judgment that the STATE believes to be in violation of the law. The fact that such conduct was not expressly prohibited by the terms of this Final Consent Judgment shall not be a defense to any such enforcement action.

1.9 Use of Settlement in Business Activity. Under no circumstances shall this Final Consent Judgment or the name of the Attorney General or any of the STATE's employees or representatives be used by WESTWOOD or by its officers, employees, representatives, or agents in conjunction with any marketing or admissions recruitment activity by WESTWOOD as an endorsement of any of its conduct. A violation of this paragraph constitutes a violation of this Final Consent Judgment. However, nothing in this Final Consent Judgment shall prevent WESTWOOD from truthfully responding to inquiries about the Final Consent Judgment.

1.10 Retention of Jurisdiction. This Court shall retain jurisdiction over this matter for the purpose of enabling any party to this Final Consent Judgment to apply to this Court at any time for any further orders which may be necessary or appropriate for the construction, modification or execution of this Final Consent Judgment, and for the enforcement of compliance herewith and the punishment of violations hereof.

1.11 Public Record. Pursuant to § 6-1-110(2), C.R.S. (2012), this Final Consent Judgment shall be a matter of public record.

1.12 Contempt. The parties understand and agree that any violation of any term or provision of this Consent Judgment shall give rise to the contempt remedies and penalties provided under § 6-1-112(1)(b), C.R.S. (2012).

1.13 Execution in Counterparts. This Final Consent Judgment may be executed in counterparts.

1.14 Severability. If any provision(s) of this Final Consent Judgment is held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

1.15 Successors in Interest. The terms and provisions of this Final Consent Judgment may be enforced by the current Colorado Attorney General, and by any of his agents or representatives, as well as by any of his successors in interest, and by any of his successors in interest's agents or representatives.

II. DEFINITIONS

2.1 Unless otherwise stated herein, the terms "Advertise" or "Advertisement" means the attempt by publication, dissemination, solicitation, or circulation, visual, oral, or written, to induce directly or indirectly any person to enter into any obligation or to acquire any title or interest in any property. Colo. Rev. Stat. § 6-1-102(1) (2012).

2.2 "Promotional Material" means documents, paper and electronic, made available during Admissions Interviews to Prospective Students. Promotional Material shall include, but are not limited to, Westwood's visual admissions presentations, *i.e.* slideshows and videos.

2.3 "Enrolled" means the status of a student who has signed WESTWOOD's Enrollment Agreement and, to the extent an application fee is required, has paid an application fee to WESTWOOD.

2.4 "Prospective Student" means any individual who has contacted WESTWOOD for the purpose of requesting information about enrolling at WESTWOOD or who has been contacted directly by WESTWOOD or indirectly through advertising about enrolling at WESTWOOD. *See*, 34 C.F.R. § 668.71(c).

2.5 "Start" means the first day after classes commence in a WESTWOOD student's first term that such student is financially obligated to pay tuition. Under current WESTWOOD practices, a student is not considered a "start" until at least 14 days after the first day of classes in a student's first term.

2.6 “Admissions Interview” includes all discussions between a WESTWOOD admissions recruiter and a prospective student that are intended to result in the prospective student enrolling at WESTWOOD.

2.7 “Clear and Conspicuous” means that a disclosure is reasonably understandable and designed to call attention to the nature and significance of the information in the disclosure. More specifically, it means that the disclosure must be: (a) disclosed in such size, contrast (shade) and location that it is readily noticeable and readable; (b) does not contradict any other information provided by WESTWOOD in any manner; and (c) presented in close proximity to any other statement that it modifies, explains, or clarifies. With respect to any visual disclosures, to be “clear and conspicuous” they must be of sufficient size and contrast and of a sufficient duration to be easily read. *See*, 16 C.F.R. § 313.3(b).

2.8 “APEX” means WESTWOOD’s “Promissory Note and Disclosure,” “Retail Installment Contract,” and “APEX Educational Services Installment Payment Agreement,” otherwise known as APEX financing, or any other consumer credit transaction between WESTWOOD and a student.

2.9 “Employed in field” and “Employed in related field” are those graduates whom WESTWOOD counts toward its graduate employment placement rates, which WESTWOOD reports annually to its accrediting body.

2.10 “Reporting Year” means the timeframe required by WESTWOOD’s accrediting body for reporting of annual graduate employment data (i.e. July 1 to June 30 for ACICS, WESTWOOD’s current accrediting body.)

