

COMMONWEALTH OF MASSACHUSETTS

75

SUFFOLK, ss.

SUPERIOR COURT DEPARTMENT  
CIVIL ACTION NO. 2013-CV-4128H

COMMONWEALTH OF  
MASSACHUSETTS,

Plaintiff,

v.

THE CAREER INSTITUTE, LLC;  
ADVANCED CAREER TECHNOLOGIES,  
INC.; ABC TRAINING CENTER OF  
MARYLAND, INC.; ANDREE  
FONTAINE; ROBERT PAYNE and  
MICHELLE MORIN SILVA,

Defendants.

**FINAL JUDGMENT BY CONSENT AS TO  
DEFENDANTS THE CAREER INSTITUTE, LLC; ADVANCED CAREER  
TECHNOLOGIES, INC.; ABC TRAINING CENTER OF MARYLAND, INC.;  
ANDREE FONTAINE AND ROBERT PAYNE**

Plaintiff Commonwealth of Massachusetts (the "Commonwealth"), by and through its Attorney General, Maura Healey, and Defendants The Career Institute, LLC; Advanced Career Technologies, Inc.; ABC Training Center of Maryland, Inc.; Andree Fontaine; and Robert Payne (collectively, the "Parties") agree to the entry of this Final Judgment By Consent ("Consent Judgment") and its provisions pursuant to Mass. R. Civ. P. 54(b) as to fewer than all of the parties to the lawsuit.

WHEREAS, the Commonwealth filed this action in Suffolk County Superior Court on November 21, 2013 pursuant to G.L. c. 93A, §4, and alleges that the Defendants committed unfair or deceptive acts or practices in violation of Massachusetts Consumer Protection Act, G.L.

**JUDGMENT ENTERED ON DOCKET June 2 2014  
PURSUANT TO THE PROVISIONS OF MASS. R. CIV. P. 54(b)  
AND NOTICE SENT TO PARTIES PURSUANT TO THE PRO-  
VISIONS OF MASS. R. CIV. P. 77(d) AS FOLLOWS**

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c. 93A, §2 (“c. 93A”) in connection with their ownership and operation of the for-profit school, American Career Institute;

WHEREAS the below-defined “Corporate Defendants” are existing legal entities and represent that they ceased operations in January 2013;

WHEREAS, Defendants Andree Fontaine (“Fontaine”) and Robert Payne (“Payne”) deny pre-litigation knowledge of the alleged School actions listed in this Consent Judgment that constitute violations of law, including actions that constitute violations of G.L. c. 93A, and deny any and all liability for the claims set forth in the Complaint and the Amended Complaint, but nonetheless consent to the entry of this Final Judgment to avoid the time, burden and expense of contesting such liability;

WHEREAS, the Parties have agreed to resolve this matter in accordance with this Consent Judgment and its provisions without trial or adjudication, and the Defendants waive all rights to appeal or otherwise challenge or contest the validity of the Consent Judgment;

WHEREAS, the Defendants acknowledge that this Court has subject matter jurisdiction over this case and personal jurisdiction over them, and agree to the entry of this Consent Judgment in the above-captioned case to fully and finally resolve the allegations and claims raised in the lawsuit against them;

WHEREAS, the Parties agree that there is no just reason for delay, and that the Court’s execution of this Consent Judgment constitutes entry of a final judgment pursuant to Mass. R. Civ. P. 54(b) as to Defendants The Career Institute, LLC; Advanced Career Technologies, Inc.; ABC Training Center of Maryland, Inc.; Fontaine; and Payne.

**NOW, THEREFORE, it is ADJUDGED, ORDERED, and DECREED:**

**I. Parties**

1. This Consent Judgment is entered into by the following Parties:
  - a. The Commonwealth;
  - b. The Career Institute, LLC; Advanced Career Technologies, Inc.; and ABC Training Center of Maryland, Inc. (the “Corporate Defendants”); and
  - c. Fontaine and Payne (the “Individual Owner Defendants”).
2. The Corporate Defendants and Individual Owner Defendants are referred to collectively herein as “Defendants.” The terms “Defendant,” “Defendants” and “Parties” as used in this Consent Judgment shall specifically exclude Michelle Morin Silva, who is not a party to this Consent Judgment.

