

**SETTLEMENT AGREEMENT AND RELEASE**

*Nathan Surrett, et al. v. Western Culinary Institute, et al.*

**Multnomah County Circuit Court Case No. 0803-03530**

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## **SETTLEMENT AGREEMENT AND RELEASE**

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### **PREAMBLE**

This Settlement Agreement and Release (“Agreement”) is entered into as of February 2, 2018, by and among Plaintiff Jennifer Adams (“Adams”), Plaintiff and Class Representative Nathan Surrett (“Class Representative”), and the Settlement Subclass Members, as defined below, on the one hand, and defendants Career Education Corporation (“CEC”) and Western Culinary Institute, Ltd., which is now known as Le Cordon Bleu North America, LLC (“WCI”), on the other. Adams, Class Representative, and each Settlement Subclass Member are each referred to as “Plaintiff” and collectively as “Plaintiffs.” CEC and WCI are collectively referred to as “Defendants.” All references in this Agreement to a “Party” or the “Parties” shall refer to a party or the parties to this Agreement.

### **RECITALS**

A. On or about March 5, 2008, a former WCI student filed a putative class action complaint alleging fraud, violations of Oregon’s Unlawful Trade Practices Act (“UTPA”), and other claims. The lawsuit is now known as *Nathan Surrett, et al., v. Western Culinary Institute, et al.*, Multnomah County Circuit Court (the “Court”) Case No. 0803-03530 (the “Lawsuit”), and the current operative complaint is the Seventh Amended Complaint.

B. In June 2008, Defendants filed an answer, denying generally all material allegations therein, and raising various affirmative defenses.

C. In December 2009, the Court conditionally certified certain claims for class treatment. The class included students who had enrolled at and attended WCI between March 5, 2006, and March 1, 2010, except for those who were dismissed for academic reasons.

D. In 2012, Defendants moved to compel arbitration of the Arbitration Group, as defined below, which consists of those class members who signed arbitration agreements expressly waiving any right to participate in a class action. The Court denied the motion, and Defendants appealed.

E. In 2016, the Oregon Court of Appeals reversed the Court and held that the members of the Arbitration Group had to file arbitrations to pursue their claims. *Gozzi v. Western Culinary Institute, Ltd.*, 276 Or App 1, 366 P3d 743, *modified and adh’d to on recons*, 227 Or App 384, 371 P3d 1222 (2016) (“*Gozzi*”). The Court of Appeals remanded the case to the Court in June 2016.

F. In September 2016, Defendants filed a motion to decertify the class under the Oregon Supreme Court decision in *Pearson v. Philip Morris, Inc.*, 358 Or 88, 361 P3d 3 (2015). The Court granted the motion, and allowed Plaintiff to file the Seventh Amended Complaint.

G. In August 2017, Plaintiff filed a second motion to certify a class action based on the claims in the Seventh Amended Complaint.

H. In November 2017, the Court certified an issues class for purposes of determining the following issues on a classwide basis: (1) whether Defendants intentionally and knowingly made any fraudulent misrepresentations, (2) whether Defendants committed an unlawful trade practice under the UTPA, and (3) whether Defendants are liable for punitive damages and, if so, the amount of punitive damages. The Court also held that, if Plaintiffs prevailed in the issues class trial, each Settlement Subclass Member would have to file a separate proceeding to establish causation and ascertainable loss in order to recover damages. The Court also appointed Class Counsel, as defined below, and appointed Nathan Surrett as Class Representative.

I. In December 2017, the Claims Administrator sent notice to the Settlement Subclass Members, as defined below, informing them that the Court had certified an issues class, trial was scheduled to begin on February 26, 2018, and the deadline for opting out of the Settlement Subclass was February 13, 2018.

J. In January 2018, the Claims Administrator sent notice to the Arbitration Group informing them that they need to file arbitrations and that the deadline for doing so was within six months from the receipt of notice, which deadline could be extended for good cause shown.

K. On January 8, 2018, following good-faith, adversarial negotiations in mediation, the parties reached a preliminary settlement of the claims asserted by Plaintiffs against the Defendants, subject to the entering into of a mutually acceptable definitive agreement.

L. Based on their investigation, Class Counsel believe that they will prevail in this action and have concluded that the terms of this Agreement are fair, reasonable, adequate, and in the best interests of all Settlement Subclass Members, and Class Counsel have agreed to settle all claims that could have been asserted in litigation against Defendants under the terms of this Agreement, after considering: (i) the benefits that Settlement Subclass Members will receive from the Settlement described in this Agreement; (ii) the attendant risks of litigation; (iii) the difficulties, expense, and delays inherent in such litigation; (iv) the belief that the Settlement is fair, reasonable, adequate, and in the best interest of members of the Settlement Subclass; (v) the desirability of permitting the Settlement contained in this Agreement; and (vi) the risk that claims of the Settlement Subclass may be barred by Defendants' alleged defenses.

M. Defendants believe that they will prevail on the allegations set forth in the Seventh Amended Complaint and the claims asserted by the Settlement Subclass therein, and that Defendants' defenses thereto have substantial merit and Defendants therefore deny any and all liability. Defendants denied, and continue to deny, the allegations set forth in the Seventh

Amended Complaint. Defendants, moreover, have asserted, and continue to assert, in response to the assertion of a class action, *inter alia*, that none of the claims asserted in the Lawsuit are appropriate for class certification. Defendants also have taken into account the length and expense of continued proceedings necessary for defense of the Lawsuit through trial and appeals. Defendants, therefore, have entered into this Agreement solely for the purpose of avoiding the continuing additional expenses, inconvenience and distraction of the Lawsuit, without admitting any wrongdoing or liability whatsoever, and without waiving any defense or argument that was, or could have been, asserted in the Lawsuit. By so doing, Defendants desire to settle, compromise, and terminate with prejudice the Lawsuit, and to put to rest forever all claims which have, or could have been, asserted therein or which arise from, or in any way concern, the acts, facts, transactions, occurrences, representations, or omissions alleged in the Seventh Amended Complaint.

N. The Parties anticipate that the Settlement of claims of the Settlement Subclass must occur through a process in which the Court approves this Agreement.

O. The Parties expect that, if this Agreement is approved, the Court will authorize a settlement fund (the “Settlement Fund,” as defined more fully below) into which the agreed monetary consideration will be paid, then later distributed to members of the Settlement Subclass in accordance with a claims administration procedure approved by the Court, and that after this procedure is complete any unclaimed amounts will be returned to the Defendants.

P. The Parties now desire that this Agreement permanently resolve and settle all claims that Plaintiffs may have against Defendants.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into and are an integral part of this Agreement, and in consideration of the mutual promises below, the sufficiency of which the Parties readily acknowledge and accept, the Parties agree as follows:

### **1. DEFINITIONS**

In addition to the definitions contained elsewhere in this Agreement, the following definitions shall apply:

(a) “Arbitration Group” shall mean all members of the class defined in Paragraph 6 of the Seventh Amended Complaint—which includes former students who enrolled at and attended WCI between March 5, 2006, through March 1, 2010—who signed arbitration agreements containing a provision that expressly waived their right to bring a class action, and therefore who are subject to the Court of Appeals ruling in *Gozzi*. Each member of the Arbitration Group shall be referred to as an “Arbitration Group Member.” The Parties jointly

provided an agreed upon list of the Arbitration Group to the Class Administrator on February 2, 2018.

(b) “Arbitration Group Deadline” shall mean the Court deadline by which Arbitration Group Members must file arbitrations, which is approximately six months after notice is provided to the Arbitration Group.

(c) “Base Amount” shall be the total charged to each individual Settlement Subclass Member for tuition, books, and fees at WCI, less the following amounts: (1) grants, scholarships, or other institutional discounts made by Defendants to the Settlement Subclass Member; (2) amounts charged by Defendants, but not paid by a Settlement Subclass Member to Defendants; and (3) refunds applied as a result of withdrawals. If the Base Amount is negative, then it shall be calculated at zero.

(d) “Claim Form” shall refer to the Claim Form and Release to be submitted by each Settlement Subclass Member to apply for payments under the terms of this Agreement, as described in Paragraphs 6 and 15, below, and shall refer to the form of Claim Form attached hereto as Exhibit 4.

(e) “Claims Administrator” shall mean Epiq Systems.

(f) “Claims Procedure” shall mean the process by which the Claims Administrator shall approve claims and make payments to Eligible Subclass Members, as set out in Paragraph 16, below.

(g) “Class Counsel” shall mean the following three attorneys: David F. Sugerman; Amy Johnson; and Tim Quenelle.

(h) “Claims Bar Date” shall be the date set by the Court as the deadline for Settlement Subclass Members to submit a Claim Form. The Claims Bar Date shall be ninety (90) days after the date the Notice of Settlement is sent to the Settlement Subclass Members.

(i) “Court” shall mean the Circuit Court of the State of Oregon, in and for the County of Multnomah.

(j) “Defendants’ Counsel” shall mean Perkins Coie LLP and Husch Blackwell LLP.

(k) “Eligible Subclass Members” are former students of WCI who (1) are Settlement Subclass Members as defined in Paragraph 1(bb), below; and (2) timely submit a valid Claim Form, under penalty of perjury.

(l) “Escrow Holder” shall mean the financial institution with which the Claims Administrator, with approval by Class Counsel and Defendants, will open an escrow account for the Settlement Fund, as set out in Paragraphs 13 and 14 .

(m) “Exclusion Letter” shall mean any written communication sent, delivered, or submitted by a Settlement Subclass Member to opt out of or request to be excluded from the Settlement, as described in Paragraph 8, below, including opt-outs previously provided at earlier stages of this lawsuit.

(n) “Final Approval Hearing” shall be the hearing on any and all motions for final approval of this Agreement, and “Final Approval Hearing Date” shall be the date set by the Court for the Final Approval Hearing. The Final Approval Hearing Date shall be at least fourteen (14) days after the Objection Deadline.

(o) “Final Approval Order” shall mean the Order approving this Agreement issued by the Court at or after the Final Approval Hearing Date.

(p) “Final Report” shall mean the report prepared by the Claims Administrator of all receipts and disbursements from the Settlement Fund, as described in Paragraph 16(i), below.

(q) “Instructions” shall mean the instructions for filling out the Claim Form that will be mailed to the Settlement Subclass, as ordered by the Court in its Preliminary Approval/Notice Order, and shall refer to the form of Instructions attached hereto as Exhibit 3.

(r) “Limited Judgment” shall mean a Limited Judgment entered by the Court in this Lawsuit as described in Paragraph 12, below.

(s) “Motion For Final Approval” shall mean the motion or motions filed by Class Counsel, as referenced in Paragraph 11, below.

(t) “Notice of Settlement” shall mean the Notice of Class Action Settlement and Final Approval Hearing provided for under the terms of this Agreement, as ordered by the Court in its Preliminary Approval/Notice Order, and shall refer to the form of Notice of Settlement attached hereto as Exhibit 2.

(u) “Objection Deadline” shall mean the date set by the Court as the deadline by which an objecting Settlement Subclass Member has to provide a written objection to the Settlement to the Claims Administrator as specified in Paragraph 7, below. The Objection Deadline shall be 60 days after the date the Notice of Settlement is sent to the Settlement Subclass Members.

(v) “Opt-Out Deadline” shall mean the date set by the Court as the deadline by which a Settlement Subclass Member who wishes to opt out has to provide an Exclusion Letter to the Claims Administrator as specified in Paragraph 8, below. The Opt-Out Deadline shall be 60 days after the date the Notice of Settlement is sent to the Settlement Subclass Members.

(w) “Payment Date” shall be the later of: (1) fifty (50) days after entry of the Limited Judgment, if no appeals are taken from the Limited Judgment; or (2) if appeals are taken from

the Limited Judgment, then thirty (30) days after a final ruling by an Appellate Court ruling affirming the Limited Judgment. Notwithstanding the foregoing, in Class Counsel's jointly exercised sole discretion, the Payment Date shall be extended as reasonably required to allow the completion of the claims process.

(x) "Preliminary Approval/Notice Order" shall mean the Order issued by the Court preliminarily approving this Agreement and authorizing the sending of the Notice to Settlement Subclass Members, as provided in Paragraph 5, below, substantially in the form attached to this Agreement as Exhibit 1.

(y) "Related Parties," "Released Claims," and "Released Parties" shall have the definitions set out in Paragraph 19, below.

(z) "Settlement" shall mean the settlement set out in this Agreement.

(aa) "Settlement Fund" shall mean the funds transferred by Defendants into an escrow account with the Escrow Holder pursuant to this Agreement and subject to an escrow agreement, as required pursuant to Paragraph 14 below, together with such income as that fund may earn and less such expenses as it may accrue as provided herein. The Settlement Fund shall be reversionary, such that any amounts not paid under this Agreement shall be returned to Defendants. The Settlement Fund shall be a Qualified Settlement Fund, as provided in Paragraph 13, below.

