

IN THE MATTER OF
Emerson College

ASSURANCE OF DISCONTINUANCE
PURSUANT TO M.G.L. CHAPTER 93A, § 5



I. INTRODUCTION

1. The Commonwealth of Massachusetts (“Commonwealth”), through the Office of Attorney General Martha Coakley (“AGO”), and Emerson College (“Emerson”), enter into this Assurance of Discontinuance (“Assurance”), pursuant to G.L. c. 93A, § 5.

2. Pursuant to G.L. c. 93A, the AGO undertook an investigation of Emerson’s student lending practices. Based on that investigation, the AGO alleges that Emerson violated G.L. c. 93A, § 2(a).

3. In lieu of litigation and in recognition of Emerson’s assistance and cooperation, the AGO agrees to accept this Assurance on the terms and conditions contained herein. The AGO and Emerson both voluntarily enter into this Assurance.

4. This Assurance does not constitute an admission by Emerson of any fact or noncompliance with any state or federal law, rule or regulation. Emerson neither

admits nor denies the AGO's allegations. Emerson enters into this Assurance for settlement purposes only. This Assurance is made without trial or adjudication of any issue of fact or law.

II. AGO's ALLEGATIONS

5. Since 2004, Emerson represented to its students and their parents that Emerson's Office of Student Financial Services was a trustworthy financial aid advisor, dedicated to making sure that students receive "the best value for their dollar." In its financial aid brochures Emerson stated:

If you qualify for an Emerson education, our Office of Student Financial Services will make every effort to help you finance the costs. With careful planning, you'll be surprised at how affordable an Emerson education can be.

6. Between 2004 and 2007, Emerson encouraged its students to use lenders that Emerson had designated as "preferred."¹ In its financial aid brochures, Emerson made statements regarding the advantages of using a "preferred" lender, including statements that its "preferred" lenders offered "some of the best rates and repayment benefits in the industry."

7. Certain statements that Emerson made to students concerning the advantages of using "preferred" lenders were incorrect. For example, between 2004 and 2007, the rates and repayment benefits offered by some of Emerson's "preferred" Stafford lenders were not "among the best in the industry."

¹ For academic year 2004-2005, Emerson designated RBS Citizens, N.A. ("Citizens Bank") and JPMorgan Chase & Company ("Chase") as its 'preferred' lenders for Stafford loans. Both Citizens Bank and Chase acted as a conduit for SLM Corporation ("Sallie Mae"), which had pre-existing commitments to purchase the Stafford loans that Citizens Bank and Chase made to Emerson borrowers. Sallie Mae determined the terms and repayment benefits offered by Citizens Bank and Chase, which were identical. In academic year 2005-2006 and 2006-2007, Emerson designated Citizens Bank and The Rhode Island Student Loan Authority ("RISLA") as "preferred" Stafford lenders. The terms offered by Citizens Bank and RISLA differed, with RISLA offering a less expensive Stafford loan.

8. In addition, Emerson created a Stafford loan process that made it difficult for students to borrow from Stafford lenders that Emerson did not recommend as “preferred.” Emerson’s financial aid award letters and brochures did not explain how a student could go about borrowing from a non-preferred Stafford lender. Rather, students were offered one of Emerson’s two “preferred” Stafford lenders and instructed to complete their Stafford applications and promissory notes online, where it was not possible to select a non-preferred lender. In those instances in which students submitted Stafford applications from non-preferred lenders to Emerson, Emerson’s Office of Student Financial Services sent letters to students discouraging the use of non-preferred lenders.

9. In academic years 2005-2006 and 2006-2007, if students failed to designate one of Emerson’s “preferred” Stafford lenders or another non-preferred Stafford lender, Emerson assigned students to Citizens Bank, the more expensive of Emerson’s two “preferred” Stafford lenders.