**II. Jurisdiction and Venue**

3. This Court has jurisdiction over the subject matter and the Defendants, and venue in this Court is proper under G.L. c. 233, § 5.
4. The Attorney General is authorized to bring this action under G.L. c. 93A, § 4.

**III. Definitions**

5. The “School” shall mean and refer to the American Career Institute, and shall specifically include only the Braintree, Cambridge, Framingham, Springfield and Woburn campuses. Any references, statements, or findings herein to or concerning the School specifically exclude the Individual Owner Defendants.
6. The “Corporate Defendants” refer to The Career Institute, LLC; Advanced Career Technologies, Inc.; and ABC Training Center of Maryland, Inc. Any references, statements or

findings herein to or concerning the “Corporate Defendants” specifically exclude the Individual Owner Defendants.

7. The “Individual Owner Defendants” shall mean and refer to Defendants Fontaine and Payne.

8. “School employees” shall mean employees of the Corporate Defendants other than the Individual Owner Defendants.

9. “Students” shall mean and refer to the persons who enrolled at the School at any time from September 2009 through the School’s closure in January 2013.

10. “Cohort” shall mean and refer to a group of Students enrolled in a particular educational program at a particular campus during a set period of time.

11. “Program Disclosure Information Sheets” shall mean and refer to the documents entitled, “Program Disclosure Information” that were provided to prospective students and that contained representations regarding the graduation rate, on-time graduation rate, and placement rate for Students in a particular educational program during the prior year.

12. “Guaranty” shall mean and refer to the guaranty of payment executed by Fontaine on behalf of ABC Training Center Of Maryland, Inc. on or about August 18, 2011 and which is attached to the Amended Complaint as Exhibit A.

13. The “TD Bank Case” shall mean and refer to TD Bank, N.A. v. Advanced Career Technologies, Inc., Civil Action No. 1:13-cv-10152-GAO (D. Mass. filed Jan. 24, 2013).

14. “IT Services” shall mean and refer to the development, maintenance and use of computer systems, software and networks.

15. The “Financial Disclosure Forms” shall mean and refer to the following:

- a. The Financial Disclosure Form produced by Fontaine to the Commonwealth on or about November 6, 2015; and

- b. The Financial Disclosure Form produced by Payne to the Commonwealth on or about November 6, 2015.

#### **IV. Findings of Fact**

16. The Corporate Defendants admit the facts as set forth in Paragraphs 18 through 46 herein.

17. The Individual Owner Defendants deny pre-litigation knowledge: 1) of the specific facts as set forth in Paragraphs 18 through 46 herein, and/or 2) that such specific facts constitute violations of law, including violations of G.L. c. 93A.

18. As set forth below, the School maintained false and misleading records.

19. As set forth below, the School created and maintained records regarding individual Cohorts that were false, misleading, disorganized, confusing to employees, and/or often incomplete or contradictory, thereby causing the accurate calculation and reporting of completion and placement data to be difficult or impossible.

##### A. Completion and Placement Data

20. The School made false or misleading representations to Students and prospective students regarding the School's completion and placement percentages in marketing materials, on the School's website, and in Program Disclosure Information Sheets (collectively, "Completion and Placement Data").

21. The Program Disclosure Information Sheets were provided to all prospective students and signed by them at or before the time of enrollment and contained the following representations regarding the program of study for which the prospective student was considering enrollment:

- a. % of Students scheduled to complete (also referred to as "graduate") the program in the previous year who successfully completed the program;
- b. % of graduates in the previous year who completed the program on-time; and

- c. % of graduates in the program who were successfully placed in their field of study.