(bb) "Settlement Subclass" shall mean the class defined in Paragraph 6 of the Seventh Amended Complaint, which includes all former students who enrolled at and attended WCI between March 5, 2006, through March 1, 2010, except for those who were dismissed for academic ineligibility, but excluding class members who opted out and members of the Arbitration Group, as defined in Paragraph 1(a) above. Each member of the Settlement Subclass shall be referred to as a "Settlement Subclass Member." The Parties jointly provided an agreed upon list of the Settlement Subclass to the Class Administrator on February 2, 2018.

(cc) "Weekly Report" shall mean the reports the Claims Administrator is required to prepare each month as specified in Paragraph 16(g), below.

## **2. SCOPE OF AGREEMENT.**

This Agreement shall not apply to any school, college or university owned and/or operated by CEC other than WCI.

## **3. SETTLEMENT PURPOSES ONLY.**

This Agreement is governed by the terms of Rule 408 of the Oregon Evidence Code and similar provisions and is for settlement purposes only, and neither the fact of, nor any term or provision contained in, this Agreement or its attached exhibits, nor any action taken hereunder



shall constitute, be construed as, or be admissible in evidence as, any admission of the validity of any claim or any fact alleged by the Class Representative and the class in this Lawsuit, or any other pending or subsequently filed action, arbitration, or other proceeding or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Defendants or admission by Defendants of any claim or allegation made in this Lawsuit or in any action, nor as admission by the Class Representative, members of the class or Class Counsel of the validity of any fact or defense asserted against them in the Lawsuit or in any other pending or subsequently filed action or arbitration.

#### **4. PAYMENTS BY DEFENDANTS.**

(a) In consideration for the dismissal of the claims of the Settlement Subclass Members with prejudice and the Releases set forth in Paragraph 19, below, Defendants agree to make payments into the Settlement Fund sufficient to cover valid claims in the amount of 44% of the Base Amount of claims filed by Adams, Class Representative, and Eligible Subclass Members, in accordance with the Claims Procedure. The Settlement Fund shall be reversionary and all amounts in the Settlement Fund that are not distributed as authorized under this Agreement shall be returned to Defendants.

(b) Reasonable attorneys' fees and costs shall be awarded by the Court pursuant to the procedure set out, below, in Paragraph 9. Defendants shall wire the court-approved attorneys' fees and costs directly to Class Counsel on the Payment Date, pursuant to wire instructions provided by Class Counsel to Defendants' Counsel prior to the Payment Date.

#### **5. PRELIMINARY APPROVAL/NOTICE ORDER.**

As soon as reasonably practical after execution of this Agreement, Class Counsel and Defendants' Counsel shall jointly: (1) file the Agreement, including the exhibits attached hereto, with the Court; (2) file a joint motion for approval of the Agreement with the Court; and (3) verbally notify the Court of such filings and request entry by the Court, on the earliest date acceptable to the Parties and the Court, of the Preliminary Approval/Notice Order, substantially in the form attached hereto as Exhibit 1.

#### **6. NOTICE OF SETTLEMENT.**

(a) After the Court enters the Preliminary Approval/Notice Order, the Claims Administrator will provide Notice of Settlement to the Settlement Subclass as set forth below.

(b) No later than 30 days after the Court enters the Preliminary Approval/Notice Order, the Claims Administrator shall send Notice of Settlement, Instructions, and Claim Form, substantially in the form attached hereto as Exhibits 2, 3, and 4, (as part of a single mailing) to the Settlement Subclass. The Claim Forms sent to Settlement Subclass Members shall be prefilled by the Class Administrator and Class Counsel with the Base Amount and amount

payable. Defendants shall have access to the pre-filled claims forms in order to review them for accuracy.

(c) At least 30 days prior to the Claims Bar Date, the Claims Administrator shall send the a reminder of the impending deadline to those Settlement Subclass Members who have not yet filed claims (the “Reminder”), substantially in the form attached hereto as Exhibit 5. The Claims Administrator shall also provide receipts of claims to each Settlement Subclass Member who files a claim.

(d) The Notice of Settlement, Instructions, Claim Form, and Reminder shall be sent using the same methods that the Claims Administrator used for sending the class notice on December 15, 2017, and shall also be posted on the Class Administrator’s website for the Lawsuit. Upon request to either the Claims Administrator or Class Counsel, either may provide the Notice of Settlement, Instructions, Claim Form, and Reminder via email.

(e) If a Settlement Subclass Member makes a written request to the Claims Administrator, either by U.S. Mail or by email to the electronic address established by the Claims Administrator, for a copy of his or her Notice of Settlement, Instructions, and Claim Form, then the Claims Administrator shall send a copy of those documents to such Settlement Subclass Member, either by U.S. Mail, email, or both, to the address(es) provided by the Settlement Subclass Member.

(f) At least 30 days prior to the Final Approval Hearing Date, the Claims Administrator shall provide notice, to both Class Counsel and Defendants’ Counsel, in the form of an affidavit certifying that the notice procedures described above have been implemented and stating the dates on which the Notice of Settlement mailing was completed. This affidavit shall be filed with the Court.

(g) Neither the Defendants nor the Claims Administrator shall have any obligation to provide information regarding the Settlement or the Final Approval Hearing to any Settlement Subclass Member in any manner other than what is set forth in this Section.

(h) The Settlement Subclass shall not be provided any type of notice by the Class Representative, Class Counsel, or Defendants other than as set forth above in Paragraphs 6(b)-(e). However, nothing herein shall prevent (1) Defendants from responding to questions raised by former students, (2) Class Counsel from contacting Settlement Subclass Members, (3) the Parties from participating in any part of the process for auditing and reviewing Claim Forms; and (4) Class Counsel providing Settlement Subclass members with any of the approved notices.

(i) Defendants and Class Counsel will coordinate the notice procedures set out in this Section with the Claims Administrator and will bear all reasonable associated administrative costs.

(j) The Class Representatives and Class Counsel will cooperate with Defendants and the Claims Administrator in carrying out the notice procedures set out in this Section.

## **7. OBJECTING TO THE SETTLEMENT.**

(a) Any Settlement Subclass Member (other than the Class Representative) who has not made a timely and valid request for exclusion from the Settlement Subclass, may object to the Settlement by complying with the procedures set out in this section.

(b) No later than the Objection Deadline, the objecting Settlement Subclass Member must prepare, file with the Court, and provide Class Counsel and Defendants' Counsel with a written objection containing the following:

- i. A heading referring to the Case Number 0803-03530, pending before the Multnomah County Circuit Court in the state of Oregon and entitled "*Nathan Surrect, et al. v. Western Culinary Institute, et al.*";
- ii. A detailed written statement of the specific factual and legal basis for each objection, including why the objector has chosen to object rather than exclude himself or herself from the Settlement;
- iii. If the Settlement Subclass Member wants to appear at the Final Approval Hearing, a statement that the Settlement Subclass Member intends to appear, and the grounds or specific reasons for the Settlement Subclass Member's desire to appear and be heard;
- iv. A list of and copies of all documents that the Settlement Subclass Member may seek to use at the Final Approval Hearing, and a list of the names of any witnesses that the Settlement Subclass Member wants to present at the Final Approval Hearing; and
- v. If the Settlement Subclass Member is represented by counsel, counsel's name, address, and telephone number. Any counsel representing an objecting Settlement Subclass Member must file a notice of appearance and Points and Authorities in support of the objection, which brief shall contain any and all legal authority upon which the objector will rely and confirm whether the attorney intends to appear at the Final Approval Hearing. Copies of these documents must be filed with the Clerk of the Court and delivered to Class Counsel and Defendants' Counsel no later than the Objection Deadline.

(c) An objection will be invalid and will not be considered if the submission does not provide all of the requested information in Paragraph 7(b), is received after the Objection

Deadline, or is not timely filed with the Court and mailed to the correct addresses for Class Counsel and Defendants' Counsel listed on the Notice.

(d) Class Representative and Adams agree that the Agreement is fair and reasonable to the Settlement Subclass and that they do not, and will not, object to the Agreement, and hereby waive any right they may have had to do so.

## **8. OPT-OUTS.**

(a) A Settlement Subclass Member who wishes to exclude himself or herself from this Agreement, and from the release of claims and defenses provided for under the terms of this Agreement, shall submit an Exclusion Letter by mail or email to the Claims Administrator, or shall complete the opt-out process online through the Claims Administrator's website. For an Exclusion Letter or online opt-out to be effective it must be submitted, if completed through the Claims Administrator's website, and received if sent by email or mail, on or before the Opt-Out Deadline. The Claims Administrator shall mail or email confirmation of receipt of opt out submissions to the applicable Settlement Subclass Members who submit them. Any Exclusion Letter or online opt out shall identify the Settlement Subclass Member, state that the Settlement Subclass Member wishes to exclude himself or herself from the Agreement, and shall be signed and dated (or electronically signed and dated, as applicable).

(b) The Claims Administrator shall maintain a list of persons who have excluded themselves and shall provide such list to Defendants' Counsel and Class Counsel upon request. The Claims Administrator shall retain the originals of all Exclusion Letters (including the envelopes with the postmarks) and/or electronic copies of the data constituting Exclusion Letters submitted through its website, and shall provide digital copies to Defendants' Counsel or Class Counsel by email upon request. The Claims Administrator shall make the original Exclusion Letters available to Class Counsel, Defendants' Counsel and/or the Court upon two (2) court days written notice.

(c) A Settlement Subclass Member who has excluded himself or herself may elect to participate in the Agreement by submitting a Claim Form prior to the Claims Bar Date. Any Settlement Subclass Member who opts out but subsequently submits a Claim Form shall be bound by the terms of this Agreement and shall be deemed to have waived the election to opt out.

## **9. ATTORNEYS FEES, COSTS, AND INCENTIVE AWARDS.**

(a) In accordance with the procedures set out in ORCP 68, and no later than 60 days prior to the Final Approval Hearing, Class Counsel will file a statement of attorneys' fees and costs pursuant to ORCP 32 M. Also in accordance with ORCP 68, Defendants will file objections to the attorneys' fees and costs no later than 30 days prior to the Final Approval Hearing, and Class Counsel will file a response to objections no later than 15 days prior to the Final Approval Hearing. Class Counsel agree that they will not seek attorneys' fees and costs in

excess of a total of \$8 million. Defendants agree that they will refrain from asserting that the Court should award attorneys' fees and costs of less than \$3.75 million. The Court shall determine the amount of attorneys' fees and costs due to Class Counsel at the Final Approval Hearing.

(b) Class counsel shall separately request incentive awards of \$5,000 per person, paid to each of the named plaintiffs, for their service to the class. Any such request shall not increase the maximum or decrease the minimum fee award set forth in Paragraph 9(a).

(c) Defendants shall wire the amount awarded by the Court in attorneys' fees and costs directly to Class Counsel on the Payment Date pursuant to wire instructions provided by Class Counsel to Defendants' Counsel prior to the Payment Date.

#### **10. NOTICE TO THE ARBITRATION GROUP.**

Approximately one month before the Arbitration Group Deadline, the Claims Administrator shall send notice to the Arbitration Group substantially in the form attached hereto as Exhibit 6, providing that their claims shall be dismissed with prejudice after the Arbitration Group Deadline, unless they timely commenced arbitration.