FURTHER CONSIDERATION

As further consideration for this Final Consent Judgment, the STATE acknowledges that WESTWOOD cooperated in good faith with the STATE’s investigation. The STATE further acknowledges that WESTWOOD made voluntary efforts to improve its business practices and implemented policies and procedures prior to entry of this Final Consent Judgment that addressed some of the violations identified in the STATE’s investigation, alleged in the STATE’s Complaint, and addressed in this Final Consent Judgment.

III. FUTURE CONDUCT PROVISIONS

The parties hereby agree as follows with respect to future operations of WESTWOOD, and agree and stipulate that the terms of this Final Consent Judgment shall be submitted to and made a part of an order of this Court requiring such future conduct as an injunction of this Court.

This Court further ORDERS:

Colorado Consumer Protection Act

3.1 WESTWOOD, and any other person under its control or at its direction who receives actual notice of this Order, shall not represent by inference, implication, or express statement:

- a. that a degree program at WESTWOOD has a particular graduate employment placement rate, unless WESTWOOD can substantiate such a rate from actual WESTWOOD graduate employment data from the immediately preceding Reporting Year;
- b. that a particular WESTWOOD degree program leads to the job titles and functions that WESTWOOD advertises unless WESTWOOD can substantiate such claims with graduate employment data that reflect actual WESTWOOD graduates obtaining the advertised job titles and functions within the immediately preceding Reporting Year;
- c. that a particular WESTWOOD degree program leads to job titles and functions in a particular city or state unless WESTWOOD can substantiate such claims with actual WESTWOOD graduate employment data that reflect the degree program's graduates obtaining the advertised job titles in the particular city or state within the immediately preceding Reporting Year;
- d. that projected salaries will cover student loan repayments after graduation, unless WESTWOOD can substantiate such claims with actual WESTWOOD graduate debt load and salary data. A program passing the U.S. DOE's Gainful Employment test articulated under 34 C.F.R. §668.7 shall constitute substantiation;
- e. that WESTWOOD's accreditation status means that credits earned by a student at WESTWOOD are transferable to other schools;
- f. that credits earned at WESTWOOD may or will transfer to another educational institution, unless WESTWOOD has actual knowledge, meaning, a statement in writing from the receiving institution, that WESTWOOD credits will readily transfer to or serve as a basis for obtaining a higher-level degree at such educational institution;

- g. that payments made by a student while he or she is enrolled at WESTWOOD are the only payments the student must make to obtain a degree at WESTWOOD;
- h. that WESTWOOD's institutional financing option, known as APEX financing, has no interest rate if in fact the financing contract contains an interest rate;
- i. that WESTWOOD is a selective, limited enrollment institution, unless that is true and the requirements are Clearly and Conspicuously disclosed; and
- j. that military benefits, including, but not limited to, the GI Bill and tuition assistance, will cover a percentage or amount of a Prospective Student's tuition costs, unless WESTWOOD has received documentation from the United States Department of Veteran's Administration confirming the Prospective Student's benefits. Nothing herein shall prevent WESTWOOD from disclosing that it is a Yellow Ribbon participating institution, if that is in fact true, and providing the URL to the United States Department of Veteran's Administration web site that discusses the program.

3.2 WESTWOOD, and any other person under its control or at its direction who receives actual notice of this Order, shall not engage in the following conduct:

- a. Advertising any "triggering term" as described in Regulation Z, 12 CFR § 226.24(d)(1) in WESTWOOD's institutional financing, known as APEX, without Clearly and Conspicuously disclosing the additional terms required by the UCCC and the federal Truth in Lending Act (12 C.F.R. § 226.24(d)(2));
- b. Advertising prospective salary data related to a WESTWOOD degree program based on sources other than actual WESTWOOD graduates from the immediately preceding Reporting Year. If actual WESTWOOD graduate data does not exist for a particular program at a particular campus, WESTWOOD may (1) direct prospective students to a government source that provides salary data for the particular degree program; or (2) direct prospective students to salary data for another WESTWOOD campus that does have salary data for the degree program. In either case, WESTWOOD must disclose that such data is not necessarily reflective of WESTWOOD graduates in the particular program and campus in which the prospective student intends to enroll;
- c. Advertising prospective salary data from actual WESTWOOD graduates without specifying the number of graduates that the salary figure is based on;