#### Completion Percentages

22. The School failed to disclose that the “% of Students scheduled to graduate the program in the previous year who successfully completed the program” did not include many Students who withdrew after attending classes or students who would have been withdrawn if the School had followed its own policies as set forth in the School’s student catalogs and marketing materials.

23. Accordingly, Students received false or misleading information in the Completion and Placement Data regarding the “% of Students scheduled to graduate the program in the previous year who successfully completed the program.”

#### On-time Completion Percentages

24. The School failed to disclose that the “% of graduates in the previous year who completed the program on-time” was based, in part, on inaccurate completion percentages and also included Students who did not actually graduate within the scheduled time frame.

25. Accordingly, Students received false or misleading information in the Completion and Placement Data regarding the “% of graduates in the previous year who completed the program on-time.”

#### Placement Percentages

26. The School failed to disclose that in several Cohorts, more than 20% of the Students reportedly “placed in their field of study” were unable to get jobs but were counted as placements because the School itself hired them for short-term or part-time positions as “tutors” or “educational support.”

27. The School failed to disclose that in calculating the “% of graduates in the program who were successfully placed in their field of study,” the School considered a wide variety of jobs as successful placements, even if the jobs were outside the program of study or no program certificate in the field of study was required.

28. The School failed to disclose that in calculating the “% of graduates in the program who were successfully placed in their field of study,” the School included as “placements” Students who had jobs before attending the School and continued in the same jobs after graduation from the School.

29. The School failed to disclose that numerous placements were based on false or otherwise materially inaccurate employment verification forms.

30. Accordingly, the School provided to Students false or misleading information in the Completion and Placement Data regarding the “% of graduates in the program who were successfully placed in their field of study.”

#### Other Conduct That Impacted Completion and Placement Data

31. The School engaged in the following conduct that also impacted the School’s placement and/or completion data:

- a. The School altered grades to make it appear that Students were achieving satisfactory academic performance when they were not, thereby improperly advancing students through their academic programs and also improperly increasing Cohort completion percentages;
- b. The School signed Student signatures on various records without the Students’ knowledge or permission, including enrollment agreements;
- c. The School improperly used “drop forms” to alter the School’s completion data;

- d. The School improperly and inaccurately increased numerous Cohort completion percentages by excluding from the data many Students who had withdrawn or were administratively withdrawn and, further, by including among “completers” Students who had not actually completed their programs;
- e. The School improperly and inaccurately increased numerous Cohort placement percentages by excluding from the data some of the Students who were graduates but who had not obtained employment;
- f. The School’s placement data was based in part upon “employment verification forms,” (“EVFs”) and the School created and maintained false, incomplete, or misleading EVFs as follows:
  - i. The School “confirmed” Student placements with companies that did not exist or at which the Students had never worked;
  - ii. The School created false or misleading job titles (*e.g.*, home health aides reported as medical assistants); and
  - iii. The School created and maintained false, incomplete, or misleading records designating Students as self-employed when School employees knew that to be false or misleading; and
- g. The School also altered the School’s placement percentages by hiring its own Students.

Affected Cohorts

32. The School misrepresented to Students and prospective students completion and placement data with respect to the specific programs listed on the attached Exhibit #1. Exhibit #1 reflects only the Cohorts for which the Commonwealth has made specific findings to date that the completion and/or placement data reported was significantly overstated. Nothing contained

in the Consent Judgment should be construed as stating or implying that the School's completion and placement data for Cohorts that are not contained in Exhibit #1 was accurately represented to Students and prospective students.

B. False Advertising and Misrepresentations of Opportunity

33. The School used aggressive sales tactics and false or misleading representations to consumers and prospective students to induce enrollment at the School.

34. The School's "admissions representatives" acted as salespersons and pressured many prospective students to enroll by focusing on the prospective students' needs and vulnerabilities, referred to by the School as "pain points."

35. The School created a false and misleading sense of urgency in prospective Students, pressuring them to enroll immediately to ensure their place in the class even though the School had open and rolling enrollment.

36. The School told prospective students that they would have career placement services "for life" but provided no more than links to listings on Craigslist or other employment hiring websites.

