

**STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS**

IN THE INVESTIGATION OF:

Case No. L10-3-1194

**KIMC Investments, Inc., d/b/a MedVance Institute,
KIMC Atlantis, LLC d/b/a MedVance Institute,
KIMC Delray, LLC d/b/a MedVance Institute,
KIMC Port St. Lucie, LLC d/b/a MedVance Institute,
KIMC South Miami, LLC d/b/a MedVance Institute,
KIMC Fort Lauderdale, LLC d/b/a MedVance Institute
of Ft. Lauderdale, KIMC Orlando LLC,**

Respondents

ASSURANCE OF VOLUNTARY COMPLIANCE

PURSUANT to the provisions of Chapter 501, Part II of the Florida Statutes, Florida’s Deceptive and Unfair Trade Practices Act, the OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS (hereinafter referred to as the “Department”), conducted an investigation into the business practices of KIMC Investments, Inc., a Delaware corporation, and affiliated entities KIMC Atlantis, LLC d/b/a MedVance Institute, KIMC Delray, LLC d/b/a MedVance Institute, KIMC Port St. Lucie, LLC d/b/a MedVance Institute, KIMC South Miami, LLC d/b/a MedVance Institute, KIMC Fort Lauderdale, LLC d/b/a MedVance Institute of Ft. Lauderdale, and KIMC Orlando LLC (collectively “Respondents”). The investigation relates only to campuses that Respondents operate in the State of Florida (collectively, the “MedVance Florida campuses”).

Respondents are prepared to enter into this Assurance of Voluntary Compliance (hereafter referred to as the “AVC”) without an admission that Respondents have violated Florida’s Deceptive and Unfair Trade Practices Act, or any other law, and only for the purpose of resolution of this matter with the Department.

The Department, by and through the undersigned Associate Deputy Attorney General, accepts this AVC and agrees to the termination of this investigation as set out in the terms of this AVC as to Respondents only, pursuant to Section 501.207(6), Florida Statutes, and by virtue of the authority vested in the Department by said statute.

I. BACKGROUND

The Department and Respondents hereby agree and stipulate to the following:

1. Respondents are in the business of offering and providing career training and educational programs in the health services fields at the MedVance Florida campuses.

2. It is agreed by the parties that the Department has jurisdiction over the Respondents for the purpose of entering into this AVC and in any action by the Department to enforce this AVC.

3. The Department has investigated allegations that Respondents made certain misrepresentations, misleading statements or otherwise omitted or failed to disclose material information in connection with marketing and selling its schools and programs to prospective students in violation of Florida Statutes Section 501.201 et seq. The Department acknowledges that the Respondents have cooperated in the investigation.

4. As set forth in more detail in Section IV, Respondents make no admission that they engaged in any wrongdoing or committed any violation of Florida Statute 501, Part II, or any other law, rule or regulation. This AVC contains neither findings of fact nor conclusions of law.

5. Respondents and the Department desire to resolve all issues arising during the course of this investigation or that gave rise to this investigation.

II. TERMS

6. Respondents agree to comply, or to continue to comply, in all material respects with the voluntary injunctive relief set forth in this Section II. The Department acknowledges that to the extent the injunctive relief set forth in this Section is conduct regulated by other state and federal agencies and the applicable state or federal regulations are modified after the effective date of this AVC to expressly authorize or to prohibit any of the agreed-upon conduct, the Department will not seek to enforce any provisions of this AVC that conflict with the modified state or federal regulations. Respondents' agreement hereunder shall not be construed as an admission of any violation or past practices.

7. The terms used herein shall have the following meanings:

a. **"Make readily available"** shall mean providing the requested information to the consumer in a reasonably accessible format, which may include telephonically, via email, via

website, or through any other communication method through which Respondents regularly communicate with consumers;

b. **“Clear and conspicuous”** (including “clearly and conspicuously” and any derivative thereof) shall have the following meaning: a statement, representation, claim, disclosure or term being conveyed shall be presented in a way that a reasonable consumer will, with reasonable effort, notice and understand the statement, representation, claim, disclosure or term. The following, without limitation, shall be considered in determining whether a statement, claim, term, or representation is clear and conspicuous:

i. whether it is of sufficient prominence in terms of font, size, placement, color, contrast, duration of appearance, sound and speed, as compared with accompanying statements, claims, terms or representations so that it is readily noticeable (or, for a website, available) and understandable, and available to be read by the person to whom it is directed; and if written or conveyed electronically, that it is not buried in unrelated information or placed on the page in a manner, or location, where a reasonable person would not think it important to read;