10. Between 2001 and 2003, Emerson offered a hotline number that students and parents could call for advice concerning educational borrowing options. Hotline callers were told that they were speaking with Emerson; however, the hotline was actually staffed and operated by one of Emerson’s “preferred” lenders, Sallie Mae.

11. In addition to the hotline, Emerson’s “preferred” lenders provided Emerson with other free and discounted goods and services, including temporary staffing, printing services, donations, and electronic bill presentment and payment software. Emerson’s financial aid staff received expense-paid trips to resorts, free meals, tickets to

professional sporting events, and occasionally, payments for attending lender advisory board meetings.

12. Emerson failed to prevent the free and discounted services that lenders provided to Emerson and its financial aid staff from influencing Emerson's decision making process in choosing the "preferred" lenders that it recommended to students and their parents.

13. In 2001, Emerson's Director of Student Financial Services, Daniel V. Pinch III, entered into an agreement with a student loan provider, Collegiate Funding Services, Inc. ("CFS"). Pursuant to the agreement, Pinch agreed to provide consulting services to CFS in return for a monthly fee of at least \$1,500 per month. This arrangement remained in effect through 2003. During the term of the contract, Pinch received approximately \$36,000 from CFS. During this period, CFS was one of Emerson's "preferred" lenders. Pinch's work on behalf of CFS included lobbying Congress on behalf of CFS and contacting financial aid officials at other schools to recommend CFS. In addition, Pinch permitted CFS to use his name and college affiliation in marketing materials. In 2003, Pinch founded a company, Tuition Advantage, LLC (later renamed T. Rose Lending, LLC), which advertised a student loan program called the Tuition Lock Program. CFS offered to make a \$50,000 investment in the company in exchange for an ownership stake. However, this investment was never completed. Emerson did not endorse Pinch's company as a "preferred" lender or otherwise recommend Pinch's company's loans to students at Emerson. Emerson represents that it was unaware of Pinch's arrangements with CFS until June 2007. In June 2007, Emerson suspended and then terminated Pinch's employment.

14. During the period from approximately 2005 through 2007, Emerson entered into a revenue sharing arrangement with Education Finance Partners (“EFP”), a private student loan provider. Pursuant to that arrangement, EFP paid Emerson approximately \$4,509. During the term of the agreement, EFP was on Emerson’s “preferred” lender list for private loans.

III. BORROWER REIMBURSEMENT FUND

15. Within five (5) days of the entry of this Assurance, Emerson shall pay \$775,834 (the “Stafford Settlement Fund”) into interest bearing accounts such that: (i) all of the funds are fully insured by the FDIC or The United States Department of the Treasury and (ii) the interest rate is at least equal to the highest interest rate available for a fully liquid deposit account holding this sum of money from the largest bank in the City of Boston. These deposited funds shall be held by Emerson for the purpose of paying each student who borrowed Stafford loans from either Citizens Bank or Chase for academic years 2004-2005, 2005-2006, and/or 2006-2007 (each “Stafford Borrower”).

16. Within five (5) days of the entry of this Assurance, Emerson shall pay \$4,509 (the “EFP Settlement Fund”) into an interest bearing account such that all of the funds are fully insured by the FDIC or The United States Department of the Treasury to be held by Emerson for the purpose of paying each of the 59 students identified by the Emerson as of the effective date of the Assurance as having borrowed private education loans from EFP during academic years 2005-2006 and 2006-2007 (each “EFP Borrower”).

17. The AGO shall use a methodology of its choosing, agreed to by the New York Attorney General, for computing each Emerson Stafford Borrower’s share of the

Stafford Settlement Fund (“Stafford Settlement Amount”) and each EFP Borrower’s share of the EFP Settlement Fund (“EFP Settlement Amount”).

18. Within thirty (30) days of the entry of this Assurance, the AGO shall notify Emerson of the Stafford Settlement Amount and EFP Settlement Amount that the AGO calculated for each Stafford Borrower and each EFP Borrower (collectively, “Emerson Borrower[s]”).

