


| CIVIL ACTION COVER SHEET | | DOCKET NUMBER | Trial Court of Massachusetts The Superior Court | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------|---------------------------------------------------------------------|----------------|
| | | 19-2186F | | |
| PLAINTIFF(S): Commonwealth of Massachusetts | | COUNTY Suffolk | | |
| ADDRESS: Office of the Attorney General | | | | |
| One Ashburton Place, 18th Floor | | DEFENDANT(S): Premier Education Group, L.P.; and | | |
| Boston, MA 02108 | | Salter College: A Private Two-Year College, LLC | | |
| ATTORNEY: Glenn Kaplan | | | | |
| ADDRESS: Office of the Attorney General | | ADDRESS: 545 Long Wharf Drive | | |
| One Ashburton Place, 18th Floor | | New Haven, CT 06511 | | |
| Boston, MA 02108 | | | | |
| BBO: 567308 | | | | |
| TYPE OF ACTION AND TRACK DESIGNATION (see reverse side) | | | | |
| CODE NO. | TYPE OF ACTION (specify) | TRACK | HAS A JURY CLAIM BEEN MADE? | |
| E99 | Other Administrative Action | X | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | |
| *If "Other" please describe: Assurance of Discontinuance pursuant to G.L. c. 93A, § 5 | | | | |
| <div style="display: flex; justify-content: space-between;"><div>Is there a claim under G.L. c. 93A? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</div><div>Is this a class action under Mass. R. Civ. P. 23? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</div></div> | | | | |
| STATEMENT OF DAMAGES PURSUANT TO G.L. c. 212, § 3A | | | | |
| The following is a full, itemized and detailed statement of the facts on which the undersigned plaintiff or plaintiff's counsel relies to determine money damages. For this form, disregard double or treble damage claims; indicate single damages only. | | | | |
| TORT CLAIMS (attach additional sheets as necessary) | | | | |
| A. Documented medical expenses to date: | | | | |
| 1. Total hospital expenses | | | | \$ |
| 2. Total doctor expenses | | | | \$ |
| 3. Total chiropractic expenses | | | | \$ |
| 4. Total physical therapy expenses | | | | \$ |
| 5. Total other expenses (describe below) | | | | \$ |
| Subtotal (A): | | | | \$ |
| B. Documented lost wages and compensation to date | | | | |
| C. Documented property damages to date | | | | |
| D. Reasonably anticipated future medical and hospital expenses | | | | |
| E. Reasonably anticipated lost wages | | | | |
| F. Other documented items of damages (describe below) | | | | |
| G. Briefly describe plaintiff's injury, including the nature and extent of injury: | | | | |
| TOTAL (A-F): | | | | \$ n/a |
| CONTRACT CLAIMS (attach additional sheets as necessary) | | | | |
| <input type="checkbox"/> This action includes a claim involving collection of a debt incurred pursuant to a revolving credit agreement. Mass. R. Civ. P. 8.1(a). | | | | |
| Provide a detailed description of claim(s): | | | | |
| TOTAL: | | | | \$ n/a |
| Signature of Attorney/ Unrepresented Plaintiff: X  | | | | Date: 7/9/2019 |
| RELATED ACTIONS: Please provide the case number, case name, and county of any related actions pending in the Superior Court. | | | | |
| CERTIFICATION PURSUANT TO SJC RULE 1:18 | | | | |
| I hereby certify that I have complied with requirements of Rule 5 of the Supreme Judicial Court Uniform Rules on Dispute Resolution (SJC Rule 1:18) requiring that I provide my clients with information about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods of dispute resolution. | | | | |
| Signature of Attorney of Record: X  | | | | Date: 7/9/2019 |

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT
DEPARTMENT OF THE
TRIAL COURT

IN THE MATTER OF PREMIER EDUCATION
GROUP, L.P., and SALTER COLLEGE: A PRIVATE
TWO-YEAR COLLEGE, LLC.

)
) Civil Action No.
)
)
)

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

I. INTRODUCTION

1. The Commonwealth of Massachusetts (“Commonwealth”), by and through the Office of Attorney General Maura Healey (“AGO”), and Premier Education Group, L.P. and Salter College: A Private Two-Year College, LLC (collectively, “PEG”), enter into this Assurance of Discontinuance (“AOD”) pursuant to G.L. c. 93A, § 5. Capitalized terms used herein but not defined shall have the meaning given to them in 940 C.M.R. 31.03.