ii. whether it is presented to the person(s) to whom it is directed in a coherent and meaningful sequence with respect to other terms, representations, claims, or statements being conveyed;

iii. whether it is in close proximity to the statement, representation, claim, or term it clarifies, modifies, explains, or to which it otherwise relates;

iv. whether it contradicts or renders substantially confusing any other information with which it is presented;

v. whether, if it is oral, it is understandable to a reasonable consumer;

vi. whether, if it is oral or visual, it appears for a duration sufficient to allow listeners or viewers to have a reasonable opportunity to notice, read, or otherwise understand;

vii. whether the language and terms used may be reasonably understood by the consumer in the context in which they are used;

viii. whether it is presented in such a way as to be free of significant distractions caused or authorized by Respondent, including but not limited to sound, graphics, text or other offers that are likely to significantly distract the attention of the

consumer;

ix. whether, in advertising on the Internet, it is made on the same page as any other term, statement, claim or representation that it modifies, and above the fold (i.e., before unrelated materials or advertisements) except to the extent the format or placement is expressly mandated by a federal or state regulatory agency, or an accrediting body; and

x. whether the disclosure, term, condition or representation appears on the Internet on a co-registration order path in which numerous offers for various goods and services are represented to be free, and the consumer is required to accept a certain number of offers.

Any statement, disclosure, term, claim or representation that uses a narrative required by a governmental agency or federally recognized accrediting body is presumed to meet the standard of "Clear and Conspicuous," which prima facie presumption may be rebutted upon sufficient showing.

8. Respondents shall, and shall require their representatives, agents, employees, successors, assigns, independent contractors or any other person who acts under, by, through, or on behalf of Respondents, directly or indirectly, or through any corporate or other device, to:

a. Comply with the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes;

b. Make readily available true and accurate information regarding the following in response to any consumer inquiry:

i. the price and all costs (including tuition, books, and any other fees or costs) associated with completion of any program, degree, or certificate offered by Respondents promptly upon request from any consumer;

ii. any prerequisites or requirements for admission to the school or program;

iii. the content, length, availability, currently scheduled or projected start dates, and the frequency of Respondents' programs, including whether or not Respondents offer the specific program for which a consumer inquires, which campus(es), if any, offer the requested program, and any suggestions of alternate programs must truthfully disclose the material distinctions between the alternate program and the program being sought by the consumer;

iv. the most recently reported graduation or retention rates, as applicable, and

placement rates for the programs offered at the MedVance Florida campuses for the time frame required by the accrediting agencies that accredit each of the MedVance Florida campuses or programs; and

v. the scope and nature of career services assistance that Respondents provide, including specifically the type of job placement services (if any) provided to students including on-campus interviewing, resume forwarding, or job-matching programs.

c. Clearly and conspicuously disclose to each prospective student prior to enrollment the following information:

i. the nature and source of Respondents' accreditation as an institution and whether the specific program or school at issue is separately accredited;

ii. any applicable license or certification requirements for employment in the field pertaining to programs selected by the consumer, including whether the program is a certificate or degree program, any license or certification exams for which the graduate will be eligible to sit upon graduation, the cost of the exam, and whether the cost of the exam is included in the price of the program, which information shall be updated at least annually as to any third party requirements or information; and

iii. the availability and process for applying for financial aid and the extent and nature of financial assistance including repayment obligations in the event of lack of satisfactory academic progress or failure to complete the course(s).

d. Provide that all admissions and financial aid representatives of Respondents are specifically trained and routinely monitored to ensure that the admissions representatives comply with the following:

i. Representatives shall not represent that any school or program is "fully accredited" or that the accreditation indicates compliance with standards other than as expressly required by the accrediting agency;

ii. Representatives shall not represent that Respondents' schools or programs are equivalent or similar to any other school or program on the basis of a similar accreditation;

iii. Representatives shall not represent that a "recommendation" or "interview" is required for acceptance into a program or that the admissions

representative must recommend the consumer for acceptance prior to admission unless such requirement is expressly stated in the catalogue;

iv. Representatives shall not represent or impose false and/or arbitrary deadlines for prospective students to complete any paperwork or process in connection with enrollment or financial aid, and shall not require prospective students to enroll in the next or near term or semester if the prospective student would be eligible to enroll in the same course or program within the next six months;