19. Within thirty (30) days of receiving the notice from the AGO referenced in Paragraph 18, Emerson must proffer to each Stafford Borrower the Stafford Settlement specified by the AGO by: (i) sending a check and notice in the form of Exhibit A to the Stafford Borrower’s last known address for Stafford Borrowers no longer attending Emerson; or (ii) applying a tuition credit to the Stafford Borrower’s student account and sending notice to the student in the form of Exhibit A for Stafford Borrowers still attending Emerson. Within thirty (30) days of receiving the notice from the AGO referenced in Paragraph 18, Emerson must proffer to each EFP Borrower the EFP Settlement specified by the AGO by: (i) sending a check and notice in the form of Exhibit B to the EFP Borrower’s last known address for EFP Borrowers no longer attending Emerson; or (ii) applying a tuition credit to the EFP Borrower’s student account and sending notice to the student in the form of Exhibit B for EFP Borrowers still attending Emerson.

20. On December 1, 2009, Emerson shall file a report (“Interim Report”) with the AGO, certified by an officer of Emerson, listing: (i) the amount Emerson proffered to each Emerson Borrower; (ii) the method of the proffer (check or tuition credit); (iii) if applicable, the address to which the check was sent; and (iv) if applicable, whether the

check was cashed by the Emerson Borrower. If, at the time of the Interim Report, any check sent to an Emerson Borrower pursuant to Paragraph 19 has not been cashed by the Emerson Borrower, Emerson shall cancel said check and issue a new check in said borrower's name for the same amount as the previous check (the "Second Check"). Emerson shall provide the Second Check to the AGO within ten (10) days of filing the Interim Report. The AGO shall then send the Second Check, along with a notice agreed to by Emerson, to whatever address the AGO, in its sole discretion, believes may accomplish delivery to said Emerson Borrower.

21. If by March 1, 2010, the Second Check has not been cashed by the Emerson borrower, Emerson shall cancel the check and within ten (10) days direct the funds as follows: 70% of such funds to a grant to be used by the Massachusetts Attorney General's Office for the purpose of student loan education and/or enforcement actions and 30% of such funds to the New York Attorney General's fund for educating and assisting students and their parents with respect to the financial aid process.

22. Emerson will, on a quarterly basis, direct all interest accruing on the Settlement Fund to a grant to be used by the Massachusetts Attorney General's Office for the purpose of implementing and monitoring this Assurance.

IV. CONDUCT REFORMS

A. DEFINITIONS

23. As used henceforth, "Lending Institution(s)" is defined as:

- (i) any private entity that itself, or through an affiliate, engages in the business of making loans to students, parents, or others, for the purposes of financing higher education expenses or that securitizes such loans;

- (ii) any private entity, or association of entities, that guarantees educational loans; or
- (iii) any industry, trade, or professional association that receives money from any entity described above in subsections (i) and (ii).

24. As used henceforth, “Preferred Lender(s)” and “Preferred Lender List(s)” refer to any Lending Institution or selection of Lending Institutions that Emerson endorses, promotes, chooses, or assigns preferential status to, whether by posting a Lending Institution’s name or loan product’s name on Emerson’s website or including a Lending Institution’s name or loan product’s name in informational mailings or brochures or any other document provided to students, prospective students, or their parents.

25. As used henceforth, “Financial Aid Employee(s)” refers to any employee, agent, director, officer, board member, or trustee of Emerson who: (i) as part of his or her regular, assigned, or operational duties performs any work for Emerson’s financial aid, student financial services, account management, or enrollment office; or (ii) plays any role whatsoever in determining or approving Emerson’s Preferred Lender List(s).

26. As used henceforth, “Opportunity Loan(s)” refers to any loan provided to a student or parent pursuant to any agreement, understanding, or practice in which a lender applies more lenient loan underwriting criteria than it otherwise would to a loan applicant.