37. Despite a School policy stating otherwise, School employees at times told prospective students that employment was "guaranteed."

38. The School provided to prospective students false or misleading marketing flyers containing long lists of businesses that, according to the School, had hired graduates of the School, when many of the businesses listed on the flyers had not hired any of the School's graduates.

C. Enrollment of Unqualified Students and Failure to Make Material Disclosures

39. The School at times enrolled Students who lacked the verbal or written English language skills to fully participate in and benefit from School programs.

40. The School at times enrolled Students who had criminal records in programs for which a criminal background could disqualify a student from an externship and/or employment and failed to disclose that potential disqualification prior to enrollment.

41. Notwithstanding the School's stated policy to require and track proof of graduation for all students, the School enrolled Students who did not meet the School's minimum education requirements, including Students who did not have a high school diploma, a GED, or a passing score on an Ability to Benefit test.

D. Failure to Provide Education Promised

42. In addition to the aforementioned misrepresentations, the School made various promises and additional representations to Students, including the following:

- a. The School promised the Students that the School would provide the books and software for which the Students paid and which were needed to participate in and benefit from the courses in which the Students were enrolled;
- b. The School promised Students in the Medical Assisting, Medical Coding and Billing, and Dental programs that the School would provide each Student with an externship at which the Student could utilize skills and training learned at the School; and
- c. The School promised Students that it would comply with state laws and regulations by, *inter alia*, only employing and utilizing instructors who were approved by the Massachusetts Department of Elementary and Secondary Education or the Massachusetts Department of Professional Licensure (collectively, "DPL").

43. The School failed to provide many Students with the books or software for which the Students paid, or provided them only after the applicable course was partially or substantially complete.

44. The School failed to provide externships to some Students and required others to wait extended periods because the School enrolled more Students than it had available externships.

45. Of the “externships” that the School did provide, some did not require the Students to utilize any skills or training purportedly learned in a School program, but rather, included only photocopying, scanning or other administrative tasks unrelated to and not in furtherance of the Students’ education.

46. The School allowed individuals who were not approved to teach by the DPL to be instructors, including recent School graduates, current Students with little or no experience in the field of study, and individuals who had no teaching experience.

#### Counts I through VI

47. The Corporate Defendants consent to a judgment of liability against them in Counts I and II of the Amended Complaint and admit only those individual factual allegations in the Amended Complaint that are set forth in Paragraphs 18 to 46 above. The Corporate Defendants do not admit to the remaining allegations in Counts I and II of the Amended Complaint.

48. The Corporate Defendants consent to a judgment of liability against ABC Training Center of Maryland, Inc. as to Count III of the Amended Complaint alleging a Violation of the Guaranty and admit only those individual factual allegations in the Amended Complaint that are set forth in Paragraphs 18 to 46 above. The Corporate Defendants do not admit to the remaining allegations in Count III of the Amended Complaint.

49. The Corporate Defendants consent to a judgment of liability against ABC Training Center of Maryland, Inc. as to Count IV of the Amended Complaint alleging Violations of c.

93A with respect to the Guaranty and admit only those individual factual allegations in the Amended Complaint that are set forth in Paragraphs 18 to 46 above. The Corporate Defendants do not admit to the remaining allegations in Count IV of the Amended Complaint. ABC Training Center of Maryland, Inc. is liable to the Commonwealth under the Guaranty in the aggregate sum of all tuition refunds owed to Students of the School.

50. The Defendants specifically deny the allegations against Fontaine in Count IV of the Amended Complaint, and nothing in this Consent Judgment shall be construed as an admission or finding of liability against Fontaine with respect to Count IV of the Amended Complaint. The Commonwealth agrees that it will not seek to enforce the Guaranty against Fontaine personally.