2. Premier Education Group, L.P. is a Pennsylvania limited partnership with its principal place of business located at 545 Long Wharf Drive, New Haven, Connecticut. Salter College: A Private Two-Year College, LLC is a limited liability company owned and operated by Premier Education Group, L.P. with its principal place of business located at 184 West Boylston Street, West Boylston, Massachusetts.

3. Pursuant to G.L. c. 93A, § 6, the AGO conducted an investigation of PEG’s compliance with 940 C.M.R. 31.00, *et seq.* (the “Investigation”). Based on the Investigation, the

AGO alleges that during the period from April 1, 2016 through March 31, 2018, PEG failed to comply with 940 C.M.R. 31.00, *et seq.* Specifically, the AGO alleges that:

- a. PEG failed to accurately calculate the Loan Nonpayment Statistics as required under 940 C.M.R. 31.05(3); and
 - b. PEG failed to provide the disclosures required by 940 CMR 31.05(2) (“Required Disclosures”) at least 72 hours prior to entering into an enrollment agreement and failed to retain signed copies of the Required Disclosures provided to prospective students, as also required under 940 CMR 31.05(2).
4. The AGO and PEG desire to resolve this matter, and voluntarily enter into this AOD.
5. This AOD is made without trial or adjudication of any issue of fact or law.
6. This AOD does not constitute an admission or finding of wrongdoing by PEG of any fact alleged by the AGO, or non-compliance with any state or federal law, rule or regulation.

II. TERMS OF THIS ASSURANCE

7. PEG shall pay a sum of \$100,000.00 (“Settlement Funds”) to the Commonwealth. No part of this payment is or shall be considered a penalty or fine. The Settlement Funds shall be utilized in accordance with G.L. c. 12 sec. 4A for purposes of implementation, monitoring, investigation, amelioration, and/or other actions in furtherance of the mission of the Attorney General’s Office and the Attorney General may direct any relevant portion of funds not so designated, encumbered or utilized to the Commonwealth’s General Fund. PEG shall make this payment by cashier’s check¹ in three installments in accordance with the following schedule:

¹ If payments are made by regular check, they shall be made ten days prior to the installment due date.

- i. The first payment, in the amount of \$33,333.34 shall be made no later than thirty (30) days after the entry of this AOD (the "Effective Date").
- ii. The second payment, in the amount of \$33,333.33 shall be made no later than four (4) months after the Effective Date; and
- iii. The third and final payment, in the amount of \$33,333.33, shall be made no later than six (6) months after the Effective Date.

8. PEG shall, as of the effective date of the AOD, forgo any and all efforts to collect amounts that are owed to PEG by Qualifying Students (hereinafter "Institutional Receivables"), which as of April 2019 totaled approximately \$1.6 million. For the avoidance of doubt, Institutional Receivables shall not include any amounts that are owed or have previously been paid to non-PEG entities, such as, for example, federal student loans owed to the United States government. Institutional Receivables shall not include any amounts that Qualifying Students or other persons or entities on behalf of Qualifying Students have made to PEG prior to the effective date of the AOD. Except as otherwise set forth herein, nothing in this AOD shall obligate PEG to refund any amounts or make payments to any Qualifying Student or any other person or entity. In the event that any Qualifying Student or a cosigner for a Qualifying Student attempts to make a payment to PEG after the first day of the month following thirty (30) days after the Effective Date that relates to Institutional Receivables, PEG shall use all reasonable efforts to refuse such payment and return the payment. PEG shall request that any and all negative trade line information related to amounts covered by this paragraph be deleted from Qualifying Students' credit reports, to the extent that such trade line information exists, at PEG's own expense.

9. For purposes of this AOD "Qualifying Students" means any student who, between April 1, 2016 and March 31, 2018, entered into an enrollment agreement to attend any of the following: (i) Salter School in Fall River or Malden, (ii) Salter College in West Boylston or Chicopee, or (iii) Branford Hall Career Institute in Springfield.

10. PEG acknowledges that the Institutional Receivables are the subject of a bona fide dispute by the Attorney General acting in the interests of the Qualifying Students, and that this AOD represents a compromise of disputed debt. PEG will not issue Tax Form 1099-C to any Qualifying Student for the debt balances discharged as a result of this AOD, unless legally compelled to do so by an order, ruling or regulatory mandate issued or promulgated by the IRS, or any other agency of the federal government having such authority.