B. PROHIBITIONS ON INDUCEMENTS AND GRATUITIES

27. Emerson shall not accept on its own behalf anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution relating to educational loan activities. If any Lending Institution

offers anything of value to Emerson in exchange for any advantage or consideration relating to educational loan activities, Emerson shall report the incident to the AGO within ten (10) business days. Nothing in this provision or throughout this Assurance shall prevent Emerson from holding membership in any nonprofit professional association.

28. Emerson shall require and take all reasonable steps to ensure that its Financial Aid Employees do not accept anything of value from a Lending Institution on their own behalf or on behalf of another, except that this provision shall not be construed to require Emerson to prohibit any Financial Aid Employee from conducting business with a Lending Institution if that business is completely and totally unrelated to Emerson or the Financial Aid Employee's position within Emerson. Notwithstanding, Emerson shall require that its Financial Aid Employees do not: (i) receive compensation from a Lending Institution in exchange for services provided to that Lending Institution; (ii) enter into any joint venture with a Lending Institution; or (iii) receive payments or reimbursement from a Lending Institution or its employees for travel expenses, entertainment, meal costs, or lodging.

29. Emerson shall require and take all reasonable steps to ensure that its Financial Aid Employees do not own stock or hold any other financial interest in a Lending Institution, other than through ownership of shares in a publicly traded mutual fund or similar investment vehicle in which the Financial Aid Employee does not exercise any discretion regarding the investment of the assets of the investment vehicle.

30. Emerson shall require and take all reasonable steps to ensure that its Financial Aid Employees do not serve on any Lending Institution's "advisory board" or

any other board associated with a Lending Institution. Nothing herein shall prohibit Emerson from advising a Lending Institution on how it can improve the services it provides to Emerson's students if such advice serves the pecuniary interests of Emerson's students. Nothing herein shall prohibit any officer, trustee, director, employee, or agent of Emerson, who is not a Financial Aid Employee, from serving on a Board of Directors of a publicly traded or privately held company.

C. OVERSIGHT OF FINANCIAL AID EMPLOYEES

31. Emerson shall require and take all reasonable steps to ensure that its Financial Aid Employees perform the following annual practices:

- (i) disclose any ownership interest in, financial relationship with, or offer or receipt of anything of value from any Lending Institution;
- (ii) sign and date an acknowledgment form that attests to the Financial Aid Employee's review of, and familiarity with, this Assurance and the Conduct Reforms herein; and
- (iii) Attend a training session or seminar during which this Assurance and the Conduct Reforms herein are discussed and reviewed.

D. PREFERRED LENDER LISTS

32. If Emerson promulgates one or more Preferred Lender Lists, then:

- (i) Emerson's decision to include a Lending Institution on a Preferred Lender List and Emerson's decision as to where on the Preferred Lender List the Lending Institution's name or loan product appears shall be determined solely by consideration of the pecuniary interests of the students or parents who may use said Preferred Lender List without regard to the pecuniary interests of Emerson.

- (ii) Each Preferred Lender List must be created by a committee consisting of no fewer than three persons; if there is more than one Preferred Lender List (for different schools, for example), there may be (but need not be) multiple committees, but each committee must have no fewer than three members.
- (iii) The criteria used to develop any Preferred Lender List, are required to be published, and shall be reviewed prior to publication by an Emerson employee who (a) works outside of Emerson's financial aid offices, and (b) is part of, or reports directly to, the office of the President.
- (iv) A written report shall be created to memorialize the decisions and/or votes by which the list was created, including all factors considered, why certain Lending Institutions were chosen, and which Financial Aid Employees voted for which lenders.
- (v) Every Emerson brochure, webpage, or other public document setting forth a Preferred Lender List or identifying any Lending Institution as being on said Preferred Lender List must clearly disclose in the same font and manner as the predominant text on the document: the process by which Emerson selected the Lending Institution(s) for said Preferred Lender List, including, but not limited to, the criteria used and the relative importance of those criteria in creating said Preferred Lender List.