- d. Advertising prospective salary data from actual WESTWOOD graduates without distinguishing part-time employment salary data from full-time employment salary data. (For purposes of this provision, the parties agree that the employer shall designate whether it is full-time or part-time employment and, if the employer does not so designate, part-time employment means 1 to 34 hours per week.);
- e. compensating WESTWOOD’s student facing admissions or financial aid employees with bonuses, salary increases, or other incentive payment based fully or in part, directly or indirectly, upon enrollment and/or Starts, of students;
- f. compensating WESTWOOD’s student facing admissions or financial aid employees with bonuses, salary increases, or other incentive payment based fully or in part, directly or indirectly, upon enrollment by a student in any particular degree program or WESTWOOD campus;
- g. compensating WESTWOOD employees who gather or compile employment information with bonuses, salary increases, or other incentive payment based in any part, directly or indirectly, upon the number of graduates coded in WESTWOOD’s graduate employment database as “employed in field,” “employed in related field,” or “unavailable for employment”;
- h. classifying a WESTWOOD graduate as “employed in field” or “employed in related field” to calculate a degree program’s employment placement rate, unless:
 - i. the employment utilizes the core skills taught in the degree program and is reasonably based on the educational objectives of the degree program from which the student graduated;
 - ii. with respect to the graduate’s employment:
 - if the graduate is either a full-time or part-time “at will” employee, the employment must be sustainable and expected by the student and employer to last for a reasonable period of time; or
 - if the graduate is self-employed, free-lance, a contractor or an employee for a specific term, then WESTWOOD must obtain written verification from the graduate that the graduate’s work aligns with the

graduate's employment goals, is based on the education and training received, and that the graduate is earning training-related income;

iii. the employment is a paid position; and

iv. the foregoing information (3.2(h)(i-iii)) is verified by WESTWOOD in writing. WESTWOOD shall make its best efforts to obtain written verification from the graduate or the graduate's employer. If WESTWOOD is unable to obtain written verification from the graduate or the graduate's employer, WESTWOOD shall obtain verbal verification of the foregoing information (3.2(h)(i-iii)) and confirm the same in a written communication to the graduate's employer.

i. Nothing herein shall conflict with any rules promulgated by the U.S. Department of Education or any other federal or state agency.

3.3 WESTWOOD, and any other person under its control or at its direction who receives actual notice of this Order, shall do the following:

- a. In addition to making all disclosures required by the Secretary of the U.S. Department of Education and the U.S. Higher Education Act, WESTWOOD must state or Clearly and Conspicuously disclose the following as set forth for each item below:
- i. During the Admissions Interview, in Promotional Materials, on Westwood's web sites, in student catalogs and in enrollment agreements with students, the total tuition and fees that a student will incur to complete a particular degree program at WESTWOOD. If a student asks about the cost to attend WESTWOOD during an Admissions Interview, the recruiter or representative must immediately disclose the total tuition WESTWOOD charges for completion of the particular degree program;
 - ii. During the Admissions Interview, in Promotional Materials, on Westwood's web sites, in student catalogs and in enrollment agreements with students, that WESTWOOD credits will not transfer to other schools and that a degree from WESTWOOD will not be honored for admission to an advanced-degree program, except in limited circumstances. WESTWOOD shall maintain on its primary website (Westwood.edu) a list of the schools with which it has a written

articulation agreement, and WESTWOOD shall direct Prospective Students to that list of schools during the Admissions Interview.

iii. During the Admissions Interview, in Promotional Materials, and on Westwood's web sites, the most current underlying data, from the immediately preceding Reporting Year, pertaining to any and all graduate employment placement rates calculated and Advertised by WESTWOOD. Specifically, WESTWOOD must disclose all of the job titles (as reported by the graduate or employer) and the names of employers that it counts toward the employment placement rate for a particular degree program at a particular campus. If an employer objects in writing to such disclosure, WESTWOOD need not disclose the objecting employer;

iv. During the Admissions Interview, that the student may take as much time as the student deems necessary to review all enrollment paperwork before signing an enrollment agreement and paying any enrollment fees. This means the Prospective Student may end the Admissions Interview and re-contact WESTWOOD in order to have sufficient time to review the enrollment paperwork and disclosures, and to contact a WESTWOOD financial aid representative; and

v. During the Admissions Interview, in the enrollment agreement, and in the student catalogs, that, after classes commence within the first term, the Prospective Student has at least 14 days to determine if WESTWOOD is a good fit academically and financially, before becoming obligated to pay any fees and tuition to WESTWOOD.