v. Representatives shall not represent or require that the consumer visit the campus or attend an interview prior to receiving information required to be disclosed per paragraphs 8(b) or 8(c) herein or represent or require that the consumer enroll or sign an enrollment agreement prior to receiving an estimate of financial aid eligibility;

vi. Representatives shall not represent that federal grants are “free money” or that any federal financial aid does not have to be repaid, without clearly and conspicuously disclosing that repayment of the grants and/or loans may be required if satisfactory academic progress is not maintained or the student does not complete the applicable course(s);

vii. Representatives shall not represent that a program is in “high demand” or has limited availability/seats unless a maximum capacity actually exists for the course (or for every such class, if more than one class of the course is offered in a particular term), degree or program, which is more than 90% filled already, and an equivalent or alternative offering (*i.e.*, an alternative start date within the next 90 days) does not exist; and

viii. Representatives shall clearly and conspicuously disclose that MedVance credits are not likely to be accepted by any other education institutional and that acceptance of credits or degrees is determined solely by the receiving institution (except in the case of an existing articulation agreement) and Respondents shall provide mechanisms for the evaluation of incoming credit transfer to be promptly and finally determined by Respondents prior to any enrollment or financial obligation being incurred by the consumer.

9. In addition, Respondents shall cause the following policies to be promptly implemented to the extent not already in place:

a. If and to the extent any error, omission, failure, delay, or other action by Respondents causes a student to receive less than the federal financial aid requested by the student and for which Respondents determined the student would otherwise be eligible (other than Respondents' action to correct inaccurate information submitted by the student or to update the status or information due to events subsequent to the applicable FAFSA application), Respondents shall promptly notify the student and shall (a) credit the student's account in the amount of any portion of grants not received and (b) offer the student a school loan in materially similar financial terms as any subsidized or unsubsidized loans not received which would otherwise have been available;

b. Within five (5) business days of any request by a student, including via telephonic, written, or electronic communication, to withdraw from school or drop a course or program. Respondents shall confirm to the student the effective date of the withdrawal or drop and shall effectuate the requested drop and/or withdrawal of the student as of the last date of attendance in accordance with all applicable state or federal regulations.

c. Standards, formulas, matrices or other basis for compensation of employees responsible for admissions or financial aid (whether staff or management) shall not include, either as a factor or as a prerequisite, quotas or numerical standards as to student enrollment or retention; and

d. Continue to provide sufficient financial aid staffing and resources such that Respondents make reasonable efforts to provide a substantive response (*i.e.*, non-automated and material factual response to the question posed) to telephone messages or calls from a current or prospective student regarding financial aid within five (5) business days of the request; to the extent the recipient of the request is on scheduled leave or extended absence, notice shall be provided to the inquiring consumer of alternate personnel to whom the request can be directed in order to receive a timely response.

III. ADDITIONAL RELIEF

10. Respondents agree to provide retraining as follows:

a. Definitions

i. "Retraining Eligible Students" as used herein shall mean every student in the State of Florida who attended a Retraining Eligible Program at one of the MedVance Florida campuses during the Relevant Period and (a)(i) certifies that he or she withdrew

from school for the primary reason that he or she was dissatisfied with the services being provided via submission of a completed copy of Appendix A, and (a)(ii) did not withdraw after the Relevant Period or due to disciplinary violation(s), failure or inability to attend class, budgetary issues, health or family issues, childcare issues, transportation issues, relocation, schedule conflicts, imprisonment, pregnancy, military service, academic failure (including failure to meet satisfactory academic progress standards) or eligibility for unemployment benefits or receipt of other government support, as established by MedVance's existing academic, financial aid, placement, or other student information system records; or (b) completed the course or program prior to the effective date of this AVC and certifies via submission of a completed copy of Appendix A that despite reasonable good faith efforts to seek employment in the field for which he or she received training at Respondents' institutions, he or she has been unable to obtain employment in the field in which training was received at Respondents' institutions and such certification is not factually refuted by MedVance's existing academic, financial aid, placement, or other student information system records.

ii. "Retraining Eligible Programs" as used herein shall mean all programs of Respondents at the MedVance Florida campuses during the Relevant Period for which the placement rate for the applicable cohort was less than 70% as set forth in the records provided by MedVance to its accrediting agencies, and such other programs as agreed to by the parties, as summarized by MedVance to the Department within 30 days of the effective date of this AVC.