- (vi) Every Emerson brochure, webpage, or other public document setting forth a Preferred Lender List or identifying any Lending Institution as being on said Preferred Lender List shall state in the same font and manner as the predominant text on the document: (i) that borrowers have the right and ability to select the educational loan provider of their choice; (ii) that borrowers are not required to use any lender on said Preferred Lender List; (iii) that Emerson will not penalize borrowers for choosing a lender that is not on said Preferred Lender List; and (iv) in general terms, how a borrower may go about obtaining a loan from lenders that are not on said Preferred Lender List.
- (vii) Every Emerson brochure, webpage, or other public document setting forth a Preferred Lender List for Stafford or PLUS loans shall state in the same font and manner as the predominant text on the document: (i) the fees, interest rates, and repayment benefits offered by each loan product or Lending Institution; (ii) whether the advertised fees, interest rates, and repayment benefits are guaranteed throughout the life of the loan; and (iii) whether the advertised fees, interest rates, and repayment benefits are guaranteed for each loan disbursement made while a borrower is attending Emerson. In addition, Emerson shall make the following disclosures clearly and conspicuously: (i) the published information may be subject to change; (ii) for information

- appearing in its webpages, Emerson updates the published information no less than quarterly; (iii) for information appearing in its brochures and other hard copy materials, Emerson provides information that is current as of the date of printing; and (iv) that prospective borrowers should confirm advertised loan product information with the respective Lending Institutions and are encouraged to shop around for the least expensive loan product.
- (viii) Every Emerson webpage setting forth a Preferred Lender List must itemize, in the same font and manner as the predominant text on the document: (i) any free or discounted goods or services that Emerson has received from any Lending Institution on said Preferred Lender List within the past two years and (ii) any charitable donations that Emerson has received from any Lending Institution on said Preferred Lender List within the past two years.
 - (ix) The composition of any Preferred Lender List shall be reviewed no less than annually by Emerson.
 - (x) No Lending Institution shall be placed on a Preferred Lender List unless the Lending Institution provides assurances to Emerson and to borrowers that the advertised benefits will continue to inure to the benefit of the borrower regardless of whether the Lending Institution sells the borrower's loan.
 - (xi) No Lending Institution that, to Emerson's knowledge after reasonable inquiry, has an agreement to sell its loans to another

Lending Institution shall be included on any Preferred Lender List unless such agreement is disclosed therein in the same font and same manner as the predominant text on the document in which the Preferred Lender List appears.

- (xii) No Lending Institution shall be placed on any Preferred Lender List or in a favored placement on any Preferred Lender List for a particular type of loan, in exchange for benefits provided to Emerson or Emerson's students in connection with a different type of loan.

E. FINANCIAL AID CONDUCT PROHIBITIONS

33. Emerson shall not: (i) deny any student or parent's right to choose any Lending Institution or (ii) discourage any student or parent from choosing a lender solely because that lender is not on Emerson's Preferred Lender List.

34. Emerson shall implement practices and policies and take all reasonable steps to ensure that no employee or agent of a Lending Institution is identified to students, their parents or guardians, as an employee or agent of Emerson. This includes the identification of any employee or agent of a lender in a call center that represents Emerson. Whenever Emerson initiates contact between a Lending Institution employee and an Emerson student or his/her parent or guardian, Emerson shall require that the Lending Institution employee proactively identify him/herself to the student or parent as an employee of that Lending Institution. Emerson shall ensure that no employee or other agent of a Lending Institution staffs or works in Emerson's financial aid, account management, or enrollment office.

35. If Emerson directs potential borrowers to an electronic Master Promissory Note or any other electronic loan agreement (“MPN”) that does not allow students to enter any lender code or name, then Emerson shall also describe, in general terms, how borrowers may go about obtaining loans from lenders that do not use that MPN.

36. Emerson shall not link, or otherwise direct, potential borrowers to any MPN on a loan guarantor’s website if that website does not allow students to enter the lender code or name for any lender offering the relevant loan through that guarantor.