b. For a period of three years, upon receipt of a written complaint from a student or graduate that relates to admissions, financial aid or career services, forward within five business days each and every such complaint to the Colorado Attorney General's Office.

c. For a period of three years, retain an independent third party to conduct annual audits of a statistically significant sampling of WESTWOOD's graduate employment data collected during the Reporting Year in each and every degree program. WESTWOOD shall supply the auditor with a copy of this Final Consent Judgment. WESTWOOD must require in its contract with the auditor that the auditor shall be responsible for the following:

- Conduct a systematic sampling of the graduates in each WESTWOOD degree program by selecting every fifth unique graduate listed in

alphabetical order within each degree program, and verify WESTWOOD's description of each graduate's employment by contacting the graduate and/or employer;

- Verify that WESTWOOD's employment classifications are compliant with the requirements of ¶ 3.2(h), above;
- Identify instances (if any) in which WESTWOOD failed to comply with the requirements of ¶ 3.2(h), above;
- For each annual audit, provide the final audit report, including statement of work, conclusions and underlying documentation to the STATE in an electronic format within 10 days of completion of the audit;
- Complete the audit prior to WESTWOOD's submission of employment placement data to its accrediting body; and
- For purposes of the first audit, which will occur in 2012, the auditor shall select its statistically significant sample from the graduate employment entries that post-date the effective date of this Final Consent Judgment.

d. For a period of three years, record all Admissions Interviews that occur over the phone for Westwood College Online and National Admissions, and retain an independent third party to conduct a quarterly audit of a sampling of WESTWOOD's recorded admissions calls during the preceding quarter. WESTWOOD shall supply its auditor with a copy of this Final Consent Judgment and a list of the relevant information to identify in each audit, which is attached hereto as Exhibit A. WESTWOOD must retain all recorded calls for a period of three years following entry of this Final Consent Judgment. Thereafter, nothing in this Final Consent Judgment shall limit WESTWOOD's ability to maintain a reasonable records retention policy for recorded calls that is not otherwise inconsistent with the provisions of this Final Consent Judgment. WESTWOOD must require in its contract with the auditor that the auditor shall be responsible for the following:

- Select from the applications submitted during that quarter a random sample of 75 applicants;
- Identify instances (if any) of failure by WESTWOOD to comply with the relevant requirements ordered herein by listening to the recorded Admissions Interviews with the 75 applicants and completing a checklist that tracks the information listed in Exhibit A; and
- Provide the final audit report, including statement of work, conclusions, a completed checklist for each call, and underlying documentation to the STATE in an electronic format within 10 days of completion of the audit. If the STATE believes that there may be instances of potential frequent or routine failures to satisfy this Final Consent Judgment's requirements, then the STATE may in its discretion request that the auditor review an additional thirty (30) Admissions Interviews for that quarter.

e. WESTWOOD currently conducts secret shopping, and for a period of three years, shall continue to retain an independent third party to conduct secret shopping at least three times per year. WESTWOOD shall supply the third party secret shopper with a copy of this Final Consent Judgment and the checklist attached hereto as Exhibit A. WESTWOOD shall amend its contract with the secret shopper to require that the secret shopper shall be responsible for the following:

- Conduct a minimum of two in-person admissions interviews per secret shop;
- Identify instances (if any) in which WESTWOOD failed to comply with the relevant requirements ordered herein by completing a checklist that tracks the information listed in Exhibit A; and
- Provide a written report, including statement of work, conclusions, a completed checklist for each admissions interview, and underlying documentation, to the STATE in an electronic format within 10 days of completion of the secret shopping.

f. The STATE shall review the auditor's final reports required in 3.3(d) and (e) to determine if the auditor's findings show that WESTWOOD frequently or routinely failed to satisfy this Final Consent Judgment's requirements related to Admissions Interviews, which are listed for the convenience of the auditors in Exhibit A. In any enforcement action, including those brought under Section VI, arising from the requirements herein pertaining to Admissions Interviews, including the audit reports required in 3.3(d) and (e), evidence of frequent or routine failure to satisfy this Final Consent Judgment's requirements shall constitute *prima facie* evidence that there was a material violation of this Final Consent Judgment.

g. All third-party monitors required in paragraphs 3.3(c) – (e) shall be selected by WESTWOOD and subject to approval by the STATE, which shall not be unreasonably withheld.