#### **11. MOTION FOR JUDGMENT AND FINAL APPROVAL.**

(a) At the Final Approval Hearing, the Parties shall apply to the Court for an Order of Final Approval in the Lawsuit substantially in the form attached hereto as Exhibit 7, providing the following:

- i. finally approving this Agreement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- ii. awarding attorneys' fees and costs to Class Counsel;
- iii. approving the notice and Claims Procedures, and finding that the Notice of Settlement complied with ORCP 32 and fully met with the requirements of the Oregon Rules of Civil Procedure, due process, the United States Constitution, the Oregon Constitution, and any other applicable law;
- iv. directing the Claims Administrator to administer the Claims Procedures in accordance with Paragraph 16 of the Agreement;
- v. dismissing the Settlement Subclass's claims on the merits and with prejudice as against Defendants;
- vi. permanently barring (a) Adams and Class Representative (and their Related Parties) and (b) all Settlement Subclass Members (and their

Related Parties), other than those who have filed timely and valid requests for exclusion from the Settlement Subclass, from asserting and/or prosecuting against any Released Parties any of the Released Claims;

- vii. declaring that: (a) Adams and the Class Representative (and their Related Parties), without any further action, fully, finally, and forever release, relinquish, and discharge all of the Released Parties from the Released Claims as set out in Paragraph 19, and, without limiting the breadth of the foregoing, (b) all Settlement Subclass Members (and their Related Parties), other than those who have filed valid requests for exclusions from the Settlement Subclass, regardless of whether any such member of the Settlement Subclass receives any refund or other compensation from the Settlement, and/or executes and delivers the Claim Form and Release, on behalf of themselves and their Related Parties, shall be deemed to have fully, finally, and forever released, relinquished, and discharged all of the Released Parties from the Released Claims as set out in Paragraph 19;
- viii. ordering Defendants and Class Representative, on behalf of themselves and the Settlement Subclass, to assume their respective attorney fees, costs and other expenses incurred in connection with the Lawsuit except as otherwise provided herein;
- ix. approving entry, after the Final Approval Order is signed by the Court, of a Limited Judgment dismissing the claims of Adams, Class Representative, and the Settlement Subclass with prejudice;
- x. declaring that the Limited Judgment is binding upon all members of the Settlement Subclass, other than those who have filed timely and valid requests for exclusion from the Settlement Subclass;
- xi. stating that the Agreement shall not be offered or admitted into evidence and the Settlement shall not be or referred to in any way (orally or in writing) in any action, arbitration, or other proceeding, except as allowed by Rule 408 of the Oregon Evidence Code (and specifically excepting the Lawsuit and/or a proceeding involving an effort to enforce the Agreement, including, but not limited to, an effort to enforce the release of the Released Claims, as well as reference to the Settlement in any SEC disclosure);
- xii. stating that the Settlement shall have no precedential, collateral estoppel, or res judicata effect against Defendants (or their respective Related Parties) in any matter or proceeding other than (a) this Lawsuit and/or (b) a proceeding involving an effort to enforce the Settlement, including, but not limited to, an effort to enforce the release of the Released Claims;

- xiii. ordering that the Claims Administrator, Defendants, Class Representative, Adams, the Settlement Subclass, and Class Counsel to comply with the Claims Procedures; and
- xiv. retaining continuing and exclusive jurisdiction to enforce the terms of this Agreement and the Claims Procedures.

## **12. ENTRY OF JUDGMENT.**

The Final Approval Order shall authorize the Court to enter a Limited Judgment dismissing Adams, Class Representative, and the Settlement Subclass with prejudice, substantially in the form attached hereto as Exhibit 8.

## **13. QUALIFIED SETTLEMENT FUND.**

(a) Payment by Defendants. Within ten (10) days of the date of entry of the Final Approval Order, Defendants shall transfer the sum of Three Million United States Dollars (US\$3,000,000.00) into the Settlement Fund, which shall be established by Escrow Holder as a separate escrow account constituting a Qualified Settlement Fund (“QSF”) as described in Treasury Regulation §1.46813-1, 26 C.F.R. §1.468B-1. Class Counsel shall serve as escrow agents. The Claims Administrator shall advise Class Counsel with respect to the management of the fund, provide tax advice, and take such steps as shall be necessary to qualify the QSF under 26 U.S.C. §468B, and the regulations promulgated pursuant thereto. Defendants shall be considered the “transferor” within the meaning of Treasury Regulation §1.468B-1(d)(1). The Claims Administrator shall be the “administrator” within the meaning of Treasury Regulation §1.468B-2(k)(3). The Parties shall cooperate in securing an order of the Court to establish the QSF in accordance with the terms hereof in conjunction with its preliminary approval of the Settlement and Notice of Settlement. The Court shall retain jurisdiction over the administration of the QSF. Defendants shall supply to the Claims Administrator and to the Internal Revenue Service the statement described in Treasury Regulation §1.4688-3(e)(2). It is intended that the transfers to the QSF will satisfy the “all events test” and the “economic performance” requirement of §461(h)(1) of the Internal Revenue Code, and Treasury Regulation §1.461-1(a)(2). Accordingly, Defendants shall not include the income of the QSF in its income. Rather, the QSF shall be taxed on its modified gross income, excluding the sums transferred to it, and shall make payment of resulting taxes from its own funds. In computing the QSF’s modified gross income, deductions shall be allowed for its administrative costs and other deductible expenses incurred in connection with the operation of the QSF, including, without limitation, state and local taxes and legal, accounting, and other fees relating to the operation of the QSF. Upon any failure of the Payment Date to occur, including after all efforts of the Parties, if any, to reach a Payment Date on a revised agreement that is a successor to this one, the Escrow Agents shall pay all expenses of the Settlement Fund and return the balance to Defendants, and the previous establishment of the QSF and the Court’s approval thereof shall not serve as a defense or bar to any claim against Defendants, or either of them.

(b) The Settlement Fund shall not cover the costs associated with: (1) administering the notice in accordance with Paragraph 6, above; and/or (2) any fees paid to the Claims Administrator for services rendered in connection with the claims notice and administration process, all of which costs shall be separately and directly paid by Defendants.

(c) No later than 10 days after the Claims Bar Date, the Claims Administrator shall provide an updated estimate of the total amount Defendants are obligated to pay to Settlement Subclass Members, based on valid claims filed before the Claims Bar Date (the "Updated Estimate"). If the Updated Estimate exceeds the amount available in the Settlement Fund, Defendants shall make an additional contribution of the difference to the Settlement Fund no later than forty (40) days after entry of the Limited Judgment, unless an appeal is taken from the Limited Judgment. In the event that the Limited Judgment is appealed, all funds in the Settlement Fund (including accrued interest), less fees owed to the Escrow Holder, shall be refunded within two (2) business days to Defendants, and Defendants shall deposit the amount due under the Updated Estimate no later than ten (10) days after a final ruling by an Appellate Court ruling affirming the Limited Judgment. If the Updated Estimate is less than the amount available in the Settlement Fund, the difference shall be returned to Defendants within 14 business days. In the event that this Agreement is not approved, or is otherwise terminated by either Party for any reason, the Settlement Fund (including accrued interest) less expenses actually incurred or due and owing in connection with the Settlement provided for herein, shall be refunded within two (2) business days to Defendants.

(d) The Claims Administrator shall cause to be filed, on behalf of the Settlement Fund, all required federal, state, and local tax returns, information returns and tax withholdings statements in accordance with the provisions of Treasury Regulation §1.468B-2.

(e) The taxable year of the QSF shall be the calendar year in accordance with Treasury Regulation §1.468B-2(j). The Settlement Fund shall utilize the accrual method of accounting within the meaning of § 446(c) of the Internal Revenue Code.

(f) All funds held by the Escrow Holder shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until distributed pursuant to this Agreement.

#### **14. CLASS COUNSEL'S OBLIGATIONS.**

(a) The Settlement Fund shall be maintained by Class Counsel for the benefit of the Settlement Subclass. Defendants and Class Counsel shall execute an escrow agreement with Escrow Holder that includes instructions for payments to be made from the Settlement Fund in accordance with the requirements of this Agreement. Escrow Holder (and its subagents) shall be entitled to charge its usual and customary fees, if any, as approved by Class Counsel, and such fees shall be paid out of any interest or returns earned on the Settlement Fund. Class Counsel shall provide statements from Escrow Holder to the Claims Administrator when same are received, for purposes of the reports required pursuant to Paragraphs 16(g) and (i), below.



(b) Class Counsel shall cause the Escrow Holder to invest the Settlement Fund in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then current market rates. Defendants shall not have any duties, obligations or responsibilities with respect to investment of the Settlement Fund.

(c) Class Counsel shall not authorize disbursements from the Settlement Fund except as authorized by this Agreement or an order of the Court.

(d) No distribution from the Settlement Fund shall be made without the written authorization of Class Counsel, and each of them. Notwithstanding the foregoing, the Settlement Fund, less expenses of Escrow Holder, shall be paid back to Defendants upon satisfaction of the conditions described in Paragraph 17(b), below.

(e) Upon the occurrence of the Payment Date, Class Counsel shall authorize Escrow Holder and the Claims Administrator to pay, cause to be paid, and deliver, as applicable, payments on all claims made by Adams, Class Representative, and Eligible Subclass Members in the amounts approved by the Claims Administrator. After all valid claims have been paid pursuant to this process, all amounts remaining in the Settlement Fund shall be paid back to Defendants including any amounts resulting from checks that are not cashed within a six month period.

## **15. CLAIM FORMS.**

(a) For each Settlement Subclass Member, to the extent that Defendants can locate the information after a reasonable search of their records, within 14 days of preliminary approval of the Settlement, Defendants shall provide to Class Counsel and the Claims Administrator the name, date of birth, last known address, program for which the class member registered, base amount, price charged for tuition, books, and fees, and amounts deducted pursuant to Paragraph 1(c). The Parties shall request an order from the Court requiring Defendants to disclose such information, in accordance with the requirements of the federal Family Educational Rights and Privacy Act ("FERPA"), 20 USC § 1232g, and its implementing regulations, 34 CFR Part 99, and such information will be provided to the Claims Administrator and Class Counsel on a confidential basis. The Notice of Settlement shall include notice to the class members regarding the disclosure of their social security numbers and other personal information to the Claims Administrator and Class Counsel, as well as information on how to object to such a disclosure. Within 21 days of sending the Notice of Settlement, Defendants will provide social security numbers for each Settlement Subclass Member who does not object to disclosure.

(b) Settlement Subclass Members seeking payments from the Settlement Fund shall submit a Claim Form, substantially in the form attached hereto as Exhibit 4. Claim Forms shall be submitted directly to the Claims Administrator and must be received by the Claims Administrator by 12:00 Midnight Pacific Time on the Claims Bar Date. This time limit shall be

strictly construed. Failure to submit the Claim Form so that it is received by 12:00 Midnight Pacific Time on the Claims Bar Date shall result in denial of the claim. Claim Forms may be submitted on-line, by email, or by first class mail, or by courier to the Claims Administrator's address as indicated in the Notice of Settlement. Each student completing a Claim Form shall acknowledge that the payments made under this Agreement are made by Defendants for the sole purpose of resolving disputed claims.

**16. THE CLAIMS ADMINISTRATOR AND CLAIMS PROCEDURE.**

(a) The Claims Administrator shall negotiate a retainer agreement with Class Counsel and the Defendants. The Claims Administrator shall be subject to the jurisdiction of the Court with respect to the administration of this Agreement.

(b) Defendants will provide the Base Amount and amount payable for Adams, Class Representative, and each Settlement Subclass Member to the Claims Administrator and Class Counsel. Defendants will provide the data used to calculate these amounts to Class Counsel. The Base Amount and amount payable to each Settlement Subclass Member shall be included on the Claim Forms sent to that Settlement Subclass Member in accordance with Paragraph 6.

(c) If a Settlement Subclass Member believes that the Base Amount is incorrect, he or she must file a written objection prior to the Claims Bar Date (a "Base Amount Dispute"). If this occurs, the Settlement Subclass Member and CEC must provide evidence of the Base Amount to Defendants' Counsel and the Class Counsel within 30 days of receipt of the Base Amount Dispute. Counsel for Parties will then confer and attempt to agree in good faith on a Base Amount. If counsel are unable to agree on such amount, the Court has jurisdiction to decide the appropriate Base Amount for that Settlement Subclass Member, with either side having the opportunity to submit evidence and argument in the form of letters to the Court.

(d) The Claims Administrator shall be responsible for determining whether students submitting Claim Forms are Eligible Subclass Members; determining the amount payable to each Eligible Subclass Member by calculating 44% of the Base Amount; and paying, causing to be paid, and/or delivering all payments it determines should be made on claims pursuant to this Agreement.

(e) The Claims Administrator shall keep all information regarding students confidential except as otherwise provided herein. All data created and/or obtained and maintained by the Claims Administrator pursuant to this Agreement shall be destroyed eighteen (18) months after the Payment Date, provided that Class Counsel, at their own cost, shall receive a complete digital copy of the Claims Administrator's records, together with a declaration establishing its completeness and authenticity, which they may maintain consistent with their own document retention policies.

(f) The Claims Administrator also shall be responsible for timely and properly filing all tax returns necessary or advisable with respect to the Settlement Fund and preparing and

distributing the reports required in accordance with Paragraphs 16(g) and (i), below. Tax returns shall reflect all taxes (including any estimated taxes, interest or penalties) on the income earned by the Settlement Fund.

(g) On a weekly basis, each week after the date of the Notice of Settlement and up to and including the week preceding the Payment Date, the Claims Administrator shall prepare a Weekly Report, which shall include the following information, if available at the time each such Weekly Report is prepared: (a) the material data extracted from all Claim Forms submitted; (b) the Claims Administrator's determination on each claim; (c) the basis for the denial of any claim; (d) any Base Amount Disputes; and (e) any opt-out requests. Any denial should be based on a determination that either (1) the claimant is not a Settlement Subclass Member or (2) the claimant did not submit a valid Claim Form. The report shall also include the names of Settlement Subclass Members who have made claims and a list of those Settlement Subclass Members who have not made claims. The Report shall also include an accounting of the total value of the Settlement Fund, including accrued interest, the total value of all claims and the cumulative total amount of any fees and costs incurred by the Claims Administrator. The Reports shall be sent by electronic mail to Defendants' Counsel and Class Counsel. The Reports shall be subject to the confidentiality provisions provided for in Paragraph 15(a), above. Following the Payment Date, the Claims Administrator shall provide additional Reports as necessary to show resolution of disputed Claims.