37. Emerson shall take reasonable steps to prevent any words from being attributed to itself or its employees that were authored by a Lending Institution unless it prominently discloses that those words were authored by said Lending Institution. To the extent that Emerson becomes aware that words have been attributed, after the date of this Assurance, to itself or its employees that were authored by a Lending Institution that did not contain such disclosure, Emerson shall make reasonable efforts to contact the recipients of such materials or statements and promptly cure any such lack of disclosure. If Emerson conducts any political lobbying at the suggestion or request of a Lending Institution, Emerson must disclose this fact to whomever it is lobbying.

38. Emerson shall not arrange with a Lending Institution to provide Opportunity Loans to Emerson students or parents if the provision of said Opportunity Loans prejudices any other borrower. Before arranging with a Lending Institution to provide Opportunity Loans, Emerson shall make a good faith effort to determine whether the provision of such loans prejudices any other Emerson Borrower.

39. If Emerson participates in the “School as Lender” program under 20 U.S.C. § 1085(d)(1)(E), Emerson may not treat School as Lender loans any differently

than if the loans originated directly from another lender; all sections of the Assurance apply equally to such School as Lender loans as if the loans were provided by another lender.

V. CLARIFYING STATEMENT

40. Within ten (10) days of the entry of this Assurance and for a period of at least one year, Emerson shall post a link to a statement on its financial services webpage, which shall be titled “Practices Concerning Preferred Lenders” (the “Clarifying Statement”). If Emerson chooses to maintain a Preferred Lender List, the Clarifying Statement shall note Emerson’s current practices and policies with regard to Preferred Lender Lists as well as the date(s) any such practices or policies went into effect. The Clarifying Statement shall also state that its current practices and policies reflect a change from past practices concerning Preferred Lenders. The Clarifying Statement shall also notify students that they may select a new lender before each new semester, if they so desire, without regard to the lender from which they may have previously borrowed. If Emerson chooses not to maintain a Preferred Lender List, the Clarifying Statement shall note that it has discontinued offering Preferred Lender Lists, state the date on which it discontinued offering such lists, notify students that they may select a new lender before each new semester if they so desire without regard to the lender from which they may have previously borrowed, and notify students that they may obtain a written description of Emerson’s past practices and policies concerning Preferred Lender Lists from Emerson upon request.

VI. COOPERATION

41. Emerson shall continue to cooperate fully and promptly with the AGO regarding the AGO's continuing investigations into educational loan activities (the "Investigation") and any related proceedings and actions.

42. Emerson shall not knowingly jeopardize the confidentiality of any non-public aspect of the Investigation, including sharing or disclosing evidence, documents, or information with others without the consent of the AGO. Nothing herein shall prevent Emerson from sharing such information with counsel, auditors, insurers, or consultants, or providing such evidence or information to regulators or as otherwise required by law.

VII. MISCELLANEOUS PROVISIONS

43. The AGO shall not proceed with or institute a civil action or proceeding based upon M.G.L. c. 93A against Emerson, or any of its current or former principals, officers, directors, agents, or employees, its successors, or assigns, including but not limited to an action or proceeding seeking restitution, injunctive relief, fines, penalties, attorneys' fees or costs, for any act or practice prior to the date of this Assurance and relating to anything that was the subject of the AGO's investigation of Emerson's student lending activities and/or practices, provided that nothing in this paragraph shall prevent the AGO from proceeding or instituting any action against Emerson's former employee, Daniel V. Pinch, III.

44. Emerson shall not make any misleading or deceptive representation to its students or their parents concerning its past practices, policies, or actions concerning Preferred Lenders or Preferred Lender Lists.

45. The Assurance constitutes the entire agreement between the AGO and Emerson and supersedes any prior communication, understanding or agreements, whether written or oral, concerning the subject matter of the Assurance.