Uniform Consumer Credit Code

3.4 WESTWOOD, and any other person under its control or at its direction who receives actual notice of this Order, shall not engage in the following conduct:

a. Accelerating the maturity of any unpaid balance without providing a notice of right to cure to a student who defaults on APEX payments after withdrawing or graduating from WESTWOOD.

b. Charging any fees not expressly authorized by the Code, including without limitation, finance charges on transactions for which WESTWOOD has not timely filed required notification fees, default rates of interest, insufficient fund charges in excess of what the Code allows, and delinquency charges in excess of what the Code allows.

3.5 WESTWOOD, and any other person under its control or at its direction who receives actual notice of this Order, shall do the following:

a. Clearly and Conspicuously disclose to students, in connection with the advertising of any institutional financing that includes any “triggering term” as defined in Regulation Z, 12 C.F.R. § 226.24(d)(1), the additional terms required by 12 C.F.R. §226.24(d)(2).

b. Disclose to students to whom APEX financing is extended the information, disclosures, and notices required by, among others, the federal Truth in Lending Act, 15 U.S.C.A. § 1601, *et seq.*, including, but not limited to, Regulation Z, 12 C.F.R. 226. *See* Code § 5-3-101. Specifically, WESTWOOD must disclose (a) the transaction’s prepayment provision, *see* Regulation Z § 226.18(k); (b) the transaction’s late charges provision, *see* Regulation Z § 226.18(l); (c) a “Contract Reference” statement, *see* Regulation Z § 226.18(p); or (d) for those transactions entered into after February 4, 2010, the consumer’s right to cancel, *see* Regulation Z § 226.47(c).

c. Maintain its student finance records “in a manner that will establish that the creditor is complying with the provisions of” the Code. (Administrator Rule 10, 4 Code Colo. Reg. 902-1, illustrates the types of records creditors are required to maintain.) *See* Code § 5-3-109, C.R.S (2011). This includes, but is not limited to, maintaining copies of promissory notes, disclosures, or retail installment agreements, copies of, or other evidence that it provided students with, rights to cancel or notices of rights to cure, and accurate or complete transaction payment histories, including, without limitation, records of delinquency charges.

d. Timely file all required notifications with the Administrator of the UCCC and pay all required fees to regularly engage as a creditor extending consumer credit for all APEX transactions entered into after entry of this Final Consent Judgment.

e. In the event a student defaults on his APEX financing, WESTWOOD must allow at least 20 days after giving a notice to cure before accelerating the APEX balance.

IV. MONETARY PROVISIONS

4.1 **Penalties, Restitution, Costs and Fees:** WESTWOOD shall pay the amount of \$2,000,000.00 within 60 days after entry of this Final Consent Judgment to the Colorado Department of Law to be held, along with any interest thereon, in trust for the benefit of the consumer protection section, to be used in the STATE's sole discretion for consumer restitution, to reimburse the state for its reasonable costs and attorneys fees, and for future consumer education, consumer fraud and antitrust enforcement efforts. § 6-1-110(1), C.R.S. (2012).

4.2 **APEX Debt Reduction:** WESTWOOD, and any agents acting on WESTWOOD's behalf or at its direction, shall perform a self-audit of all APEX financing extended to all students between 2002 and December 31, 2011, in order to identify all accounts on which a balance exists (known for purposes of this paragraph 4.2 as "open" accounts). Such self-audit shall also identify all accounts on which no balance exists because the student has already paid off the debt, or because neither WESTWOOD nor a third party is attempting to collect the debt, known for purposes of this paragraph 4.2 as "closed" accounts). WESTWOOD, and any agents acting on WESTWOOD's behalf or at its direction, shall credit \$2,500,000.00 on a proportionate basis to the outstanding balance on any and all open accounts in existence as of December 31, 2011. WESTWOOD must, within 30 days after entry of the Final Consent Judgment, report the reduced balance of such open accounts to all consumer reporting agencies to which it has previously reported any amounts due, unless WESTWOOD has previously instructed the consumer reporting agencies to delete the previously reported information, and notify any third-parties to whom it has sold or assigned any APEX debt of the amount of the reduced balance. With respect to any student whose account is "closed" on December 31, 2011, but whose account later becomes "open," WESTWOOD shall, in good faith, provide the debt reduction articulated herein to such student.