(h) The Claims Administrator shall provide the data in its claims administration database to Defense Counsel and/or Class Counsel on demand by email, and shall make reasonable efforts to keep that database current.

(i) Within forty-five (45) days after the Payment Date or the date that the last disputed payment is made, whichever is later, the Claims Administrator shall prepare the Final Report. The Final Report shall contain cumulative totals of all the information required in each Monthly Report, plus the amounts actually distributed from the Settlement Fund to Class Counsel and each claimant, including the Class Representative. The Final Report shall include final billing statements from the Claims Administrator and shall be sent to the Court, Defendants' Counsel and Class Counsel.

## **17. DISTRIBUTION OF THE SETTLEMENT FUND.**

(a) Claim Payments. Amounts due for valid claims filed by Eligible Subclass Members in accordance with Paragraphs 15, above, shall be paid from the Settlement Fund on or after the Payment Date. Eligible Class Members will be advised that checks are void if they are not cashed within six months of the date of the check.

(b) Reversionary Payments to Defendants. The Settlement Fund is reversionary, and the following amounts shall be returned to Defendants: (1) any funds remaining in the Settlement Fund after payment of claims to Adams, Class Representative, and Eligible Subclass Members, and all fees owed to Escrow Holder; and (2) any amounts unclaimed as a result of failure of an

Eligible Subclass Member to cash a check within six months of issuance and any interest accrued on that amount.

#### **18. AGREEMENT NOT TO COLLECT ACCOUNTS RECEIVABLE.**

(a) For all Eligible Subclass Members, Defendants shall agree not to collect or take any action to collect any and all sums that are owing by such Eligible Subclass Members directly to Defendants. The agreement not to collect shall apply only to amounts owing directly to Defendants as of the Claims Bar Date. The obligations of Defendants provided for by this Paragraph shall not apply to any student loans or other obligations not owing directly to Defendants as of the Claims Bar Date and specifically does not apply to: (1) loan obligations owing to any third parties; (2) loan obligations incurred in connection with attendance at a CEC school other than WCI; or (3) loans which Defendants have a right to collect on for their own account which right arose after the Claims Bar Date.

(b) For Eligible Subclass Members with receivables in accordance with this Paragraph 18, their Base Amount shall be reduced by the amount of such receivable.

#### **19. RELEASE.**

(a) Except as to the rights and obligations provided for under this Agreement and the exception in Paragraph 19(b) below, Plaintiffs (including Settlement Subclass Members), and each of them, on behalf of themselves and all of their respective past, present and future predecessors, successors, assigns, devisees, relatives, heirs, legatees, and agents (collectively, the "Related Parties"), hereby release and forever discharge each of the Defendants, and all of their respective past, present and future predecessors, successors, partners, parent companies, subsidiaries, divisions, employees, affiliates, assigns, officers, directors, shareholders, representatives, attorneys, agents and stockholders (collectively, the "Released Parties"), from any and all charges, complaints, claims, debts, liabilities, demands, obligations, costs, expenses, actions, defenses and causes of action of every nature, character, and description, whether known or unknown, asserted or unasserted, suspected or unsuspected, fixed or contingent, which Plaintiffs, now have, own or hold, or which Plaintiffs at any time may have, own, or hold, against any of the Released Parties, by reason of any matter, cause, or thing whatsoever occurred, done, omitted, or suffered from the beginning of time to the date of this Agreement, arising out of or relating to any matter, fact, or thing alleged in any of the complaints filed in the Lawsuit, including, but not limited to, representations regarding post-graduation employment prospects and salaries, the competitive nature of the admissions process, the quality of the education offered, the reputation of WCI, the quality of career services at WCI, and the failure to provide required disclosure documents and/or comply in any way with any requirements imposed under Federal or State laws or regulations (collectively, the "Released Claims").

(b) The parties agree that Plaintiffs do not waive or release any defense (to the extent that such defense exists) that they could assert against third party lenders who made loans to plaintiffs, including their successors, or collectors or other parties who acquired such loans,

associated with their enrollment at WCI based on or related to any alleged conduct by Defendants as described in the Lawsuit, as well as declaratory relief to enforce defenses to debt obligations. It is the intention of the parties that any existing rights and defenses of this nature are preserved.

(c) This release does not apply to those Settlement Subclass Members who timely opted out of the litigation. Nor does it apply to members of the Arbitration Group.

## **20. FUTURE USE OF DISCOVERY.**

A Plaintiff seeking to use documents produced by WCI in this Lawsuit or videos and transcripts of depositions taken in this Lawsuit (collectively "Discovery") in connection with a pending lawsuit or arbitration related to collection of third party loans made to Plaintiffs associated with their enrollment at WCI, must send a written request to Defendants. If this occurs, Defendants shall provide the requesting Plaintiff with Discovery, subject to the following restrictions: (1) the requesting Plaintiff may use the Discovery only to defend against actions seeking to collect on third party debt obligations associated with their enrollment at WCI, or seeking declaratory relief to enforce defenses to such debt obligations; (2) the requesting Plaintiff must pay reasonable costs for the production of the Discovery; (3) prior to receiving any Discovery from Defendants, the requesting Plaintiff must first apply for and receive a protective order from the court or arbitrator in the pending action or arbitration; (4) the form of the protective order must ensure compliance with the federal Family Educational Rights and Privacy Act, 20 USC § 1232g, and its implementing regulations, 34 CFR Part 99 as well as protection of Defendants' confidential business information; and (5) Defendants shall have a right to review and approve the protective order prior to submission to the court or arbitrator, and such approval shall not be unreasonably withheld.

## **21. WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542.**

The Class Representative agrees to waive all respective right under Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Class Representative, on behalf of the Settlement Subclass, hereby acknowledges that they may hereafter discover facts different from, or in addition to, those which they now know and believe, or should now know and believe, to be true with respect to the release herein made and agree that said release is now and will remain effective notwithstanding the existence, and/or subsequent discovery, of such additional facts.

## **22. CONDITIONS TO SETTLEMENT.**

(a) This Agreement shall be subject to, and is expressly conditioned on, the occurrence of all of the following events:

- i. The Court has entered the Preliminary Approval/Notice Order, as required by Paragraph 5, above;
- ii. The Court has entered the Final Approval Order and Limited Judgment, as required by Paragraphs 11 and 12, above, and all objections, if any, to such order are overruled, and all appeals taken from the Court's Limited Judgment, if any, are resolved in favor of approval; and
- iii. The Payment Date has occurred.

(b) If the conditions specified in Paragraph 22(a), above, are not met, then this Agreement shall be cancelled and terminated.

(c) Defendants shall have the option to terminate this Agreement if thirty (30) or more Settlement Subclass Members opt out of the Settlement. Defendants must notify Class Counsel and the Court of their intent to terminate the Agreement pursuant to this Paragraph within fifteen (15) business days after the Claims Bar Date, or the option to terminate shall be considered waived. To the extent Class Counsel causes Settlement Subclass Members to withdraw opt out requests and submit claims, such that the number of opt outs becomes less than thirty (30) prior to the deadline to terminate, then Defendants shall not be entitled to terminate. Prior to exercising the right to terminate, Defendants' Counsel and Class Counsel shall meet and confer regarding Class Counsel's efforts to cause Settlement Subclass Members to withdraw opt out requests.

(d) In the event this Agreement is terminated, pursuant to Paragraph (c) immediately above, or fails to become effective in accordance with Paragraphs (a) and/or (b) immediately above, then the Parties shall be restored to their respective positions in the Lawsuit as of the effective date of this Agreement. Class Counsel shall cooperate in all efforts to have the balance of the Settlement Fund promptly returned to Defendants. In such event, the terms and provisions of this Agreement shall have no further force and effect with respect to the Parties and shall not be used in the Lawsuit or in any other action or proceeding for any other purpose, and any dismissal, judgment or order entered by this Court in accordance with the terms of this Agreement shall be treated as vacated, *nunc pro tunc*.

## **23. REPRESENTATIONS.**

(a) The Parties to this Agreement each represent that they have read this Agreement and are fully aware of and understand all of its terms and the legal consequences thereof. The Parties represent that they have consulted or have had the opportunity to consult with and have

received or have had the opportunity to receive advice from legal counsel in connection with their review and execution of this Agreement.

(b) The Parties have not relied on any representations, promises or agreements other than those expressly set forth in this Agreement.

(c) The Parties represent that there has not been any assignment, transfer, conveyance or other disposition of any rights, obligations or liabilities released under the terms of this Agreement, and that there will be no assignment or transfer or purported assignment or transfer to any person or entity whatsoever, of any claim, debt, liability, demand, obligation, cost, expense, action, defense or cause of action hereinabove released.

(d) The Class Representative, on behalf of the Settlement Subclass, represents that he has made such inquiry into the terms and conditions of this Agreement as he deems appropriate, and that by executing this Agreement, he believes the Agreement and all the terms and conditions set forth herein, are fair and reasonable to the Settlement Subclass.

(e) The Class Representative represents that he has no conflicts or other personal interests that would in any way impact his representation of the class in connection with the execution of this Agreement.

(f) Defendants represent and warrant that they each have obtained all corporate authority necessary to execute this Agreement.

(g) The natural persons signing below for Defendants personally represent and warrant they have authority to sign on behalf of those they purport to bind, and that they personally have verified the corporate authority provided for immediately above.

#### **24. FURTHER ASSURANCES.**

Each of the Parties hereto agrees to execute and deliver all such further documents consistent with this Agreement, and to take all such further actions consistent with this Agreement, as may be required in order to carry the provisions of this Agreement into effect, subject to Class Counsel's obligation to protect the interests of the Settlement Subclass Members. Warranties, representations, agreements, and obligations contained in this Agreement shall survive the execution and delivery of this Agreement and shall survive any and all performances in accordance with this Agreement.

#### **25. APPLICABLE LAW.**

This Agreement shall be governed by and interpreted, construed, and enforced pursuant to the laws of the State of Oregon.

**26. NO ORAL WAIVER OR MODIFICATION.**

No waiver or modification of any provision of this Agreement or of any breach thereof shall constitute a waiver or modification of any other provision or breach, whether or not similar, nor shall any actual waiver or modification constitute a continuing waiver. No waiver or modification shall be binding unless executed in writing by the Party making the waiver or modification.

**27. ENTIRE AGREEMENT.**

This Agreement, including the exhibits and schedules attached hereto, constitutes the entire agreement made by and between the Parties pertaining to the subject matter hereof, and fully supersedes any and all prior or contemporaneous understandings, representations, warranties, and agreements made by the Parties hereto or their representatives pertaining to the subject matter hereof. No extrinsic evidence whatsoever may be introduced in any judicial proceeding involving the construction or interpretation of this Agreement.

**28. BINDING ON SUCCESSORS.**

This Agreement shall inure to the benefit of, and shall bind, each of the Parties hereto and their successors and assigns.

**29. SEVERABILITY.**

In the event any one or more of the provisions of this Agreement is determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

**30. COUNTERPARTS AND FACSIMILE SIGNATURES.**

This Agreement may be executed and delivered in separate counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts together shall constitute but one and the same instrument and agreement. Facsimile and pdf signature pages shall have the same force and effect as original signatures.

**31. NOTIFICATION.**

Any notice to be given under this Agreement to or any contact regarding the terms of this Agreement with Plaintiffs shall be sent to the following addresses, or such future addresses provided to the Parties:



David Sugerman  
David F. Sugerman Attorney PC  
707 SW Washington Street, Suite 600  
Portland, OR 97204  
Phone: (503) 228-6474  
Email: david@davidsugerman.com

And

Amy Johnson  
5836 SE Madison St.  
Portland, OR 97215  
Phone: (503) 939-2996  
Email: amy@savagejohnson.com

And

Tim Alan Quenelle  
Tim Quenelle PC  
4800 SW Meadows Road #300  
Lake Oswego, OR 97035  
Phone: (503) 675-4330  
Email: tim.quenelle@gmail.com

Any notice to be given under this Agreement to or any contact regarding the terms of this Agreement with Defendants shall be sent to the following addresses, or such future addresses provided to the Parties:

Martin M. Loring  
Husch Blackwell  
4801 Main Street, Suite 1000  
Kansas City, MO 64112  
Phone: (816) 983-8000  
Email: martin.loring@huschblackwell.com

And

Thomas R. Johnson  
Perkins Coie, LLP  
1120 NW Couch Street, 10th Floor  
Portland, OR 97209  
Phone: (503) 727-2000  
Email: trjohnson@perkinscoie.com

And

Career Education Corporation  
The Office of the General Counsel  
231 N. Martingale Road  
Schaumburg, IL 60173  
Tel: (847) 781-3600  
Email: dsolmor@careered.com, jayers@careered.com

Any notice to be given under this Agreement to or any contact regarding the terms of this Agreement with the Claims Administrator shall be sent to the following addresses, or such future addresses provided to the Parties:

Surrett v. Western Culinary Institute Administrator  
P.O. Box 5270  
Portland, OR 97208-5270

**32. CURE.**

In the event Plaintiffs provide notice to Defendants of any alleged breach of this Agreement, Defendants shall have thirty (30) days from the date of receipt of such notice to cure any such breach and provide adequate remedies to the affected students. Defendants shall notify Plaintiffs, of the cure and/or remedies implemented to address the alleged breaches. If Plaintiffs are not satisfied with Defendants' cure and/or remedies, Plaintiffs shall have the right to petition the Court for relief within thirty (30) days of receipt of notice of Defendants' cure.