46. The Assurance shall be binding upon Emerson, its subsidiaries, and subdivisions, as well as its successors, assigns, and/or purchasers of all or substantially all of its assets.

47. The Assurance and its provision shall be effective on the date that it is signed by an authorized representative of the AGO.

48. Nothing contained herein shall be construed as relieving Emerson of its obligation to comply with all state and federal laws, regulations, or rules, nor shall any of the provision of the Assurance be deemed permission to engage in any act or practice prohibited by such laws, regulation, or rules.

49. The acceptance of the Assurance by the AGO is not an acceptance or approval by the AGO of any of Emerson's business practices, and Emerson shall make no representations to that effect.

50. All notices as required by the Assurance shall be provided as follows:

To the AGO:

Arwen Thoman, Investigations Supervisor
Office of the Massachusetts Attorney General
Public Protection and Advocacy Bureau
Insurance & Financial Services Division
One Ashburton Place 18th Floor
Boston, MA 02108
Tel: (617) 963-2138
Fax: (617) 722-0184

To Emerson College:

Christine Hughes
Vice President and General Counsel
Emerson College
120 Boylston Street
Boston, MA 02116

51. Nothing in the Assurance shall be construed to prevent any individual from pursuing any right or remedy at law which any individual may have against Emerson.

52. By signing below, Emerson agrees to comply with all of the terms of this Assurance for a period of five years. Any violation of this Assurance may be pursued in a civil action or proceeding under M.G.L. c. 93A hereafter commenced by the AGO.

Emerson College

Office of the Massachusetts Attorney General



By: Dean Richlin, Esq.
Title: Counsel to Emerson College

Date: July 17, 2009



By: Glenn S. Kaplan, Esq.
Title: Assistant Attorney General

Date: 7/20/09

EXHIBIT A

[DATE]

Dear [student's name]:

Emerson College is making payments to students who entered into Stafford loans with Citizens Bank or Chase during academic years 2004-2005, 2005-2006 or 2006-2007. The payments are being made pursuant to settlements between Emerson and Attorney General Martha Coakley of Massachusetts and Attorney General Andrew M. Cuomo of New York regarding the procedures that Emerson used to select and present Citizens Bank and Chase as "preferred lenders" during these years.

The individual amounts vary depending on the amount borrowed. Checks are being mailed to students who have graduated, and tuition credits are being applied to the accounts of continuing students.

[INSERT APPROPRIATE SENTENCE: Enclosed please find your check in the amount of \$XXX. OR Accordingly, your account has been credited in the amount of \$XXX.]

If you have any questions, please call Emerson College at 1-800-XXX-XXXX. You may also call Attorney General Martha Coakley's Insurance & Financial Services Division at 1-888-830-6277 or Attorney General Andrew M. Cuomo's Bureau of Consumer Frauds & Protection at 1-800-771-7755.

Sincerely,

David Ellis
Vice President for Administration & Finance

EXHIBIT B

[DATE]

Dear [student's name]:

Emerson College is making payments to students who borrowed from Education Finance Partners, Inc. ("EFP") during academic years 2005-2006 and 2006-2007. The payments are being made pursuant to settlements between Emerson and Attorney General Martha Coakley of Massachusetts and Attorney General Andrew M. Cuomo of New York regarding the procedures that Emerson used to select "preferred lenders" and Emerson's receipt of revenue sharing payments from EFP.

Checks are being mailed to students who have graduated, and tuition credits are being applied to the accounts of continuing students.

[INSERT APPROPRIATE SENTENCE: Enclosed please find your check in the amount of \$XXX. OR Accordingly, your account has been credited in the amount of \$XXX.]

If you have any questions, please call Emerson College at 1-800-XXX-XXXX. You may also call Attorney General Martha Coakley's Insurance & Financial Services Division at 1-888-830-6277 or Attorney General Andrew M. Cuomo's Bureau of Consumer Frauds & Protection at 1-800-771-7755.

Sincerely,

David Ellis
Vice President for Administration & Finance