iii. "Relevant Period" as used herein shall mean from January 1, 2008 through March 31, 2012.

iv. "Voucher Amount" as used herein shall mean the total tuition charges, technology fees, book charges, and any other fees charged to the respective Retraining Eligible Student in connection with his/her enrollment and/or attendance in any course or program at a MedVance Florida campus during the Relevant Period which amounts were not fully refunded or waived.

b. Vouchers

i. Each Retraining Eligible Student will receive from Respondents a voucher in the applicable Voucher Amount for that student, which voucher may be applied to any

tuition charges or other fees associated with attending any course or program of Respondents for which the consumer meets all regularly applicable admissions requirements. Each voucher may be redeemed only by the Retraining Eligible Student.

ii. Within 60 days of the effective date of this AVC, Respondents shall use good faith efforts and all reasonable commercial means to individually notify all Retraining Eligible Students of the availability of the vouchers via the form attached at Appendix A. Retraining Eligible Students may redeem the vouchers for enrollment in programs commencing between September 15, 2012 and September 15, 2013.

iii. If a Retraining Eligible Student timely redeems the voucher, the voucher will be credited to the student's account (including, if appropriate, a credit balance to be applied toward future tuition) and shall be effective to offset any tuition or fees otherwise chargeable to the student's account.

iv. A Retraining Eligible Student may redeem his or her voucher only once and may not use the voucher to re-enter school in a different program after withdrawing from a retraining program commenced pursuant to this AVC. Respondents will respect any documented leaves of absence in accordance with published policies.

v. A Retraining Eligible Student who requests a voucher will be required to release the Respondents from any liability for any actions related to their prior enrollment.

vi. Respondents shall provide the Department with updates on a quarterly basis as to voucher redemption commencing thirty (30) calendar days after the effective date of this AVC and continuing for twelve (12) months, which reports shall detail Respondents' compliance with the obligations set forth in Paragraph 10 herein.

11. Scholarship Donation. Respondents shall donate the amount of \$600,000 (six hundred thousand dollars) to the scholarship fund(s) designated by the Department ("Scholarship Fund"), which shall be divided equally between the Scholarships for Children and Spouses of Deceased or Disabled Veterans and Servicemembers, the Florida Bright Futures Scholarship fund and/or the Florida Public Postsecondary Career Education Students Assistance Grant Program, provided such scholarship fund provides the student with the opportunity to attend the educational institution of their choice, including private non-profit, private for-profit, and public institutions. Respondents shall pay this obligation on or before August 1, 2012 and the payment

shall be made payable as the Department may instruct to René D. Harrod, Assistant Attorney General, 110 SE 6th Street, 10th Floor, Ft. Lauderdale, Florida 33301.

12. Attorneys' Fees and Investigative Costs. The parties agree that Respondents shall contribute \$250,000 (two hundred and fifty thousand dollars) to the State of Florida, Office of the Attorney General, Department of Legal Affairs, pursuant to Section 501.2105, Florida Statutes, in payment of all attorneys' fees, costs and investigative fees regarding this investigation and toward enforcement of this AVC and future investigative expenses. Respondents shall submit such payment to René D. Harrod simultaneously with the original AVC executed by authorized representatives of Respondents. Payments due hereunder shall be made by cashier's check or other certified funds payable to Department of Legal Affairs Revolving Trust Fund.

13. Expedited Arbitration. Respondents' current arbitration agreements with consumers are governed by the rules of the American Arbitration Association ("AAA"), which in turn applies its consumer-related rules to consumer arbitrations including that the consumer's responsibility to pay fees or costs under Section C-8 of the AAA Supplementary Procedures for Consumer-Related Disputes ("Supplementary Procedures") to the AAA (or the appointed arbitrator). Under these provisions the consumer is required to pay no more than \$125.00 for claims under \$10,000 and \$375.00 for claims between \$10,000 and \$75,000. As part of this AVC, Respondents agree to modify their arbitration provisions within a reasonable period of time not to exceed 180 days from the date of this AVC to provide that, in the event of an arbitration proceeding filed by a student against Respondents, the student's responsibility to pay fees or costs to the AAA (or the appointed arbitrator) under the Supplementary Procedures is limited to \$100.00 for claims for monetary damages up to \$75,000, which fees shall be paid by the student pursuant to Section C-2 of the Supplementary Procedures. Respondents also have agreed to continue to submit any arbitration proceeding filed by a student against MedVance to resolution under the Supplementary Procedures if eligible thereunder. In addition, any student enrolled in a program or class or who otherwise incurred tuition charges at a MedVance Florida campus for the Relevant Period who has as of the effective date of this AVC filed a complaint with the Department or with the Respondents or who has filed a civil complaint for monetary or injunctive relief against Respondents relating to the student's enrollment with or attendance at a MedVance Florida campus as noted in Appendix B ("Expedited Arbitration Eligible Student")

may participate in an Expedited Arbitration Process as follows:

- a. The AAA Consumer Due Process Protocol and the AAA Consumer Related Disputes Supplementary Procedures shall apply except as set forth herein.
- b. Respondents, with the assistance of the Department, will identify each Expedited Arbitration Eligible Student who is not a plaintiff in a civil action pending against Respondents, and the Respondents shall communicate with said students within 30 days of the effective date of this AVC regarding the potential availability of an Expedited Arbitration Process. The notification shall include an “Intent to Participate/Claim Form” in the form of Appendix C which shall include a waiver of the right to seek additional relief in a court of law. In the case of any Arbitration Eligible Student who is a plaintiff in a civil action pending against Respondent, within 30 days of the effective date of this AVC, the Department shall communicate with student’s counsel, use reasonable efforts to confirm that such counsel still represents the student, and inform counsel of the availability of an Expedited Arbitration Process. The Department shall either obtain consent to notify the student directly of the availability of the Expedited Arbitration Process or use reasonable efforts to obtain written confirmation that counsel has notified such student concerning the potential availability of an Expedited Arbitration Process. If a student who is a plaintiff in a civil action pending against Respondents is no longer represented by counsel, Respondents or the Department shall directly notify such student concerning the potential availability of an Expedited Arbitration Process. Any notification under this paragraph shall include an “Intent to Participate/Claim Form” which shall include a waiver of the right to seek additional relief in a court of law.
- c. Respondents shall initiate individually filed consumer arbitrations under the AAA Consumer-Related Disputes Supplementary Procedures for each Expedited Arbitration Eligible Student who returns an Intent to Participate/Claim Form indicating an intent to engage in arbitration prior to December 31, 2012. Provided that the Expedited Arbitration Eligible Student’s individual monetary claims are \$75,000 or less, and provided that the Expedited Arbitration Eligible Student does not seek injunctive or declaratory relief other than issuance of a transcript,

diploma or certificate withheld due to an outstanding balance (but only if such claim for declaratory or injunctive relief does not cause Respondents to pay fees in excess of the fees specified in the Supplementary Procedures for monetary claims of no greater than \$75,000), any filing fees or other costs or fees payable to the arbitrator or the AAA in connection with the filing of the Claim or adjudication of the Claim in excess of a total of \$100 will be paid by Respondents. All Arbitration Eligible Students who seek to arbitrate their claims shall pay \$100 toward the arbitrator fees related to the arbitration proceeding initiated on their behalf which fees shall be paid before an arbitrator is assigned.

- d. Respondents shall submit their answer, if any, to the Claim within ten (10) days after the AAA acknowledges receipt of the Claim to the AAA. Failure of Respondents to submit an answer shall constitute a denial of the Claim. If Respondents submit a counterclaim, the student shall have ten (10) days after the AAA acknowledges receipt of the counterclaim to submit a written response to the AAA.
- e. Per the Consumer-Related Supplementary Proceedings, an arbitrator will be appointed by the AAA.
- f. For any Claim in the monetary amount of less than \$10,000, Respondents shall not request a hearing. If the student requests a hearing, a telephonic hearing (or, at the student's request, an in-person hearing) shall be held by the arbitrator and Respondents shall be permitted to participate.
- g. Per the Consumer-Related Supplementary Proceedings, the arbitrator will issue its decision ("award") within 14 days of the closing of the hearing or the final documents being submitted to the arbitrator.
- h. Any documents relating to the student's enrollment or attendance at Respondents' institution(s) that may reasonably be requested by the student, whether in connection with a filed Claim or in connection with the student's preparation of a Claim, shall be promptly provided to the student by Respondent.
- i. Notwithstanding any written agreement or provision elsewhere to the contrary, the arbitrator may award monetary damages to the student and may compel specific injunctive relief relating solely to the student's enrollment, diploma,

degree, or completion of the student's program. Per the arbitration agreement, the arbitrator may not award exemplary, incidental, consequential, punitive damages or attorneys' fees.