51. ABC Training Center of Maryland, Inc. admits and agrees that the Students identified on Exhibit #2, attached hereto, were enrolled at the School at the time of its closure on or about January 9, 2013 and did not complete their programs and, further, that said Students are owed refunds to the extent required under G.L. c. 255, § 13K. In the event that a Student has obtained loan relief, including but not limited to any loan forgiveness that the Student received pursuant to 20 U.S.C. § 1087(c)(1), ABC Training Center of Maryland, Inc. is entitled to an offset under the Consent Judgment for the amount of the loan relief obtained.

52. The Individual Owner Defendants deny any and all liability for the claims and allegations set forth in the Complaint and Amended Complaint that constitute violations of law, including actions that constitute violations of G.L. c. 93A, including but not limited to liability for the claims asserted in Counts IV, V and VI, and deny prior knowledge of such alleged actions by the School and School employees, but nonetheless admit that, through discovery undertaken by the Attorney General and in connection with a corresponding Civil Investigative Demand, they have come to learn of conduct of the School and School employees as set forth in Paragraphs 18 through 46 above.

53. The Defendants deny any allegations in the Amended Complaint that they failed to maintain any corporate formality, and deny the allegations in Paragraph 156 (Count I), Paragraph 161 (Count II), and Paragraphs 173-174 (Count III), as well as the Commonwealth's Request for Relief No. 6, in the Amended Complaint. The Defendants do not admit any liability as to any Defendant with respect to any allegations contained in Paragraphs 156, 161, 173, or 174, or Request for Relief No. 6, in the Amended Complaint, and the Commonwealth shall not obtain in this Consent Judgment any judgment, award, or relief based on or arising out of the allegations contained in Paragraphs 156, 161, 173, or 174, or Request for Relief No. 6, in the Amended Complaint.

#### **V. Monetary Relief and Partial Suspension**

54. Monetary relief is to be paid as follows:

By all Defendants:

- a. Judgment shall enter against all Defendants, jointly and severally, in the amount of Three Hundred Sixty-Five Thousand Dollars (\$365,000). That amount shall be paid to the Attorney General within fourteen (14) days of entry of the Judgment as set forth in Paragraph 59. All proceeds paid pursuant to this Paragraph shall be used by the Attorney General, in her sole discretion, to provide restitution, relief, loan payments, or other assistance to Students, to cover the costs of the administration of the relief obtained through this Consent Judgment, or to provide support or assistance for student borrowers in Massachusetts; and
- b. Judgment shall enter against all Defendants, jointly and severally, in the amount of Five Hundred Thousand Dollars (\$500,000) for penalties and for the Attorney General's costs and fees incurred in the investigation and litigation of this matter, the payment of which shall be suspended subject to the provisions of Paragraph 56.

By the Corporate Defendants:

- c. Judgment shall enter against the Corporate Defendants, jointly and severally, in the amount of Fifteen Million Dollars (\$15,000,000) for partial restitution to Students, the payment of which shall be suspended, subject to the provisions of Paragraphs 56 and 58.

By Defendant ABC Training Center of Maryland, Inc:

- d. Judgment shall enter against Defendant ABC Training Center of Maryland, Inc. in the amount of Ten Million Dollars (\$10,000,000) for partial payment of tuition refunds owed to Students of the School (as required by the Guaranty), the payment of which shall be suspended subject to the provisions of Paragraphs 56 and 58.

55. The Corporate Defendants represent that all of their known assets were disclosed and/or turned over to the Receiver in the TD Bank Case and, further, that the Corporate Defendants are unaware of any assets that have not been ordered and delivered to the Receiver and/or TD Bank, N.A. in connection with the TD Bank Case.

56. The partial suspension of the monetary relief as referenced in Paragraphs 54(b), 54(c) and 54(d), above, is expressly conditioned on the truthfulness, accuracy and completeness of the Financial Disclosure Forms (as to the Individual Owner Defendants), the Corporate Defendants' disclosure of financial information on December 14, 2015 (as to the Corporate Defendants), any additional financial information provided to the Commonwealth (as to all Defendants) and the Corporate Defendants' representation in Paragraph 55 (as to the Corporate Defendants)(all such Disclosure Forms, financial information and representations collectively referred to hereinafter as the "Financial Representations"). The suspension will be lifted as to a Defendant if, upon motion by the Attorney General, the Court finds that such Defendant (a) failed to disclose any

material asset, (b) materially misstated the value of any asset, or (c) made any other material misstatement or omission in its, his or her Financial Representations.