**SIGNATURES ON NEXT PAGE**

**DEFENDANTS:**


Dated: February 5, 2018

WESTERN CULINARY INSTITUTE,  
LTD., now known as LE CORDON BLEU  
NORTH AMERICA, LLC

By:   
Jeffrey D. Ayers, Vice President

Dated: February 5, 2018

CAREER EDUCATION CORPORATION

By:   
Jeffrey D. Ayers, General Counsel

**DEFENDANTS' COUNSEL:**

Dated: \_\_\_\_\_

**APPROVED AS TO FORM:**

PERKINS COIE LLP

By: \_\_\_\_\_  
Thomas R. Johnson  
1120 NW Couch Street, 10th Floor  
Portland, OR 97209

**PLAINTIFF & CLASS REPRESENTATIVE:**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Nathan Surrect

**PLAINTIFF:**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Jennifer Adams

**CLASS COUNSEL:**

Dated: \_\_\_\_\_

DAVID F. SUGERMAN ATTORNEY PC

By: \_\_\_\_\_

David F. Sugerman  
707 SW Washington Street, Suite 600  
Portland, OR 97204

Dated: 2-1-18 \_\_\_\_\_

AMY JOHNSON ATTORNEY-AT-LAW

By:  \_\_\_\_\_

Amy Johnson  
5836 SE Madison St.  
Portland, OR 9725

**CLASS COUNSEL & COUNSEL FOR PLAINTIFF JENNIFER ADAMS:**

Dated: \_\_\_\_\_

TIM QUENELLE PC

By: \_\_\_\_\_

Tim Alan Quenelle  
4800 SW Meadows Road #300  
Lake Oswego, OR 97035

**PLAINTIFF & CLASS REPRESENTATIVE:**

Dated: 2-2-2018



Nathan Surret

**PLAINTIFF:**

Dated: \_\_\_\_\_

Jennifer Adams

**CLASS COUNSEL:**

Dated: \_\_\_\_\_

DAVID F. SUGERMAN ATTORNEY PC

By: \_\_\_\_\_

David F. Sugerman  
707 SW Washington Street, Suite 600  
Portland, OR 97204

Dated: \_\_\_\_\_

AMY JOHNSON ATTORNEY-AT-LAW

By: \_\_\_\_\_

Amy Johnson  
5836 SE Madison St.  
Portland, OR 9725

**CLASS COUNSEL & COUNSEL FOR PLAINTIFF JENNIFER ADAMS:**

Dated: \_\_\_\_\_

TIM QUENELLE PC

By: \_\_\_\_\_

Tim Alan Quenelle  
4800 SW Meadows Road #300  
Lake Oswego, OR 97035


**PLAINTIFF & CLASS REPRESENTATIVE:**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Nathan Surret

**PLAINTIFF:**

Dated: 2/2/18

\_\_\_\_\_  
  
Jennifer Adams

**CLASS COUNSEL:**

Dated: \_\_\_\_\_

DAVID F. SUGERMAN ATTORNEY PC

By: \_\_\_\_\_

David F. Sugerman  
707 SW Washington Street, Suite 600  
Portland, OR 97204

Dated: \_\_\_\_\_

AMY JOHNSON ATTORNEY-AT-LAW

By: \_\_\_\_\_

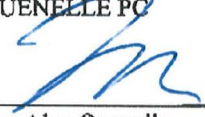
Amy Johnson  
5836 SE Madison St.  
Portland, OR 9725

**CLASS COUNSEL & COUNSEL FOR PLAINTIFF JENNIFER ADAMS:**

Dated: 2/2/18

TIM QUENELLE PC

By: \_\_\_\_\_

  
Tim Alan Quenelle  
4800 SW Meadows Road #300  
Lake Oswego, OR 97035

**PLAINTIFF & CLASS REPRESENTATIVE:**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Nathan Surrett

**PLAINTIFF:**

Dated: \_\_\_\_\_

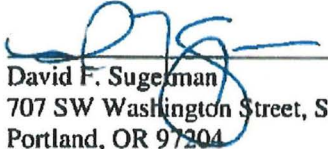
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Jennifer Adams

**CLASS COUNSEL:**

Dated: February 2, 2016

DAVID F. SUGERMAN ATTORNEY PC

By: \_\_\_\_\_

  
David F. Sugerman  
707 SW Washington Street, Suite 600  
Portland, OR 97204

Dated: \_\_\_\_\_

AMY JOHNSON ATTORNEY-AT-LAW

By: \_\_\_\_\_

Amy Johnson  
5836 SE Madison St.  
Portland, OR 9725

**CLASS COUNSEL & COUNSEL FOR PLAINTIFF JENNIFER ADAMS:**

Dated: \_\_\_\_\_

TIM QUENELLE PC

By: \_\_\_\_\_

Tim Alan Quenelle  
4800 SW Meadows Road #300  
Lake Oswego, OR 97035

**DEFENDANTS:**

Dated: \_\_\_\_\_

WESTERN CULINARY INSTITUTE,  
LTD., now known as LE CORDON BLEU  
NORTH AMERICA, LLC

By: \_\_\_\_\_  
Jeffrey D. Ayers, Vice President

Dated: \_\_\_\_\_

CAREER EDUCATION CORPORATION

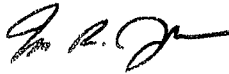
By: \_\_\_\_\_  
Jeffrey D. Ayers, General Counsel

**DEFENDANTS' COUNSEL:**

Dated: \_\_\_\_\_

**APPROVED AS TO FORM:**

PERKINS COIE LLP

By:  \_\_\_\_\_  
Thomas R. Johnson  
1120 NW Couch Street, 10th Floor  
Portland, OR 97209



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IN THE CIRCUIT COURT FOR THE STATE OF OREGON  
FOR THE COUNTY OF MULTNOMAH

NATHAN SURRETT, individually and on  
behalf of all other similarly situated  
individuals, and on behalf of herself only,  
JENNIFER ADAMS f/k/a JENNIFER  
SCHUSTER,

Plaintiffs,

v.

WESTERN CULINARY INSTITUTE,  
LTD; LE CORDON BLEU NORTH  
AMERICA, INC.; and CAREER  
EDUCATION CORPORATION,

Defendants.

Case No. 0803-03530

**PRELIMINARY APPROVAL AND  
NOTICE ORDER**

The parties to this pending Class Action litigation (the "Action") have filed with the Court a Joint Motion for Preliminary Approval of the Class Action Settlement, seeking an Order preliminarily approving the proposed Settlement (the "Settlement") and notice, in accordance with the Settlement Agreement (the "Agreement") entered into by the parties on February 2, 2018.

Based on the consent of the parties, and after review and consideration of the Agreement and the exhibits attached thereto, and the related submissions,

1 IT IS HEREBY ORDERED that:

2 1. The Court, for purposes of this Preliminary Approval and Scheduling Order,  
3 adopts all defined terms set forth in the Agreement, and incorporates them herein by reference as  
4 if fully set forth herein and having the full force and effect of an Order of this Court.

5 2. The Court preliminarily approves the Settlement as embodied by the Agreement,  
6 subject to further consideration at the Final Approval Hearing described below. The Court finds  
7 that the requirements of ORCP 32 are satisfied with respect to the “Settlement Subclass” (as  
8 defined in Paragraph 4 of this Order and the Agreement) and finds that the Agreement provides  
9 substantial relief to the Class without the risk, cost or delay associated with continued litigation.

10 3. The Court previously certified the following class in this Action:

11 All current and former students who enrolled at Western Culinary  
12 Institute—now known as Le Cordon Bleu College of Culinary Arts  
13 in Portland—on or after March 5, 2006 (up to and including March  
14 1, 2010), who attended Western Culinary Institute/Le Cordon Bleu  
15 College of Culinary Arts in Portland on or after March 5, 2006 (up  
16 to and including March 1, 2010), and who made tuition payments  
17 or incurred financial obligations, excluding where applicable all  
18 officers and directors of defendants, attorneys for the class, any  
19 judge or juror who sits on the case, and any student who did not  
20 continue his or her studies due to academic ineligibility.

21 4. The Agreement seeks to resolve the claims of the Settlement Subclass, which  
22 consists of those class members who are not part of the Arbitration Group and therefore are not  
23 required to arbitrate their claims under the Oregon Court of Appeals ruling in this case, *Gozzi v.*  
24 *Western Culinary Institute, Ltd.*, 276 Or App 1, 366 P3d 743, *modified and adh’d to on recons*,  
25 227 Or App 384, 371 P3d 1222 (2016).

26 5. The Court approves, as to form and content, the Notice of Class Action  
Settlement and Final Approval Hearing (the “Notice of Settlement”), a copy of which is attached  
hereto as Exhibit 1, the Instructions for the Claim Form and Release (the “Instructions”), a copy  
of which is attached hereto as Exhibit 2, the Claim Form and Release (the “Claim Form”), a copy

1 of which is attached hereto as Exhibit 3, and the reminder of the Claims Bar Date (the  
2 “Reminder”), a copy of which is attached hereto as Exhibit 4.

3 6. The Court approves, as to form and content, the notice to the Arbitration Group, a  
4 copy of which is attached here to as Exhibit 5.

5 7. The Court finds that the mailing of the Notice of Settlement, Claim Form, and  
6 Instructions in the manner required by Section 6 of the Agreement shall be made pursuant to  
7 ORCP 32 D.

8 8. The Court finds that the notice procedures set out in Section 6 of the Agreement  
9 comply with ORCP 32 D and fully satisfy the requirements of due process and the Oregon Rules  
10 of Civil Procedure.

11 9. Class Representative, Adams, and Settlement Subclass Members are hereby  
12 enjoined from prosecuting any claim in the Action and from filing actions or proceedings against  
13 Defendants or their Related Parties concerning the Released Claims.

14 10. The Agreement shall not be offered or admitted into evidence and the Settlement  
15 shall not be or referred to in any way (orally or in writing) in any action, arbitration, or other  
16 proceeding, except as allowed by Rule 408 of the Oregon Evidence Code, and specifically  
17 excepting the Lawsuit and/or a proceeding involving an effort to enforce the settlement,  
18 including, but not limited to, an effort to enforce the release of the Released Claims, as well as  
19 reference to the Settlement or Agreement in any SEC disclosure.

20 11. The Agreement shall have no precedential, collateral estoppel, or *res judicata*  
21 effect upon Defendants (or their respective Related Parties) in any matter or proceeding other  
22 than (a) this Action and/or (b) a proceeding involving an effort to enforce the Agreement,  
23 including, but not limited to, an effort to enforce the release of the Released Claims.

24 12. The Court hereby authorizes the Claims Administrator, subject to the terms of the  
25 Agreement, to supervise, administer and carry out notice to the Settlement Subclass as set out in  
26

1 Section 6 of the Agreement. The deadline for mailing the Notice of Settlement, Instructions, and  
2 Claim Form to Settlement Class Members shall be thirty (30) days after entry of this Order.

3 13. Settlement Subclass Members who wish to make a claim for compensation shall  
4 sign and submit a Claim Form. Class Representative and Adams shall also complete and submit  
5 a Claim Form if they wish to make a claim for compensation. Settlement Subclass Members  
6 who fail to timely submit a signed Claim Form will remain Settlement Subclass Members, and  
7 will remain bound by the Agreement subject to the Court's final approval of the Settlement. To  
8 be timely, a Claim Form must be received by the Claims Administrator no later than 12:00  
9 Midnight Pacific Time on the Claims Bar Date, which shall be ninety (90) days after the date that  
10 the Notice of Settlement is sent to Settlement Class Members. Any member of the Settlement  
11 Subclass who does not submit a signed Claim Form within the required time period shall not  
12 receive monetary compensation. Final claims processing and distribution of monetary  
13 compensation shall not occur until the Payment Date.

14 14. Settlement Subclass Members who wish to opt out of the settlement shall submit  
15 an Exclusion Letter or opt out on the Class Administrator's case website by the Opt-Out  
16 Deadline, which shall be sixty (60) days after the date that the Notice of Settlement is sent to the  
17 Settlement Subclass Members.