- j. A student's submission of any Claim pursuant to the procedures set forth in this Paragraph 13 shall be deemed to comply with any otherwise applicable grievance or appeal procedures established by Respondents.

14. Respondents shall submit verified quarterly reports to the Department as to the claims asserted under Paragraph 13(c), above, including the status and the adjudications to date.

IV. OTHER ACTIONS OR SETTLEMENTS

15. The parties agree and acknowledge that Attorneys General of other States and/or other state or federal government agencies may be reviewing and investigating practices that are the subject of this AVC. Should the Respondents resolve any such investigation or action with any other government entity that to Respondents' knowledge exists as of the AVC effective date on terms that are materially different than those set forth herein, a copy of the final resolution will be provided to the Department for review within 5 days of its effective date or execution by all parties, whichever comes first. If, after receipt and review of the final resolution, the Department determines in its sole discretion that the injunctive, financial and/or any other terms of such resolution relating to the subject matter herein are, taken as a whole, materially more favorable to consumers or the respective government entity or restrictive on Respondents than those contained in this AVC, then the parties stipulate that this AVC will be amended to reflect all of such more favorable terms in place of the terms in this AVC. This provision will continue to apply to any additional future resolution of investigations or actions existing as of the AVC effective date and regarding the subject matter hereof by Respondents or any successor thereof for one year after the effective date of this AVC.

16. This AVC is not and shall not in any event be construed, deemed to be, and/or used as an admission or evidence of the validity of any claim that the Department has or could assert against Respondents, or an admission of any alleged wrongdoing or liability by Respondents in any civil, criminal or administrative court, administrative agency or other tribunal. Respondents' agreement to comply with the provisions of Section II is not an admission that Respondents ever engaged in any activity contrary to the requirements of Section II. Moreover, by entering into this AVC and agreeing to the terms and conditions provided

herein, Respondents do not intend to waive and do not waive any defenses, counterclaims, or third party claims they may have in any other action or proceeding that has been or may be brought against them by any consumer arising from Respondents' advertising or recruitment of prospective students or from any student's attendance or enrollment at one or more of the MedVance campuses. Further, nothing in this AVC, including this paragraph, shall be construed to limit or restrict Respondents' rights to use the AVC, or payments made hereunder, to assert and maintain the defenses of res judicata, collateral estoppel, payment compromise and settlement, accord and satisfaction, or any other legal or equitable defenses in any pending or future legal or administrative action or proceeding.

V. BUSINESS RECORDS

17. Respondents agree to retain documents and other information reasonably sufficient to establish compliance with the provisions herein for a period of two years following the effective date of this AVC, and shall provide reasonable access to such documents and information to the Department upon a written request by the Department which shall specify the categories of documents requested. Respondents shall not otherwise be required to revise their current record retention policies in order to comply with this AVC.

VI. FUTURE VIOLATIONS

18. Subject to Respondents' compliance with the terms of this AVC, the Department waives imposition of penalties that may otherwise be applicable under Florida Deceptive and Unfair Trade Practices Act.

19. If the Department believes that one or more of the Respondents has failed to satisfy any of the terms of this AVC, the Department will notify such Respondent(s) of the specific term that the Respondent(s) have failed to satisfy and provide Respondent(s) with a reasonable opportunity to cure. The Department agrees not to seek imposition of civil penalties or sanctions for said violation if the Department determines in its sole discretion that the violation of the AVC was not material or intentional and was remedied by Respondent(s) in a prompt and reasonable manner.

20. In the event that upon appropriate motion or petition a court of competent jurisdiction makes a determination that a violation of this AVC has occurred, then upon notice, hearing or presentation of evidence substantiating a violation of this AVC, Respondents shall be liable for a Consent Judgment for any additional relief as may be determined by the Court which

may include civil penalties of up to \$10,000 for each consumer harmed by such violation, in addition to all attorney's fees and costs associated with enforcing the terms of this AVC and obtaining said Consent Judgment. The amount of any civil penalties imposed will be determined based upon applicable law, including the materiality of the violation of this AVC.

21. Venue for any matter relating to or arising out of this AVC shall be in Leon, County, Florida, where the Attorney General maintains her official office pursuant to s. 16.01, Florida Statutes.

VII. CLOSURE OF INVESTIGATION

22. It is further agreed by the parties that upon the receipt of the agreed upon payments due simultaneously with the execution of this AVC, the Office of the Attorney General agrees to close its civil investigation into the activities of Respondents, as set forth above. The parties agree that this AVC has been entered into based on the truthfulness of the information provided by Respondents' representatives.