- a. If such Defendant establishes at the hearing on the Attorney General's motion that the Defendant did not know, and in the exercise of reasonable care could not have known, that said Defendant's Financial Representations (a) failed to disclose the material asset(s), (b) materially misstated the value of the asset(s), and/or (c) made a material misstatement or omission in its/his/her Financial Disclosures, the suspension shall be lifted only in the amount of the value of the asset(s) that was/were not accurately disclosed to the Commonwealth.
- b. If such Defendant fails to meet its/his/her burden as set forth in Paragraph 56(a), the suspension shall be lifted as to said Defendant for the full amount previously suspended, plus interest accrued thereon from entry of this Consent Judgment, shall be immediately due, and shall be paid by the respective Defendant to the Commonwealth within seven (7) days.
- c. For the avoidance of doubt, while the Defendants remain jointly and severally liable for any suspended payments as set forth in Paragraph 54 unless and until said amounts are paid to the Commonwealth in full, the lifting of the suspension as to one Defendant does not lift the suspension as to other Defendants. Notwithstanding the foregoing, with respect to the Corporate Defendants, as their Financial Representations were submitted jointly, if the suspension is lifted as to any one of the Corporate Defendants under this Paragraph, the suspension also is lifted as to the other two Corporate Defendants.

57. The Commonwealth presently is unaware of any basis to lift the suspension as to any Defendant.

58. In the event that the Corporate Defendants, or any one of them, receives a damages award in any lawsuit or otherwise receives any funds or asset(s) in the twelve (12) month period following execution by the Corporate Defendants of this Consent Judgment (collectively, “New Assets”), said Corporate Defendant will notify the Commonwealth within fourteen (14) days of the Corporate Defendant’s receipt of the New Assets. The partial suspension of the monetary relief referenced in Paragraphs 54(c) and 54(d) will be lifted as to said Corporate Defendant in the amount of the value of the New Assets upon the Corporate Defendant’s notice to the Attorney General of the Corporate Defendant’s receipt of the New Assets. If the suspension is lifted, in whole or in part, pursuant to this Paragraph, the Corporate Defendant(s) shall make the required payment to the Commonwealth within fourteen (14) days or as otherwise agreed to by the Parties in writing.

59. All payments shall be made by wire or check and must be made in accordance with wiring instructions provided by the Office of the Attorney General (“OAG”) or by check payable to the “Commonwealth of Massachusetts” and mailed to the Assistant Attorneys General identified in Paragraph 64(a) at the address set forth therein.

## **VI. Injunctive Relief**

60. The Court hereby permanently enjoins the Defendants and their owners, statutory officers and directors from engaging in the following conduct, whether acting individually or in active concert or participation with or through any corporation, company, trust or other device (including, without limitation, through any entities affiliated with or created by Defendants):

- a. directly or indirectly owning any career or vocational training school in the Commonwealth of Massachusetts, however, the prohibition of Defendants’ indirect ownership does not extend to any mutual funds or 401K investments with an ownership in a for-profit career or vocational training school;

- b. directly or indirectly operating or managing any career or vocational training school in the Commonwealth of Massachusetts;
- c. directly or indirectly applying for or seeking to renew a license to operate a career or vocational training school in the Commonwealth of Massachusetts;
- d. obtaining employment with any career or vocational training school in the Commonwealth of Massachusetts;
- e. advising or consulting with or for any career or vocational training school in the Commonwealth of Massachusetts; or
- f. forming a separate entity, operating under a different name, or affiliating with or relying on a separate entity or person(s) in whole or in part to engage in acts or practices prohibited by this Consent Judgment or to circumvent any part of this Consent Judgment.

