



Attorney General Doug Peterson

News Release

FOR IMMEDIATE RELEASE
January 9, 2019

For-profit education company to forgo collecting loans, change practices in agreement with Nebraska Attorney General and 48 Other AGs

Settlement will bring \$493.7 million in debt relief for CEC students

LINCOLN – For-profit education company Career Education Corp. (CEC) has agreed to reform its recruiting and enrollment practices and forgo collecting approximately \$493.7 million in debts owed by 179,529 students nationally, in a settlement with Nebraska Attorney General Doug Peterson and 48 other attorneys general.

The Assurance of Voluntary Compliance filed Thursday caps a five-year investigation.

According to General Peterson, “This settlement will provide over \$660,000 worth of debt relief to more than 300 Nebraska students. It is an effective example of the work that can be done by state attorneys general in protecting American students and their families from institutions that put profits ahead of people.”

CEC agrees to forgo all efforts to collect amounts owed to CEC by students who either attended a CEC institution that closed before January 1, 2019, or whose final day of attendance at AIU or CTU occurred on or before December 31, 2013. Eligible students must reside in one of the participating states. In Nebraska, 370 students will see relief of approximately \$665,400.

CEC has also agreed to pay \$5 million to the states. Nebraska’s share will be \$75,000.

CEC is based in Schaumburg, Illinois, and currently offers primarily online courses through American InterContinental University and Colorado Technical University.

CEC has closed or phased out many of its schools over the past 10 years. Its brands have included Briarcliffe College, Brooks Institute, Brown College, Harrington College of Design, International Academy of Design & Technology, Le Cordon Bleu, Missouri College, and Sanford-Brown.

A group of attorneys general launched an investigation into CEC in January 2014 after receiving several complaints from students and a critical report on for-profit education by the U.S. Senate's Health, Education, Labor and Pensions Committee.

The attorneys general alleged that CEC pressured its employees to enroll students and engaged in unfair and deceptive practices. These practices included making misleading statements or failing to disclose information to prospective students on total costs, transferability of credits, program offerings, job placement rates, and other topics.

As a result, some students could not obtain professional licensure and incurred debts that they could not repay nor discharge.

CEC denied the allegations of the attorneys general but agreed to resolve the claims through this multi-state settlement. The states participating in the settlement include Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia.

Former students with debt relief eligibility questions can [contact CEC](#).

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Please click the link to find court documents: <https://bit.ly/2H0Vn7t>

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IN THE DISTRICT COURT OF LANCASTER COUNTY, NEBRASKA

STATE OF NEBRASKA, ex rel.)	CI 19- <u>13</u>
DOUGLAS J. PETERSON,)	
ATTORNEY GENERAL,)	
)	ORDER APPROVING
Plaintiff,)	ASSURANCE OF
)	VOLUNTARY COMPLIANCE
v.)	
)	
CAREER EDUCATION)	
CORPORATION,)	
and)	
AMERICAN)	
INTERCONTINENTAL)	
UNIVERSITY, INC.,)	
and)	
COLORADO TECHNICAL)	
UNIVERSITY, INC.)	
)	
Defendants.)	

NOW, this matter comes before the Court on the Application for Approval of Assurance of Voluntary Compliance; the underlying, incorporated, and attached Assurance of Voluntary Compliance executed by and between the State of Nebraska and Career Education Corporation, American Intercontinental University, Inc. and Colorado Technical University, Inc.; and the Consent to Entry of Order Approving Assurance of Voluntary Compliance (“Consent”) executed by the Defendants filed contemporaneously therewith.

The State of Nebraska ex rel. Douglas J. Peterson, Attorney General, is represented by Assistant Attorney General Meghan E. Stoppel. The Defendants are represented by Cheri L. MacArthur of Cozen O'Connor.

The Court, having considered the above-described Application, Assurance, and Consent, executed pursuant to the Nebraska Consumer Protection Act, Neb. Rev. Stat. § 59-1601 et seq. ("Consumer Protection Act"), and the Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-301 et seq. ("Uniform Deceptive Trade Practices Act"), and being duly advised finds as follows:

1. The aforesaid Assurance will adequately protect the public interest as expressed in the Consumer Protection Act and the Uniform Deceptive Trade Practices Act.
2. Defendants have voluntarily consented to the jurisdiction of the Court and to the entry of this Order.
3. Pursuant to the Assurance of Voluntary Compliance, Defendants shall abide by the terms of the Assurance of Voluntary Compliance, which include but are not limited to, making a payment of seventy-five thousand dollars (\$75,000.00) to the State of Nebraska to be placed in the State Settlement Cash fund.

Defendants further waive their right to appear before the Court and agree that an Order approving the Assurance of Voluntary Compliance may be entered by the Court.

DATED this ____ day of January, 2019.

January 8, 2019

BY THE COURT:

BY THE COURT:



John A. Colborn
District Court Judge

Lancaster County District Court Judge

Prepared and Submitted By:



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