4.3 **APEX Credits and Reimbursements:** WESTWOOD, and any agents acting on WESTWOOD's behalf or at its direction, shall perform a self-audit of all APEX financing extended to students who attended a Colorado campus, or who attended Westwood College Online and had a Colorado address, in order to identify all finance charges contracted for between 2002 and 2009 and all excess charges collected between 2002 and the date of entry of the Final Consent Judgment. WESTWOOD may exclude from the self-audit those accounts that, from approximately 2005 - 2006, were assigned to collection agencies because the cost and administrative burden of determining finance charges collected by the collection agency may outweigh any benefit. WESTWOOD agrees that if any student account later comes to its attention that would have been subject to the provisions of this paragraph, WESTWOOD will in good faith provide the refund of finance charges provided for in this paragraph 4.3. For those accounts within the self-audit, WESTWOOD, and any agents acting on WESTWOOD's behalf or at its direction, shall make refunds or credits to students of the full amount of all finance charges collected from all 2002-2009 APEX financing and

shall make refunds or credits of all excess charges, including delinquency fees, default rates of interest higher than the note rate, and excess returned check fees, pursuant to Code §§ 5-5-201(1) and 5-6-114(1) and CPA § 6-1-110. WESTWOOD further shall be enjoined from collecting any future finance charges due under those accounts within the self-audit or the accounts excluded from the self-audit. For accounts within the self-audit for which a balance remains legally due, known for purposes of this paragraph 4.3 as “open” accounts, WESTWOOD may credit the amount of the refund to reduce the remaining balance. If the credit exceeds the remaining balance, WESTWOOD must refund the difference by check made payable to the student. For accounts within the self-audit on which no balance remains legally due, known for purposes of this paragraph 4.3 as “closed” accounts, WESTWOOD must refund the amount by check made payable to the student. For open accounts, WESTWOOD must, within 30 days after entry of the Final Consent Judgment, report the reduced balance to all consumer reporting agencies to which it has previously reported any amounts due unless WESTWOOD has previously instructed the consumer reporting agencies to delete the previously reported information and notify any third-parties to whom it has sold or assigned any APEX debt of the amount of the reduced balance. Any refund checks that are not endorsed by a student within one hundred (100) days after the entry of this Final Consent Judgment shall at that time be transmitted to the Colorado State Treasurer pursuant to the Colorado Unclaimed Property Act, sections 38-13-101, *et seq.*, C.R.S.”

4.4 WESTWOOD, and any agents acting on WESTWOOD’s behalf or at its direction, shall submit to the STATE within 60 days of the entry of this Final Consent Judgment a record of the credits, payments and any other reimbursements required under paragraphs 4.2 and 4.3.

4.5 Failure to pay in full and on time as per the monetary terms of this Final Consent Judgment will constitute contempt of this Court and a knowing, material violation of this Final Consent Judgment. In the event of such non-payment, WESTWOOD agrees to pay the costs of any legal action instituted to carry out successful recovery of the agreed amounts, pursuant to § 6-1-113(4), C.R.S. (2012).

V. REPRESENTATIONS AND WARRANTIES

5.1 Except as expressly provided in this Consent Judgment, nothing in this Consent Judgment shall be construed as relieving WESTWOOD of its respective obligation to comply with all state and federal laws, regulations or rules, or granting permission to engage in any acts or practices prohibited by such law, regulation or rule.

5.2 WESTWOOD acknowledges that it has thoroughly reviewed this Consent Judgment with its counsel, that it understands and agrees to its terms, and that it agrees that it shall be entered as the Order of this Court.

5.3 Each of the non-Court signatories to this Consent Judgment warrants and represents that he or she has authority to agree to this Consent Judgment on behalf of one of the parties.

5.4 WESTWOOD warrants and represents that its responses to the STATES' investigative subpoenas were prepared pursuant to good faith investigations for documents and information responsive to those portions of the demands that were adequately designated and not otherwise subject to a good faith objection or to a good faith claim of privilege or work-product immunity.