61. Notwithstanding any of the provisions in Paragraph 60, the Individual Owner Defendants shall not be enjoined from providing IT Services to any entity except where the entity is, or has any management or operational role in, a career or vocational training school. Under no circumstances are the Individual Owner Defendants permitted to work on or with (1) student data for any students at career or vocational training schools, or (2) marketing materials or data directed to prospective students of career or vocational training schools.

62. The Individual Owner Defendants represent that they are not currently engaged in any of the conduct prohibited by Paragraphs 60 and 61 of this Consent Judgment, and the Commonwealth presently is unaware of any information to the contrary.

## **VII. Defendants' Records**

63. Notwithstanding the Protective Order entered on February 11, 2014 or any previous agreement between the Parties, the Defendants expressly agree that the Commonwealth may

maintain all documents and electronically stored information (“ESI”) in its possession relating to the School and the Students, including but not limited to documents and ESI produced by the Defendants in discovery in the Lawsuit and/or in response to the Civil Investigative Demands issued to the Defendants, the latter of which were incorporated into the Defendants’ discovery responses (collectively, “Defendants’ Records”). The Defendants further agree that the Commonwealth, strictly for the purpose of assisting Students to obtain loan relief (including but not limited to loan forgiveness/discharges), may disclose or provide to the Students, to former employees of the School, or to the Department of Education or its agents (together, the “DOE”) or any lender or loan servicing entity on behalf of the Students, any of Defendants’ Records or any other records or materials obtained by the Commonwealth in connection with this lawsuit. Except as specifically allowed in this paragraph or as otherwise provided by law, the Commonwealth may not share Defendants’ records with any third party absent notice to Defendants and a court order.

### **VIII. Other Provisions**

64. All notices and documents required by this Consent Judgment shall be provided via first class mail and email to the parties as follows:

a. If to the Attorney General:

Colleen M. Nevin  
Assistant Attorney General  
Consumer Protection Division  
Office of the Attorney General  
One Ashburton Place, 18<sup>th</sup> Floor  
Boston, MA 02108  
(617) 963-2197  
[colleen.nevin@state.ma.us](mailto:colleen.nevin@state.ma.us)

and

Justin J. Lowe  
Assistant Attorney General  
Consumer Protection Division  
Office of the Attorney General  
One Ashburton Place, 18<sup>th</sup> Floor  
Boston, MA 02108  
(617) 963-2912  
[justin.lowe@state.ma.us](mailto:justin.lowe@state.ma.us)

b. If to Corporate Defendants, Fontaine and Payne:

Doreen M. Zankowski, Esq.  
Duane Morris LLP  
100 High Street  
Suite 2400  
Boston, MA 02110-1724  
(857) 488-4227  
[dmzankowski@duanemorris.com](mailto:dmzankowski@duanemorris.com)

c. Also, as to Fontaine only:

Peter E. Gelhaar, Esq.  
Donnelly, Conroy, Gelhaar, LLP  
260 Franklin Street, Suite 1600  
Boston, MA 02109  
(617) 720-2880  
[peg@dcglaw.com](mailto:peg@dcglaw.com)

65. The facts admitted herein by the Corporate Defendants shall be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commonwealth against the Corporate Defendants, including in any proceedings to enforce the Commonwealth's rights to any payment or monetary judgment pursuant to Consent Judgment.

66. The Corporate Defendants acknowledge and agree that the moneys due and owing under this Consent Judgment constitute non-dischargeable debts under 11 U.S.C. § 1141(d)(6), and the Consent Judgment shall have collateral estoppel effect for such purposes. The Individual Owner Defendants admit that the moneys due and owing under this Consent Judgment constitute non-dischargeable debts under 11 U.S.C. § 523(a)(7), and the Consent Judgment shall have collateral estoppel effect for such purposes. The Individual Owner Defendants further admit that, in the

event that the suspension of payments is lifted pursuant to paragraph 56 above on the grounds that their respective Financial Representation is found to constitute a false pretense, false representation, or actual fraud, then the moneys then due and owing under the terms of this Consent Judgment also shall constitute non-dischargeable debt under 11 U.S.C. § 523(a)(2)(A). The Defendants further agree to cooperate with the Commonwealth to obtain a determination by the bankruptcy court of non-dischargeability as to the money due and owing by the Defendants, and, if necessary, shall file any papers to obtain such a determination.