18 15. Any member of the Settlement Subclass (other than the Class Representative)  
19 who has not submitted a timely Exclusion Letter or opted out on the Class Administrator's case  
20 website, may object to the Agreement by complying with the following procedures:

21 a. No later than the Objection Deadline, which is sixty (60) days after the date that  
22 the Notice of Settlement is sent to Settlement Class Members, the objecting Settlement  
23 Subclass Member must prepare, file with the Court, and provide Class Counsel and  
24 Defendants' Counsel with a written objection containing the following:  
25  
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- 1           i.       A heading referring to the Case Number 0803-03530, pending before the  
2                   Multnomah County Circuit Court in the state of Oregon and entitled  
3                   “*Nathan Surrett, et al. v. Western Culinary Institute, et al.*”;
- 4           ii.      A detailed written statement of the specific factual and legal basis for each  
5                   objection, including why the objector has chosen to object rather than  
6                   exclude himself or herself from the settlement;
- 7           iii.     If the Settlement Subclass Member wants to appear at the Final Approval  
8                   Hearing, a statement that the Settlement Subclass Member intends to  
9                   appear, and the grounds or specific reasons for the Settlement Subclass  
10                  Member’s desire to appear and be heard;
- 11          iv.      A list of and copies of all documents that the Settlement Subclass Member  
12                   may seek to use at the Final Approval Hearing, and a list of the names of  
13                   any witnesses that the Settlement Subclass Member wants to present at the  
14                   Final Approval Hearing; and
- 15          v.       If the Settlement Subclass Member is represented by counsel, counsel’s  
16                   name, address, and telephone number. Any counsel representing an  
17                   objecting Settlement Subclass Member must file a notice of appearance  
18                   and Points and Authorities in support of the objection, which brief shall  
19                   contain any and all legal authority upon which the objector will rely and  
20                   confirm whether the attorney intends to appear at the Final Approval  
21                   Hearing. Copies of these documents must be filed with the Clerk of the  
22                   Court and delivered to Class Counsel and Defendants’ Counsel no later  
23                   than the Objection Deadline.
- 24          b.       No Settlement Subclass Member shall be entitled to contest in any way the  
25                   approval of the terms and provisions of the Agreement or the Limited Judgment and  
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1 Order of Final Approval to be entered except by filing and serving written objections in  
2 accordance with the provisions of this Paragraph 15.

3 16. Only Settlement Subclass Members who have not previously and timely excluded  
4 themselves from the class shall be entitled to object to the approval of the Agreement or to the  
5 Limited Judgment and Order of Final Approval to be entered under the Agreement.

6 17. The Court hereby creates and approves the Qualified Settlement Fund pursuant to  
7 Section 11 of the Settlement Agreement and Treasury Regulation §1.468B-1, 26 C.F.R §1.468B-  
8 1. (the "Settlement Fund"). Class Counsel are appointed as escrow agents for the Settlement  
9 Fund, pursuant to the terms of the Agreement.

10 18. The Court will conduct the Final Approval Hearing on [REDACTED], to rule  
11 on any timely objection filed by a Settlement Subclass Member, final approval of the Agreement,  
12 a determination of attorney's fees and costs due to Class Counsel, and issuance of the Limited  
13 Judgment.

14 19. In accordance with the procedures set out in ORCP 68, and not less than sixty  
15 (60) days before the Final Approval Hearing, Class Counsel shall file a statement of attorney's  
16 fees and costs pursuant to ORCP 32 M. Also, in accordance with ORCP 68, Defendants will file  
17 objections to the attorney's fees and costs no later than 30 days prior to the Final Approval  
18 Hearing, and Class Counsel will file a response to objections no later than 15 days prior to the  
19 Final Approval Hearing. The Court shall determine the amount of attorneys' fees and costs due  
20 to Class Counsel at the Final Approval Hearing.

21 20. Class Counsel and Defendants' Counsel are hereby authorized to use all  
22 reasonable procedures in connection with the approval and administration of the Agreement that  
23 are not materially inconsistent with this Order or the Agreement without further approval of the  
24 Court.

25 21. If the Settlement, including any valid amendment made with the consent of all  
26 parties to the Agreement or as otherwise specifically provided in the Agreement, is not approved

1 by the Court or shall not become effective for any reason whatsoever, the Agreement and any  
2 actions taken or to be taken in connection therewith (including this Order and any judgment  
3 entered herein) shall be terminated and shall become void and of no further force and effect  
4 except for the obligations of Defendants to pay for any expense incurred in connection with the  
5 Notice of the Settlement, the Instructions, and the Claim form and administration provided for by  
6 this Order, and neither the Agreement, nor any provision contained in the Agreement, nor any  
7 action undertaken pursuant thereto, nor the negotiation thereof by any party shall be deemed an  
8 admission or offered or received as evidence at any proceeding in this or any other action or  
9 proceeding.

10 22. All proceedings in this Action, other than proceedings that may be necessary to  
11 carry out the terms and provisions of the Agreement, and to notify arbitration subclass members,  
12 are hereby stayed and suspended until further order of this Court.

13 23. Neither the Agreement nor any term or provision contained in the Agreement, nor  
14 any negotiations, statements or proceedings in connection therewith shall be construed as, or be  
15 deemed to be evidence of, an admission or concession of the Class Representative, Adams, any  
16 Settlement Subclass Member, Defendants, or any Related Party of any liability or wrongdoing by  
17 them, or any of them, and shall not be offered or received into evidence in any action or  
18 proceeding or be used in any way as an admission, concession, or evidence of any liability or  
19 wrongdoing of any nature, and shall not be construed as, or deemed to be evidence of, an  
20 admission or concession that Class Representative, Adams, any Settlement Subclass Member, or  
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any other person has or has not suffered any damage.

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Presented By:

Stephen F. English, OSB No. 730843  
**PERKINS COIE LLP**  
Attorney for Defendants  
Western Culinary Institute, Ltd. and  
Career Education Corporation



Surrett v. Western Culinary Institute Administrator  
P.O. Box 5270  
Portland, OR 97208-5270

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### IMPORTANT NOTICE

**You may be entitled to a payment from a class action settlement.  
But you need to take action, and you have limited time to act.**

IN THE CIRCUIT COURT FOR THE STATE OF OREGON

IN AND FOR THE COUNTY OF MULTNOMAH

NATHAN SURRETT,  Plaintiff,  vs.  WESTERN CULINARY INSTITUTE, LTD, and CAREER EDUCATION CORPORATION,  Defendants.	Case No. 0803-03530  <b>NOTICE OF CLASS ACTION SETTLEMENT AND FINAL APPROVAL HEARING</b>
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**This Notice of Class Action Settlement and Final Approval Hearing (the "Notice") has been sent to you because your legal rights may be affected by a settlement of the claims brought in this class action lawsuit in Multnomah County Circuit Court. The case is brought on behalf of certain former students of Western Culinary Institute, which was renamed Le Cordon Bleu College of Culinary Arts in Portland. The school will be referred to in this Notice as "Le Cordon Bleu Portland." Please read this Notice carefully.**

**The purpose of this Notice is to advise you about a proposed settlement of this lawsuit (the "Settlement") and how you are affected by the Settlement. The Notice will explain the steps you must take if you want to receive compensation from the settlement, exclude yourself from the settlement, or object to the settlement. It provides important deadlines for doing so. This notice also discusses how this settlement affects any loans you have for attending Western Culinary Institute.**

**1. Why did I receive this notice?**

Records of Le Cordon Bleu Portland show that you are a member of the class of former students who are affected by the proposed Settlement of this Class Action Lawsuit. The Court has preliminarily approved the Settlement.

**2. What is this lawsuit about?**

Nathan Surrett was appointed to serve as a Class Representative. The defendants are Western Culinary Institute, Ltd., Le Cordon Bleu North America, LLC, and Career Education Corporation. They will be referred to in this Notice as "Defendants."

Mr. Surrett claims that Defendants misrepresented or failed to disclose certain information pertaining to the nature and value of the education offered to students. Mr. Surrett claims that Defendants committed fraud and violated Oregon's Unlawful Trade Practices Act (the "UTPA") in ways that caused financial damage to him and members of the class.

Defendants deny liability to Mr. Surrett or to the class, but have agreed to settle the case.

**3. Who is in the class?**

The class consists of all former students who enrolled at and attended Le Cordon Bleu Portland on or after March 5, 2006, up to and including March 1, 2010. The Settlement impacts only those class members who did not sign an agreement expressly waiving their right to bring a class action (the "Settlement Subclass"). If you received this Notice in the mail, records of Le Cordon Bleu Portland show you did not sign a waiver and are a member of the Settlement Subclass.

**4. What is the proposed Settlement?**

As part of the Settlement, Defendants agreed to pay to each member of the Settlement Subclass who fills out and returns a claims form by the deadline, 44% of the total amount each Settlement Subclass member paid to Le Cordon Bleu Portland. That total amount includes the amount you paid for tuition, books, and fees, less any

amounts you received in grants or scholarships from Defendants and any amounts owed directly to Defendants. Defendants also agree that they will not seek to collect on amounts owed by members of the Settlement Subclass directly to Defendants.

Defendants will not pay a claim unless you submit a claims form by the deadline. **If you do not file a claim so that it is received by Month Day, 2018, you will not receive any money.**

**5. What other benefits are there to the settlement? How does this affect loans I have for attending Western Culinary Institute?**

Defendants agree that you are not giving up any defenses that you might have against third-party lenders or collectors who are seeking to collect on loans associated with your attendance at school. Any claim or defense involving your loan balance or collection of loans is not part of this lawsuit. You should obtain independent counsel to advise you on these issues.

Defendants also agree that you have the right to use any information the class counsel obtained in this class action lawsuit in the lawsuit to use in any claims against third-party lenders or collectors. That information, called discovery by attorneys, can be obtained from class counsel.

**6. What must I do if I want to make a claim ?**

If you received this Notice in the mail, you also received a pre-filled Claim Form. To make a claim under this proposed settlement, you must sign, complete and mail the Claim Form and Release to the Claims Administrator at:

Surrett Claims  
PO Box XXXX  
Portland, OR 97XXX-XXXX

You may also email your claim to \_\_\_\_\_, or fill out a Claim Form online at [www.XXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXX.com).

To be eligible for compensation, the Claim Form and Release must be completed, signed, and **received** by the Claims Administrator no later than **12:00 midnight on Month Day, 2018.**

**If the Claims Administrator does not receive your Claim Form by this date, you will not be entitled to receive compensation under the settlement. Mailed Claims that are postmarked but not received by the deadline will not be accepted.**

If you timely file a Claim Form, and the Court approves the settlement at the Final Approval Hearing, you will be entitled to a settlement payment. Settlement Subclass members who do not submit a timely, signed Claim Form and Release are not

entitled to compensation under the Settlement, but they remain a member of the Class and will be subject to and bound by the provisions of the Settlement, including the Judgment and the releases of liability it contains. This means that even if you do not file a Claim form (and do not request exclusion from the Settlement as described below), the judgment of the case will apply to you, and you will not be able to file a claim against Defendants for the claims made in this lawsuit.

#### **7. How do I exclude myself from this settlement?**

If you do not want to participate in this proposed settlement and you want to keep the right to sue the Defendants about the legal issues in this case, then you must take steps to get out of the Settlement. This is sometimes called “opting out” of the Settlement Class.

If you wish to exclude yourself from the Settlement for any reason, you must send a written notice to the Claims Administrator including your name and address and stating that you wish to be excluded from the settlement in *Nathan Surrett, et al. v. Western Culinary Institute, et al.* By excluding yourself, you will give up any right to receive compensation from this settlement. You must send in your exclusion request so that it is received by Month Day, 2018. Exclusion requests postmarked on or before that deadline, but received after that deadline will not be accepted.

Your exclusion should be sent to the claims administrator at the following address:

Surrett Exclusion Requests  
PO Box XXXX  
Portland, OR 97XXX-XXXX

#### **8. How do I object to this settlement?**

If you are a Settlement Class Member (and do not request exclusion from the Settlement Class), you can object to any part of the Settlement. To object, you must submit a letter or other written document that includes the following:

- a) A heading referring to the Case Number 0803-03530, pending before the Multnomah County Circuit Court in the state of Oregon and entitled “*Nathan Surrett, et al. v. Western Culinary Institute, et al.*”;
- b) A detailed written statement of the specific factual and legal basis for each objection, including why you have chosen to object rather than exclude yourself from the settlement;
- c) If you want to appear at the Final Approval Hearing, a statement that you intend to appear, and the grounds or specific reasons for your desire to appear and be heard (you do not have to attend the Final Approval Hearing to object to the Settlement);

- d) A list of and copies of all documents that you may seek to use at the Final Approval Hearing, and a list of the names of any witnesses that you want to present at the Final Approval Hearing; and
- e) If you are represented by counsel, counsel's name, address, and telephone number. Any counsel representing you must file a notice of appearance and Points and Authorities in support of the objection, which brief shall contain any and all legal authority upon which you will rely and confirm whether the attorney intends to appear at the Final Approval Hearing.

