

**STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL**

IN THE MATTER OF

Case No. L05-9-1090

FLORIDA METROPOLITAN UNIVERSITY,

Respondent.

ASSURANCE OF VOLUNTARY COMPLIANCE

PURSUANT to the provisions of Chapter 501, Part II, Florida Statutes, the OFFICE OF THE ATTORNEY GENERAL, hereinafter referred to as the "OAG" or "Attorney General," caused an inquiry to be made into FLORIDA METROPOLITAN UNIVERSITY, INC, which is a Florida corporation hereinafter referred to as "FMU."

FMU enters into this Assurance of Voluntary Compliance ("Assurance"), without admitting it has violated the law and for the purpose of resolving only the matter identified by the case number above in which the OAG investigated FMU's advertising, marketing and business practices relating to the sale of educational services to Florida residents. The OAG, by and through the Attorney General and the undersigned Deputy Attorney General, agrees to accept this Assurance in termination of the investigation, pursuant to Section 501.207(6), Florida Statutes, and by virtue of the authority vested in the OAG by said statute. The OAG and FMU hereby agree and stipulate to the following:

I. Definitions

1. "Admissions Representative" shall mean any FMU employee engaged in student recruitment of any kind.
2. "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is readily understandable and presented in such size, color, contrast, duration, location, and audibility, compared to the other information with which it is presented, that it is readily apparent to the person to whom it is disclosed. If a statement modifies, explains, or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, in a manner that is readily apparent and understandable.
3. "Enrollment" shall mean the date on which a student commences classes.

II. Generally

4. FMU enters into this Assurance of Voluntary Compliance ("Assurance") for the purpose of resolving only the matter identified by the case number above in which the OAG inquired into FMU's advertising, marketing and business practices relating to the sale of educational services to Florida residents. In so doing, FMU does not admit or imply and expressly denies that it has engaged in any conduct that violates any law or rule or that constitutes any unethical, tortious or otherwise inappropriate conduct.

5. The OAG, by and through the Attorney General and the undersigned Deputy Attorney General, agrees to accept this Assurance pursuant to Section 501.207(6), Florida Statutes, and by virtue of the authority vested in the OAG by said statute. The OAG and FMU hereby agree and stipulate to the following:

III. Stipulated Facts

The parties, through their respective attorneys, make the following stipulations:

6. FMU is a Florida corporation with its corporate offices located at 6 Hutton Centre Drive # 400, Santa Ana, California 92707. It is a wholly owned subsidiary of Corinthian Colleges, Inc., a publicly traded company based in Santa Ana, California.
7. This Assurance is made without trial or adjudication of fact or law and is being entered into for the sole purpose of resolving disputed claims without the necessity of protracted and expensive litigation. Neither this Assurance nor the payment of money pursuant to this Assurance by FMU constitutes evidence or an admission of any issues of fact by FMU or of any violation of any provision of Florida law, including but not limited to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501 Part II, Florida Statutes ("FDUTPA").
8. This Assurance constitutes the full and final resolution between the Attorney General and FMU, its agents, employees, subsidiaries, successors, assigns and directors of all civil claims relating to FMU marketing to Florida residents that are the subject matter of this Assurance up to and including the Effective Date of this Assurance.

9. The corporate signatory hereto is an officer of FMU, is authorized to sign this Assurance on behalf of FMU, and has read the Assurance and agrees to entry of same on behalf of FMU.
10. The Office of the Attorney General has jurisdiction in this matter under the Florida Deceptive and Unfair Trade Practices Act, Chapter 501 Part II, Florida Statutes ("FDUTPA").
11. This Assurance is subject to the provisions of § 501.207 of FDUTPA.

IV. Relief

12. FMU participates in Florida's Statewide Course Numbering System ("SCNS").
FMU has established a department, headed by a qualified administrator, the primary purpose of which is to assist students with transfer of credits (the "Transfer Center"). In addition, the aforesaid department has successfully negotiated articulation agreements with at least two private Florida institutions that are not subject to the SCNS and has continued to seek such agreements with other schools. Such agreements provide for the transfer of FMU credits under agreed-upon circumstances. FMU will maintain the aforesaid Transfer Center for at least three (3) years from the date of this agreement and will continue to make efforts to conclude articulation agreements.