67. The Defendants agree to bear their own costs and attorneys' fees.

68. The Superior Court of the Commonwealth retains jurisdiction of this action for the purpose of enforcing or modifying the terms of this Consent Judgment, or granting such further relief as the Court deems just and proper, and the provisions of this Consent Judgment shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

69. The Defendants waive all rights to appeal and specifically agree to dismiss any pending interlocutory appeal relating to or arising from this case.

70. The provisions of this Consent Judgment shall be severable, and should any provisions be declared by a court of competent jurisdiction to be unenforceable, the other provisions of this Consent Judgment shall remain in full force and effect.

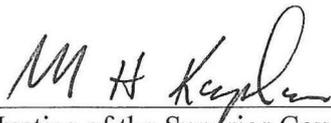
71. This Consent Judgment may be used for the purpose of assisting Students to obtain loan relief, including in any lawsuits filed by or on behalf of Students against the DOE, lenders, or loan servicing entities.

72. This Consent Judgment may not be deemed an admission against any Individual Owner Defendant in this or any other matter or proceeding, nor shall this Consent Judgment be deemed to have any issue or claim preclusive effect with respect to any claims or potential claims against any Individual Owner Defendant.

73. This Consent Judgment may not be changed, altered, or modified, except by further order of the Court.

74. This Consent Judgment becomes effective upon entry by the Court.

APPROVED AND ORDERED:

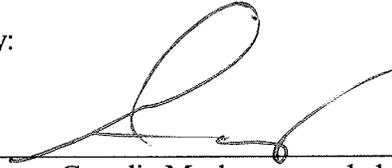
  
\_\_\_\_\_  
Justice of the Superior Court

Dated: Jan 1, 2016

The undersigned has personally read and understood the terms of this Consent Judgment, has consulted with counsel and is duly authorized to consent to such Consent Judgment on behalf of The Career Institute, LLC, and does so voluntarily consent.

THE CAREER INSTITUTE, LLC

By:

A handwritten signature in black ink, appearing to read 'Geordie Mosbarger', written over a horizontal line.

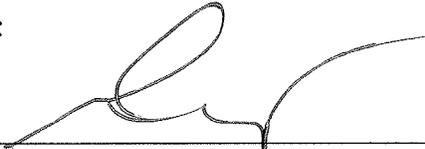
Name: Geordie Mosbarger, on behalf of The Career Institute, LLC

Title: Secretary

The undersigned has personally read and understood the terms of this Consent Judgment, has consulted with counsel and is duly authorized to consent to such Consent Judgment on behalf of Advanced Career Technologies, Inc., and does so voluntarily consent.

ADVANCED CAREER TECHNOLOGIES, INC.

By:



Name: Geordie Mosbarger, on behalf of Advanced Career Technologies, Inc.

Title: Secretary

The undersigned has personally read and understood the terms of this Consent Judgment, has consulted with counsel and is duly authorized to consent to such Consent Judgment on behalf of ABC Training Center of Maryland, Inc., and does so voluntarily consent.

ABC TRAINING CENTER OF MARYLAND, INC.

By:



Name: Geordie Mosbarger, on behalf of ABC  
Training Center of Maryland, Inc.

Title: Secretary

The undersigned has personally read and understood the terms of this Consent Judgment,  
has consulted with counsel and hereby consents to the terms of the Consent Judgment.

  
ROBERT PAYNE  
In his individual capacity

The undersigned has personally read and understood the terms of this Consent Judgment, has consulted with counsel and hereby consents to the terms of the Consent Judgment.

  
ANDREE FONTAINE  
In her individual capacity