Your objection and all supporting documents must be filed with the Clerk of the Court and delivered to Class Counsel and Defendants' Counsel at the addresses below so they are **received** no later than the Objection Deadline of **Month Day, 2018**.

CLERK OF THE COURT	CLASS COUNSEL	DEFENDANTS' COUNSEL
Clerk of the Court		

**9. What is the difference between objecting and asking to be excluded?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object to the Settlement only if you do not exclude yourself. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object to the Settlement because it no longer affects you.

**10. What happens if I do nothing?**

If you do nothing **you will not receive any settlement payment**, and you will be **barred from bringing any similar claims against Defendants**.

**11. What are the attorney's fees and expenses and the class representatives' compensation?**

Class counsel's fees, costs, and expenses are being paid by defendants and do not affect the amount of class members' recovery. Class Counsel will apply to the Court for an award of attorney's fees, reimbursement for their out-of-pocket expenses and costs, and representatives' compensation in an amount not to exceed \$8,000,000.

Defendants have agreed to not oppose an application requesting fees and costs of \$3,750,000. Class counsel will also apply to the court for payments of no more than \$5,000 each to Mr. Surrect and plaintiff Jennifer Adams for their service to the class.

**12. What rights are being released by the settlement?**

If the Court approves the proposed Settlement, all Class members who have not excluded themselves from the Class will release Defendants from any and all claims that were or could have been asserted in this lawsuit. All Settlement Subclass members who have not excluded themselves from the Class will forever be permanently barred from bringing any released claim against Defendants in the future.

**13. What is the Final Approval Hearing and when is it?**

PLEASE TAKE NOTICE that a Final Approval Hearing will be held on **Month Day, 2018**, at the Multnomah County Circuit Court, 1021 SW Fourth Avenue, Portland, Oregon, 97204 to consider the final approval of this proposed Settlement. **You are not required to appear at the hearing**, but you may attend this hearing if you want to. At the Final Approval Hearing, the Court will consider:

- a. Whether the proposed Settlement is fair, reasonable, adequate, in good faith, and in the best interests of the members of the Settlement Subclass;
- b. Whether a Judgment and Order of Final Approval should be entered approving the Settlement and dismissing the pending claims against Defendants with prejudice on the merits, and releasing the settled claims against Defendants;
- c. Whether the Court should approve the application for payment of attorney's fees and reimbursement of out-of-pocket expenses to be filed by Class Counsel and the amount to award in response to the application; and
- d. Whether the Court should approve the payments to Mr. Surrect and Ms. Adams, as set forth above.

If, after conducting the Final Approval Hearing, the Court grants final approval of the Settlement as set forth in the Settlement Agreement (including any modification or amendment thereto to which Defendants and Class Counsel agree), it shall enter an Order of Final Approval and Limited Judgment. Defendants' obligations to make payments under the Settlement Agreement do not become effective until the Court grants final approval and the "Payment Date," as defined in the Settlement Agreement, occurs.

**14. Additional information**

If you want additional information, please refer to the website at [www.LeCordonBleuPortlandLawsuit.com](http://www.LeCordonBleuPortlandLawsuit.com) or call toll-free at 1-XXX-XXX-XXXX. You may also contact Lead Class Counsel by emailing him at [XXXXXXXXXXXXXXXXXXXX.com](mailto:XXXXXXXXXXXXXXXXXXXX.com) or calling him at 503.228.6474.

Do not contact the Court directly. You may, however, refer to the pleadings in the public file with the Court, which can be inspected at the file room of the Clerk's Office, Multnomah County Circuit Court, 1021 SW Fourth Avenue, Portland, OR 97204.

**Please DO NOT call or write the Clerk of the Court or the Defendants or Defendants' Counsel.** The Defendants are not authorized to provide any information relating to Settlement or any claims you may have in this matter.

**15. Notice of Provision of Personal Information to Class Counsel and Class Administrator**

The Court has ordered Defendants to provide certain personal information about you to Class Counsel and the Claims Administrator, including your Social Security Number. Class Counsel and the Claims Administrator have agreed to keep this information confidential. **Pursuant to the Family Educational Rights and Privacy Act ("FERPA"), if you do not want Defendants to provide your Social Security Number to Class Counsel and the Claims Administrator, please contact the Claims Administrator via email at [XXXXXXXXXXXXXXXXXXXX.com](mailto:XXXXXXXXXXXXXXXXXXXX.com) or by mail at Surret Claims, PO Box XXXX, Portland, OR 97XXX-XXXX, no later than Month Day, 2018.**

### **Instructions for Claim Form and Release**

You have received a Notice of Class Action Settlement in the case *Nathan Surrett, et al. v. Western Culinary Institute, et al.*, Multnomah County Circuit Court Case No. 0803-03530. The Notice of Settlement that accompanies this Claim Form answers a number of questions. Please refer to it if you have questions. The Court will hold a hearing on final approval of the settlement on [REDACTED].

**To apply for payment under the class action Settlement, you must fill out the attached form. You may submit it by mail or email. Or you may submit your claim online at [REDACTED].**

#### **PLEASE READ AND FOLLOW THESE INSTRUCTIONS CAREFULLY**

1. To be eligible to receive a payment, you must complete this Claim Form and email it, submit it online, or mail it so that it is **received no later than 12:00 midnight on [REDACTED]**. If you are close to that deadline, do not mail your form because it may be late. Instead, complete the Claim Form on-line, email it, or fax it. **If your claim is not received by 12:00 midnight on [REDACTED] you will receive no payment even if you are otherwise eligible to receive one.**

2. **Claims must be submitted**

*By mail to:*

[street address]

*Or by email to*

[add email address]

*Or online at*

[add web address]

3. The claim form has been pre-filled with your name and information about the amount of your expected settlement payment. The amount you should receive is 44% of your paid amount. The paid amount is calculated as the amount you paid to Western Culinary Institute/Le Cordon Bleu College of Culinary Arts in Portland ("the school") for tuition, books, and fees less any grants and scholarships from the school or from its parent corporation, Career Education Corporation, and any monies owed directly to the school or Career Education Corporation. For example, if you paid \$30,000 in fees and



received \$10,000 in grants, you would receive 44% of \$20,000 (\$30,000 - \$10,000) or \$8,800.

4. If you believe that the pre-filled amounts are incorrect, you must object in writing to the Claims Administrator, which also must be ***received*** no later than 12:00 midnight on \_\_\_\_\_. **You must file a claim form even if you believe the pre-filled amounts are incorrect.** After you submit the written objection, you will have 30 days to provide documentation supporting your claims regarding the total amount you believe you paid. If the parties are unable to agree on the total, the Court will decide.
5. You must provide all additional information requested on the Claim Form, print *legibly* or type your answers. You must sign your claim form under penalty of perjury.
6. All information in this Claim Form, as well as any information generated by the Claims Administrator, will be kept confidential.

**If you have questions, you may call \_\_\_\_\_ (the Claims Administrator) or \_\_\_\_\_ (Class Counsel)**

<<MailID>>  
<<Name1>>  
<<Name2>>  
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<<Address5>>  
<<City, ST ZIP>>  
<<Country>>

**Claim Form and Release**

***Nathan Surrett, et al. v. Western Culinary Institute, et al.***

**Multnomah County Circuit Court Case No. 0803-03530**

Full Name: \_\_\_\_\_

Name (if different) while attending WCI: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Update mailing address:

Street: \_\_\_\_\_

Apt./Unit: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Cell phone: \_\_\_\_\_ Home phone: \_\_\_\_\_

Work phone: \_\_\_\_\_

Current Email: \_\_\_\_\_

Program(s): \_\_\_\_\_

Total Tuition Paid: \_\_\_\_\_ Books: \_\_\_\_\_ Fees: \_\_\_\_\_

Total Grants/Scholarships from Western Culinary/Career Education: \_\_\_\_\_

Total owed directly to Western Culinary/Career Education: \_\_\_\_\_

(This amount does not include federal loans or loans to other private lenders.)

Total Amount Spent: \_\_\_\_\_

(Total amount spent is calculated as tuition plus books plus fees less grants/scholarship from Defendants less amounts owed directly to Defendants.)

**Settlement Payment:** \_\_\_\_\_

(Settlement payment is calculated as 44% of the total amount spent.)

Under penalty of perjury, I hereby attest that the above information provided by me is true and accurate to the best of my knowledge and belief. I fully release and discharge Defendants Western Culinary Institute, Ltd., Le Cordon Bleu North America, LLC, and Career Education Corporation from all claims or causes of actions of any nature whatsoever that have been asserted in this class action and are being settled in this lawsuit.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**You must sign and date the Claim Form. Mail completed claim form and release to \_\_\_\_\_ no later than \_\_\_\_\_. If you have questions, you may call the Claims Administrator at 1-844-551-1720 For more information, see <http://www.lecordonbleuportlandlawsuit.com/>.**

**WESTERN CULINARY INSTITUTE/LE CORDON BLEU  
PORTLAND/CAREER EDUCATION CORPORATION CLASS  
ACTION SETTLEMENT**

**THE DEADLINE IS NEAR. HAVE YOU ACTED?**

As of the mailing of this notice, we have not received your claim for the Class Action Settlement in the following lawsuit: *Nathan Surrett, et al. v. Western Culinary Institute, et al.*, Multnomah County Circuit Court No. 0803-03530.

If you want a payment from the Settlement Fund we must **receive** your Claim Form by **12:00 midnight on Month Day, 2018**.

**IF WE DO NOT RECEIVE YOUR CLAIM BY 12:00 MIDNIGHT ON Month Day, 2018 THEN:** (1) Your rights to bring claims against Western Culinary Institute and Career Education Corporation will be lost; and (2) you will not be eligible to receive any compensation as a result of the Settlement.

If you do not have your pre-filled Claim Form—which includes the amount you will receive in the Settlement—or are confused by this notice, go to [www.XXXXXXXXXX.com](http://www.XXXXXXXXXX.com) to get your claim form or call 1-XXX-XXX-XXXX. You can also submit your claim online. Claim forms can also be emailed to \_\_\_\_\_ or mailed to:

Surrett Claims  
PO Box XXX-XXXX  
Portland, OR 97XXX

***If you are reading this on or close to Month Day, 2018, you should submit your claim online or email it to ensure it is received by the deadline.***

**If you have questions, call 1-XXX-XXX-XXXX**

**WESTERN CULINARY INSTITUTE/LE CORDON BLEU-  
PORTLAND/CAREER EDUCATION CORPORATION ARBITRATIONS**

**THE DEADLINE IS NEAR. HAVE YOU ACTED?**

Several years ago you were notified that you were a class member in a class action lawsuit against Western Culinary Instituted, Le Cordon Bleu North America, and Career Education Corporation ("Defendants"). In January 2018, you were sent a notice that if you intend to pursue any claims against the Defendants, you must pursue through arbitration and not the class action lawsuit. This is an important reminder: **if you want to pursue any claims against Defendants, you must do so individually in arbitration. The deadline for filing an arbitration was six months from when you received the notice.** If you have already filed an arbitration, you can ignore this notice.

It has now been almost six months since you received the Arbitration Notice. **If you do not file an arbitration by the six-month deadline, the Court will dismiss your claim finally and you could lose any right you may have to bring a claim for money against the Defendants.**

The Court recommends that you seek legal advice about the nature and timing of making your claim in arbitration, and you should feel free to consult with one of your choosing.

David Sugerman, who is lead counsel for the class action against the School and Career Education Corporation, and other lawyers working with him, may be able to represent you. You can find out more information by contacting them at <https://LCBPortland.claims>.

You can also contact the Oregon State Bar lawyer referral service to find an attorney to represent you at <https://www.OSBar.org/public/ris/>, or you can hire any attorney on your own.

A copy of the full Arbitration Notice is included with this reminder.

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3  
4 IN THE CIRCUIT COURT FOR THE STATE OF OREGON  
5 FOR THE COUNTY OF MULTNOMAH  
6

7 NATHAN SURRETT, individually and on  
8 behalf of all other similarly situated  
9 individuals, and on behalf of herself only,  
JENNIFER ADAMS f/k/a JENNIFER  
SCHUSTER,

10 Plaintiffs,

11 v.