11. On or before thirty (30) days after the Effective Date, PEG shall send a letter by U.S. mail to each Qualifying Student at his or her last known mailing address notifying such students that PEG is forgoing collection on their Institutional Debt, including all interest and fees. The notice shall state that due to a recent settlement with the Massachusetts Attorney General the student's account balance owing to PEG is \$0 and shall encourage the student to advise any and all co-signers that the student's account balance owing to PEG has been reduced to \$0. The notice shall further inform the student that if the student finds that the amounts owed to PEG by the student are still erroneously appearing on the student's credit report after one hundred and twenty (120) days and the student notifies PEG, then PEG, at its own expense, shall promptly and properly notify the appropriate credit reporting agency, whether directly or indirectly, of any change(s) to be made to the credit reporting of this particular student resulting from the application of the terms of this AOD. The notice shall provide PEG's contact

information for making a request to correct a credit report and for any additional inquiries about the student's account.

12. PEG shall fully comply with 940 C.M.R. 31.00, *et seq.* while it operates in Massachusetts.

13. PEG agrees that, pursuant to its planned teach-outs, it will cease operating any schools in Massachusetts by December 31, 2019. PEG further agrees that, as of the Effective Date, it will no longer enroll Massachusetts residents into any of its programs, including distance-learning programs.²

14. PEG will cooperate with the AGO in the implementation of this AOD and will provide all information not subject to applicable privileges that is reasonably requested by the AGO during the implementation of this AOD.

15. The acceptance of this AOD by the AGO does not constitute acceptance or approval by the AGO of any of PEG's assertions of fact or past practices, and PEG will make no representation to that effect.

16. This AOD constitutes the entire agreement between the Attorney General and PEG and supersedes any prior communication, understanding, or agreements, whether written or oral, concerning the subject matter of this AOD. This AOD can be modified or supplemented only by a written document signed by both parties, except that deadlines in this AOD may be extended at the discretion of the Attorney General. The AOD is a statutory resolution under G.L. c. 93A, §

²This restriction does not apply to non-Massachusetts residents who begin a program of study at PEG but subsequently become Massachusetts residents and wish to continue their program of study at PEG. Further, this restriction does not apply to Massachusetts residents who began a program of study at one of PEG's Massachusetts campuses, withdrew from that program, but wish to complete that same program of study by reenrolling at a PEG campus located outside of Massachusetts.

5 and is also separately a contractual agreement between the parties enforceable under Massachusetts contract law.

17. This AOD shall be binding upon PEG, its officers, directors, employees, agents, subsidiaries, affiliates, subdivision, successors, and assigns.

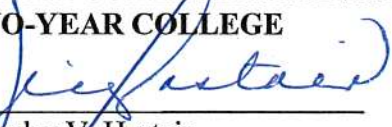
18. This AOD and its provisions shall be effective on the date that it is filed in Suffolk Superior Court.

19. By signing below, the signatories represent that they are authorized to sign this document on behalf of their respective parties.


20. The AGO agrees that this AOD shall be in lieu of a civil action or proceeding against PEG under G.L. c. 93A, § 4 for acts or practices related to PEG's alleged failure to comply with 940 C.M.R. 31.00, *et seq.* as set forth in paragraph 3 hereof specifically relating to the Qualifying Students.

21. PEG shall comply with all the terms of this AOD. Any violation by PEG of this AOD may be pursued in a civil action or proceeding under G.L. c. 93A hereafter commenced by the AGO, or via a contract law action initiated in a court of competent jurisdiction.

**PREMIER EDUCATION GROUP and
SALTER COLLEGE: A PRIVATE
TWO-YEAR COLLEGE**

By: 
Nicholas V. Hastain
Chief Executive Officer
Premier Education Group
545 Long Wharf Drive
New Haven, Connecticut 06511
203-672-2300

**COMMONWEALTH OF MASSACHUSETTS
MAURA HEALEY
ATTORNEY GENERAL**

By: 
Diana Hooley, BBO #685418
Glenn Kaplan, BBO # 567308
Assistant Attorneys General
One Ashburton Place, 18th Floor
Boston, Massachusetts 02108
617-727-2200

Dated: June 26, 2019

Dated: June 7, 2019