VI. VIOLATIONS OF FINAL CONSENT JUDGMENT

6.1 Except as specifically set forth above, proof by a preponderance of the evidence of a material violation of any of the terms of this Final Consent Judgment shall constitute a *prima facie* violation of the CCPA under C.R.S. § 6-1-110(2). Upon any material violation of any of the terms of this Final Consent Judgment, and in addition to seeking contempt, the STATE shall be entitled to seek an injunction or other appropriate order from this Court to enforce the provisions of this Final Consent Judgment. *See*, § 6-1-112(1)(b), C.R.S. (2012).

6.2 In addition to the remedies available to the STATE set forth in paragraph 6.1, for a period of three years, WESTWOOD consents to a judgment in the amount of \$1,000,000.00 for a knowing or willful material violation of any term of this Final Consent Judgment. The parties agree that the term "knowing" means that WESTWOOD knew or should have known it was violating this Final Consent Judgment. Notwithstanding the three-year time limit on the \$1,000,000 judgment in this paragraph 6.2, and subject to the provisions of section 6.6, all other terms ordered herein are permanent, and all other remedies available under the CCPA and UCCC survive the three year term, unless otherwise specified.

6.3 Prior to seeking relief in Court to enforce this Final Consent Judgment, the STATE shall provide written notice to WESTWOOD describing identified violations and allow WESTWOOD a period of 10 business days to respond. Any response by WESTWOOD shall describe all efforts WESTWOOD has taken to cure the identified violation so that no current or prospective students are harmed by the identified violation. The parties agree to act in good faith to resolve any conflict regarding identified violations and efforts to cure before approaching this Court.

6.4 If the STATE determines that WESTWOOD has failed to adequately cure the identified violation(s), the STATE may petition this Court for all available remedies under the CCPA, the UCCC, and as provided herein.

6.5 With the exception of the provisions of Section IV, the terms of this Final Consent Judgment take effect sixty (60) days after the date of the entry of this Final Consent Judgment.

6.6 Nothing in this Final Consent Judgment shall prevent the parties from petitioning the Court for a modification of this Final Consent Judgment in the event that a future federal or state law, or future changes in accrediting standards, creates a conflict with the above provisions or an otherwise unforeseen event creates a conflict. The STATE will not unreasonably withhold its consent to WESTWOOD's request for a modification sought in good faith.

SO ORDERED and SIGNED this ____ day of _____, 2012.

BY THE COURT:

District Court Judge

This Consent Judgment Concerning WESTWOOD, signed and agreed to this _____ day of _____, 2012.

WILLIAM OJILE
Senior Vice President – Chief Legal & Compliance Officer
Alta Colleges, Inc.

WILLIAM LEONE
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Republic Plaza
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As to form, on behalf of WESTWOOD

CHUCK STEESE
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As to form, on behalf of WESTWOOD

In all respects, on behalf of the Plaintiffs the
State of Colorado, *ex rel.* JOHN W.
SUTHERS, Attorney General, and Laura E.
Udis, Administrator, Uniform Consumer
Credit Code

OLIVIA C. DEBLASIO, 35867*
MARK T. BAILEY, 36861*
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Consumer Protection Section
Attorneys for Plaintiffs
*Counsel of Record

This document constitutes a ruling of the court and should be treated as such.

Current Date: Mar 14, 2012

Case Number: 2012CV1600

Case Name: ST OF COLO et al vs. ALTA COLLEGES INC et al

/s/ Judge Eric Elliff

This Consent Judgment Concerning WESTWOOD, signed and agreed to this 12th day of March, 2012.



WILLIAM OJILE
Senior Vice President – Chief Legal & Compliance Officer
Alta Colleges, Inc.

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In all respects, on behalf of the Plaintiffs the State of Colorado, *ex rel.* JOHN W. SUTHERS, Attorney General, and Laura E. Udis, Administrator, Uniform Consumer Credit Code



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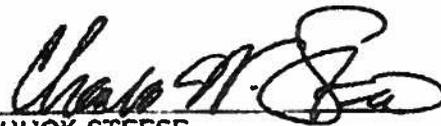
Attorneys for Plaintiffs
*Counsel of Record

This Consent Judgment Concerning WESTWOOD, signed and agreed to this _____ day
of _____, 2012.

WILLIAM OJILE
Senior Vice President – Chief Legal & Compliance Officer
Alta Colleges, Inc.



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