12 WESTERN CULINARY INSTITUTE,  
13 LTD; LE CORDON BLEU NORTH  
14 AMERICA, INC.; and CAREER  
EDUCATION CORPORATION,

15 Defendants.  
16

Case No. 0803-03530

**FINAL APPROVAL ORDER**

17 On \_\_\_\_\_, this Court held a hearing on the parties' application for  
18 final approval of the Settlement in this pending class action litigation (the "Action"), in  
19 accordance with the Settlement Agreement and Release dated \_\_\_\_\_ (the  
20 "Agreement"). Due and adequate notice having been given to the "Settlement Subclass" (as  
21 defined in Paragraph 5 of this Order and the Agreement) pursuant to the Preliminary  
22 Approval/Notice Order and pursuant to ORCP 32 D, and this Court having considered the  
23 Settlement, all papers filed and proceedings held herein and all oral and written comments  
24 received and permitted by this Court regarding the Settlement in accordance with the Preliminary  
25 Approval/Notice Order, including any objections to the Settlement by any Settlement Subclass  
26

1 Member in accordance with such Preliminary Approval/Notice Order, and having reviewed the  
2 entire record in the Action, and good cause appearing,

3 IT IS HEREBY ORDERED that:

4 1. Except as otherwise noted, this Court, for purposes of this Final Approval Order  
5 (“Order”), adopts all defined terms set forth in the Agreement, and incorporates them by  
6 reference as if fully set forth herein and having the full force and effect of an Order of this Court.

7 2. This Court has jurisdiction over the subject matter of this action, Adams, the  
8 Class Representative, the Settlement Subclass Members, and the Defendants.

9 3. This Order and the limited judgment issued pursuant to Paragraph 11 of this  
10 Order (the “Limited Judgment”) is binding upon the Class Representative, Adams and all  
11 Settlement Subclass Members, other than those who have filed timely and valid requests for  
12 exclusion from the class.

13 4. This Court previously certified the following class in this Action:

14 All current and former students who enrolled at Western Culinary  
15 Institute—now known as Le Cordon Bleu College of Culinary Arts  
16 in Portland—on or after March 5, 2006 (up to and including March  
17 1, 2010), who attended Western Culinary Institute/Le Cordon Bleu  
18 College of Culinary Arts in Portland on or after March 5, 2006 (up  
19 to and including March 1, 2010), and who made tuition payments  
20 or incurred financial obligations, excluding where applicable all  
21 officers and directors of defendants, attorneys for the class, any  
22 judge or juror who sits on the case, and any student who did not  
23 continue his or her studies due to academic ineligibility.

24 5. The Settlement resolves the claims of the Class Representative, Adams and the  
25 Settlement Subclass, as defined by the Agreement, which consists of those class members who  
26 are not part of the Arbitration Group and therefore are not required to arbitrate their claims under  
the Oregon Court of Appeals ruling in this case, *Gozzi v. Western Culinary Institute, Ltd.*, 276 Or  
App 1, 366 P3d 743, *modified and adh’d to on recons*, 227 Or App 384, 371 P3d 1222 (2016).

1           6.       This Court finds that the Agreement reflects a good-faith settlement of the claims  
2 of Adams, the Class Representative and the Settlement Subclass, reached voluntarily after  
3 consultation with experienced legal counsel and as the result of extensive arm's length  
4 negotiations.

5           7.       Pursuant to and in accordance with the requirements of ORCP 32 D, this Court  
6 finally approves all terms of the Settlement in this action as set forth in the Agreement, including  
7 specifically, without limitation, the settlement consideration, each of the releases set forth  
8 therein, and the dismissal with prejudice of all the Released Claims against the Released Parties,  
9 as fair, just, reasonable and adequate as to the Parties.

10          8.       This Court hereby awards \$\_\_\_\_\_ in attorney's fees and \$\_\_\_\_\_ in out-  
11 of-pocket costs to Class Counsel and the payment of \$\_\_\_\_\_ each to Class Representative  
12 Nathan Surret and former named plaintiff Jennifer Adams. To date, Class Counsel have not  
13 received any payment for their services in conducting this Action on behalf of the Class  
14 Representative and the class, nor have Class Counsel been reimbursed by any class members for  
15 their out-of-pocket expenses. Class members are not personally liable for any fees, expenses and  
16 awards.

17          9.       This Court finds that the distribution of the Notice of Settlement was effected in  
18 accordance with the Preliminary Approval/Notice Order, dated \_\_\_\_\_, was made  
19 pursuant to ORCP 32 D, and fully met the requirements of the Oregon Rules of Civil Procedure,  
20 due process, the United States Constitution, the Oregon Constitution, and any other applicable  
21 law.

22          10.       This Court hereby orders the Parties and the Claims Administrator to administer  
23 the claims procedures and make Settlement payments in accordance with the terms of the  
24 Agreement.



1           11.     This Court hereby dismisses the claims of the Class Representative, Adams, and  
2     the Settlement Subclass alleged in the Seventh Amended Complaint on the merits and with  
3     prejudice and authorizes the entry of the Limited Judgment against the Settlement Subclass.

4           12.     This Court hereby bars and permanently enjoins the Class Representative (and his  
5     Related Parties), Adams (and her Related Parties), and all members of the Settlement Subclass  
6     (and their Related parties), other than those Settlement Subclass Members who have timely and  
7     validly requested exclusion from the Class, from asserting and/or prosecuting directly,  
8     representatively, or in any other capacity any of the Released Claims against the Released  
9     Parties.

10          13.     This Court hereby orders that (a) the Class Representative and Adams (and their  
11     Related Parties), without any further action, have fully, finally, and forever released,  
12     relinquished, and discharged all of the Released Parties from the Released Claims, and, without  
13     limiting the breadth of the foregoing, (b) the members of the Settlement Subclass (and their  
14     Related Parties) (except as to any individual claim of those members of the Settlement Subclass  
15     who timely and validly requested exclusion from the class), regardless of whether any such  
16     Settlement Subclass member receives any monetary compensation from the Settlement, and/or  
17     executes and delivers the Claim Form and Release, on behalf of themselves and their Related  
18     Parties, have fully, finally, and forever released, relinquished, and discharged all of the Released  
19     Parties from the Released Claims.

20          14.     This Court hereby orders Defendants, Adams, and the Class Representative, on  
21     behalf of himself and the Settlement Subclass, to assume their respective attorney's fees, costs,  
22     and other expenses incurred in connection with the Action, except as provided in Paragraph \_\_  
23     above.

24          15.     This Order does not constitute an expression by this Court of any opinion,  
25     position, or determination as to the merit or lack of merit of any of the claims or defenses of the  
26     Class Representative, Adams, the Settlement Subclass, or the Defendants. The case has been

1 settled on a compromise basis, without a determination of the merits. Neither this Order, the  
2 Limited Judgment, nor the Agreement is an admission or indication by the Defendants of the  
3 validity of any claims in this action or of any liability or wrongdoing or any violation of law.

4 16. The Settlement shall have no precedential, collateral estoppel, or *res judicata*  
5 effect upon Defendants (or their respective Related Parties) in any matter or proceeding other  
6 than (a) this action and/or (b) a proceeding involving an effort to enforce the Settlement,  
7 including, but not limited to, an effort to enforce the release of Released Claims.

8 17. The Agreement shall not be offered or admitted into evidence and the Settlement  
9 shall not be or referred to in any way (orally or in writing) in any action, arbitration, or other  
10 proceeding, except as allowed by Rule 408 of the Oregon Evidence Code, and specifically  
11 excepting the Lawsuit and/or a proceeding involving an effort to enforce the Settlement,  
12 including, but not limited to, an effort to enforce the release of the Released Claims, as well as  
13 reference to the Settlement in any SEC disclosure.

14 18. This Court shall retain continuing and exclusive jurisdiction to enforce the terms  
15 of the Agreement and the claims procedure set out therein.  
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22  
23 Presented By:

24 Stephen F. English, OSB No. 730843  
25 **PERKINS COIE LLP**  
26 Attorney for Defendants  
Western Culinary Institute, Ltd. and  
Career Education Corporation

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4 IN THE CIRCUIT COURT FOR THE STATE OF OREGON  
5 FOR THE COUNTY OF MULTNOMAH  
6

7 NATHAN SURRETT, individually and on  
8 behalf of all other similarly situated  
9 individuals, and on behalf of herself only,  
JENNIFER ADAMS f/k/a JENNIFER  
SCHUSTER,

10 Plaintiffs,

11 v.

12 WESTERN CULINARY INSTITUTE,  
13 LTD; LE CORDON BLEU NORTH  
14 AMERICA, INC.; and CAREER  
EDUCATION CORPORATION,

15 Defendants.  
16

Case No. 0803-03530

**LIMITED JUDGMENT**

17 **LIMITED JUDGMENT**

18 WHEREAS, Plaintiffs Nathan Surret and Jennifer Adams filed a complaint against  
19 Defendants Western Culinary Institute, Ltd.; Le Cordon Bleu North America, Inc.; and Career  
20 Education Corporation (collectively, "Defendants") in this pending class action litigation (the  
21 "Action"), on behalf of themselves and a class of certain former Le Cordon Bleu Portland  
22 students;

23 WHEREAS, Plaintiffs and certain class members agreed to a settlement of all claims  
24 against Defendants, in accordance with a Settlement Agreement dated February 2, 2018 (the  
25 "Agreement"), and this Court entered an order finally approving the settlement on  
26 \_\_\_\_\_ (the "Final Approval Order");

1 WHEREAS, the Order requires the Court to dismiss, with prejudice the claims of  
2 Plaintiffs Nathan Surrett, Jennifer Adams, and the "Settlement Subclass," as defined by the Final  
3 Approval Order, from this Action;

4 WHEREAS, all class members who opted out of the class or the Agreement, who are  
5 listed in Exhibit 1 to this Limited Judgment, are not included in the Settlement Subclass and  
6 therefore not subject to this Limited Judgment;

7 WHEREAS, pursuant to ORCP 32 D, the Order authorizes entry of a Limited Judgment  
8 dismissing, with prejudice, the claims of Plaintiffs Nathan Surrett, Jennifer Adams, and the  
9 Settlement Subclass;

10 NOW, THEREFORE, it is hereby ordered, adjudged and declared that the Action shall  
11 be, and hereby is, dismissed with prejudice as to Plaintiffs Nathan Surrett, Jennifer Adams, and  
12 the Settlement Subclass and without costs, disbursements, or attorney's fees to any party except  
13 as set out in the Final Approval Order.

14 DATED this \_\_\_\_ day of \_\_\_\_\_, 2018.  
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21

22  
23 Submitted By:  
24 Stephen F. English, OSB No. 1730843  
25 **Perkins Coie LLP**  
26 Attorney for Defendants  
Western Culinary Institute, Ltd. and  
Career Education Corporation

1 **CERTIFICATE OF READINESS**

2 **Pursuant to UTCR 5.100**

3 The submission is ready for judicial signature because:

4 ☐ 1. Each opposing party affected by this order or judgment has stipulated to the order  
5 or judgment, as shown by each opposing party's signature on the document being submitted.

6 ☐ 2. Each opposing party affected by this order or judgment has approved the order or  
7 judgment, as shown by signature on the document being submitted or by written confirmation or  
8 approval sent to me.

9 ☐ 3. I have served a copy of this order or judgment on all parties entitled to service and:

10 ☐ a. No objection has been served on me.

11 ☐ b. I received objections that I could not resolve with the opposing party  
12 despite reasonable efforts to do so. I have filed a copy of the objections I  
13 received and indicated which objections remain unresolved.

14 ☐ c. After conferring about objections \_\_(opposing party)\_\_ agreed to  
15 independently file any remaining objection.

16 ☐ 4. The relief sought is against an opposing party who has been found in default.

17 ☐ 5. An order of default is being requested with this proposed judgment.

18 ☐ 6. Service is not required pursuant to subsection (3) of this rule, or by statute, rule or  
19 otherwise.

20 ☐ 7. This is a proposed judgment that includes an award of punitive damages and notice  
21 has been served on the Director of the Crime Victims' Assistance Section as required by  
22 subsection (4) of this rule.

23 DATED: February 2, 2018

**PERKINS COIE LLP**

24 By: *s/ Stephen F. English*

25 Stephen F. English, OSB No. 730843  
*Attorney for Defendants*

1 **CERTIFICATE OF SERVICE**

2 The undersigned hereby certifies under penalty of perjury under the laws of the State of  
3 Oregon that, on February 2, 2018, they caused to be served on the person(s) listed below a true  
4 copy of the **LIMITED JUDGMENT** in the manner shown:

5 David F. Sugerman  
6 David F. Sugerman Attorney PC  
7 707 SW Washington Street, Suite 600  
Portland, OR 97205

Tim Alan Quenelle  
Tim Quenelle PC  
4800 SW Meadows Rd. #300  
Lake Oswego, OR 97035

*Attorneys for Plaintiff Adams*

8 Amy Johnson  
9 Amy Johnson Attorney-at-Law  
5836 SE Madison St.  
Portland, OR 97215

10 *Attorneys for Plaintiff Surret and the*  
11 *Class*

12 ☒ By eFiling

13 ☒ By Email

14 DATED: February 2, 2018

**PERKINS COIE LLP**

By: s/ Stephen F. English

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Facsimile: (503) 727-2222

*Attorneys for Defendants*  
*Western Culinary Institute, Ltd., Le Cordon*  
*Bleu North America, LLC, and Career*  
*Education Corporation*

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