13. FMU currently provides multiple written notices to prospective students on various pre-enrollment documents regarding credit transfer. FMU will modify disclosures given to students prior to enrollment to provide Clear and Conspicuous disclosures regarding transferability of credits and to inform students of the availability of assistance from the FMU Transfer Center.

14. Once enrolled, students have 14 days to withdraw and receive a full refund, and first-time students may withdraw any time until completion of 60% of a term and receive a pro rata refund. FMU will modify its pre-enrollment documents given to students to provide Clear and Conspicuous notice of the foregoing withdrawal and refund information.

from the first day classes are offered
BSR

15. FMU claims that its current policy is to exclude advertising representations regarding a specific standard of living or income unless such results can be reliably substantiated and agrees that it will maintain such policy in the future. In the event that FMU includes reference to average wages, it will provide the following Clear and Conspicuous disclaimer: "Salary information is provided for general information purposes only. Salary statistics are estimated and can vary by employer, geographic location, qualifications and actual job responsibilities."


16. FMU claims that its Admission Representatives' compensation plan complies with the safe harbor provision of rules promulgated by the U.S. Department of Education. Those rules are designed to balance the interest of the institution in rewarding dedicated and effective work habits and the goal of avoiding an incentive to engage in high pressure sales activity. FMU will continue to comply in all respects with applicable federal rules. FMU will add to its compensation program for Admissions Representatives an additional criterion relating to the graduation of enrolled students.
17. FMU's tuition costs are currently provided in writing to prospective students by student finance personnel based at each campus. FMU will ensure that such written materials, including FMU's catalog, Clearly and Conspicuously state tuition costs. In addition, FMU admissions representatives will receive additional training to ensure that they respond accurately to questions about tuition.
18. FMU has implemented a program designed to better train its teaching personnel to serve the real-world needs of its different student groups, with specific training to meet the needs of students with learning differences and students who speak English as a second language.
19. On or before October 1, 2007, FMU will submit to the OAG a report containing the following materials:
 - a. Copies of all current training materials and promotion requirements for admissions representatives;
 - b. Copies of current training materials for instructors;

- c. Copies of all articulation agreements with other Florida schools then in effect;
 - d. A complete list of all courses offered by FMU, indicating which ones have SCNS designation;
 - e. Copies of all documents generally provided to new students prior to and at enrollment; and
 - f. Documentation of the rate of students enrolling on subsequent visits to FMU.
20. On or before February 28, 2008 FMU will submit to the OAG the following:
- a. The language of the additional criterion called for in paragraph 16.
 - b. Copies of all written communications provided to FMU employees informing them of the criteria for advancement.

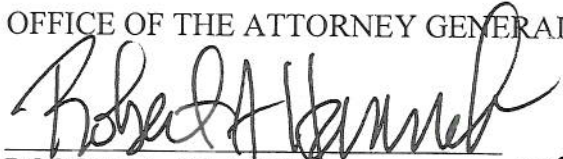
IV. Investigative Costs

Upon execution of this Assurance by FMU, it shall pay to the OAG Ninety-nine Thousand, Nine Hundred Dollars (\$99,900.00). Such sum may be used by the Attorney General for the purpose of investigative costs and attorneys' fees, consumer education, consumer protection efforts, donations to charitable organizations, or other educational purposes. This sum shall be deposited in the Department of Legal Affairs' Revolving Escrow Trust Fund, in accordance with Section 501.2101(1), Florida Statutes. Payment to the Legal Affairs Revolving Escrow Trust Fund shall be made by check payable to the Department of Legal Affairs' Revolving Escrow Trust Fund, and shall be delivered to Lisa M. Raleigh, Complex Litigation Unit, Office of the Attorney General, The Capitol, PL-01, Tallahassee, FL 32399-1050.

FLORIDA METROPOLITAN UNIVERSITY

By: 
Name: JACK MASSIMINO
Title: CEO

OFFICE OF THE ATTORNEY GENERAL


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