VIII. APPLICATION, EFFECT AND OTHER TERMS

23. Respondents shall make the applicable terms and conditions of this AVC known to the managers, members, officers, director employees, agents, independent contractors or anyone else acting for or on behalf of Respondents who are substantially affected by the terms of this AVC and are involved in the businesses, projects and activities of any of the Respondents. The obligations imposed by this paragraph are continuing in nature and shall apply to new officers, employees, agents, representatives or any other persons who become engaged in the entity's business activities, including any future business activities in which any of the Respondents engage.

24. None of the Respondents shall effect any material change in the form of doing business, or the organizational identity of any of the existing business entities, or create any new business entities, for the purpose of avoiding the terms and conditions set forth in this AVC; any change in ownership or change in school name shall not be deemed to be covered by this provision and Respondents may close any school through an orderly teach-out consistent with applicable regulatory standards.

25. In the event that Respondents contend, based upon changed or newly developed circumstances, that there is a need to modify this AVC in whole or in part, Respondents may request modification and/or termination of the terms of this AVC. Such circumstances shall

include but not be limited to a showing by the Respondents that the terms of this AVC have placed it at a competitive disadvantage in the marketplace. The Department shall make a good faith evaluation of the then-existing circumstances referenced and, after collecting any information the Department deems necessary, make a prompt decision, but in no event more than ninety (90) days from the Department's receipt of a request for the same unless both parties agree in writing to a different schedule. At the request of either the Department or Respondents, the parties shall meet to discuss the provision(s) at issue and an appropriate manner in which to resolve any potential disagreement. The decision to modify and/or terminate this AVC shall rest within the sole discretion of the Attorney General.

26. Nothing in this AVC shall be construed as a waiver of any private rights of any person or release of any private rights, causes of action, or remedies of any person against Respondents or any other person or entity except as provided herein.

27. The original AVC, bearing the notarized signatures of the representatives of each Respondent and the above-described payments will be delivered to the attention of: René D. Harrod, Assistant Attorney General, Office of Attorney General, Economic Crimes Division, 110 S.E. 6th Street, 10th Floor, Fort Lauderdale, Florida 33301.

28. It is further agreed by the parties that the effective date of this AVC shall be the date of its execution and delivery by all the parties, including each of the parties reflected by the signature lines below. Acceptance by the Office of the Attorney General shall be established by the signature of the Associate Deputy Attorney General. The receipt by the Office of the Attorney General of any monies pursuant to the AVC does not constitute acceptance by the Director of Economic Crimes, and any monies received shall be returned to Respondents if this AVC is not accepted and executed by the Associate Deputy Attorney General.

29. It is further agreed that future notice to any of the parties to this AVC may be made by notice sent certified mail to the addresses set forth below unless either party notifies the other by certified mail of another address to which notices should be provided:

If to Respondents:
Duncan Anderson
5026-D Campbell Boulevard
Baltimore, MD 21236

With a copy to:
Sherry Gray

Powers Pyles Sutter & Verville
1501 M St, N.W., Seventh Floor
Washington, D.C., 20005

If to the Department:
René D. Harrod
Assistant Attorney General
110 S.E. 6th Street, 9th Floor
Fort Lauderdale, FL 33301

30. It is further agreed that the parties jointly participated in the negotiation of the terms of this AVC. No provision of this AVC shall be construed for, or against, any party, on the grounds that one party had more control over establishing the terms of this AVC, than another.

31. This AVC shall be governed by, construed and enforced exclusively in accordance with and subject to the laws of the State of Florida, including, but not limited to its choice of law principles. The scope of this AVC is limited to activities relating to the MedVance Florida campuses.

32. No waiver, modification or amendment of the terms of this AVC shall be valid or binding unless made in writing, signed by the parties and then only to the extent set forth in such written waiver, modification or amendment.

33. It is further agreed that facsimile or other electronic copies of signatures and notary seals may be accepted as original for the purposes of establishing the existence of this agreement.

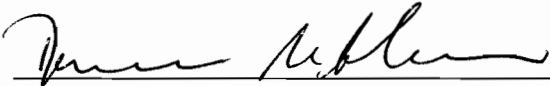
34. This AVC may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

In witness whereof, Respondents have caused this AVC to be executed by their authorized representatives in the county and state listed below, as of the date affixed thereon.

By my signature I hereby affirm that I am acting in my capacity and within my authority as corporate representative and that by my signature I am binding the business to the terms and conditions of this AVC.

SIGNATURE PAGE FOLLOWS:

**KIMC Investments, Inc.,
KIMC Atlantis, LLC d/b/a MedVance Institute,
KIMC Delray, LLC d/b/a MedVance Institute,
KIMC Port St. Lucie, LLC d/b/a MedVance Institute,
KIMC South Miami, LLC d/b/a MedVance Institute,
KIMC Fort Lauderdale, LLC d/b/a MedVance Institute
of Ft. Lauderdale, KIMC Orlando LLC**


Signed: 
Its: CEO MedVance
By: _____

Dated: 6/4/12

STATE OF Maryland)ss
COUNTY OF Baltimore)ss

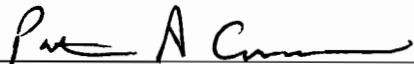
BEFORE ME, an officer duly authorized to take acknowledgments in the State of Maryland, appeared Duncan M. Anderson of KIMC Investments, Inc., who produced _____ as identification. S/he acknowledged before me that s/he executed the foregoing instrument for the purposes therein stated on the 4th day of June, 2012.

Subscribed to before me this 4th day of June, 2012.


NOTARY PUBLIC **DAVID J. LYNCH**
 NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires June 14, 2014
(print, type or stamp commissioned Notary Public)

Personally known or Produced Identification _____ (check one)
Type of Identification Produced: _____


OFFICE OF THE ATTORNEY GENERAL

By: 
PATRICIA A. CONNERS
Associate Deputy Attorney General
Department of Legal Affairs
OFFICE OF THE ATTORNEY GENERAL
The Capitol
Tallahassee, FL 32399-1050
(850) 245-0140

Dated: 6/13/12

By:  For
RICHARD LAWSON
Director, Economic Crimes Division
Department of Legal Affairs
OFFICE OF THE ATTORNEY GENERAL
The Capitol
Tallahassee, FL 32399-1050
(850) 245-0140

Dated: 6/13/12

By: 
RENE D. HARROD
Assistant Attorney General
110 S.E. 6th Street, 9th Floor
Fort Lauderdale, FL 33301
(954) 712-4600

Dated: _____

[MedVance Letterhead]

[APPENDIX A]

IMPORTANT NOTICE – PLEASE READ

Dear _____:

This notice is being sent to you pursuant to an agreement between MedVance Institute (“MedVance”) and the Florida Attorney General Pam Bondi. According to MedVance records, you were enrolled in a retraining-eligible educational program at a Florida campus of MedVance during the period from January 1, 2008 to March 31, 2012 (the “Relevant Period”), and you may be eligible to receive a tuition voucher that may be used toward future enrollment at a MedVance Florida campus.

If you qualify for a voucher it may be redeemed solely for tuition charges or other fees associated with attending a course or program offered by MedVance for which you meet all regularly applicable admissions requirements. Qualifying students will receive a voucher in an amount equal to the total tuition, fees and charges charged by MedVance in connection with your prior enrollment. Vouchers may be redeemed only once and are not transferable. In order to redeem the voucher, you must sign a release of claims against MedVance prior to beginning the retraining program. The voucher may be applied to tuition, fees or charges for a MedVance program commencing between September 15, 2012 and September 15, 2013.

Please accurately complete the enclosed Certification and sign and return it to Alex Teitelbaum, 5026-D Campbell Blvd, Baltimore, MD 21236. To be eligible to participate, you must return the enclosed Certification **postmarked on or before September 15, 2012**. After we receive your executed Certification and compare the information provided therein to our records, MedVance will advise you whether you meet the requirements to receive a voucher or will contact you with any additional questions. If you have any questions regarding this notification, please feel free to contact MedVance via the toll-free number 1-855-367-7472.

[MedVance Letterhead]

CERTIFICATION

I certify that I was enrolled in an academic program at a Florida campus of MedVance between January 1, 2008 to March 31, 2012, and (please check only one of Options A, B or C below, if applicable):

Option A:

_____ I completed my program at MedVance and was able to find employment in the field in which I had been trained at MedVance.

Option B:

_____ I completed my program at MedVance and made reasonable good faith efforts to find employment in the field in which I obtained training, but despite such efforts, I have been unable to obtain employment in my field of training.

Option C:

_____ I did not complete my program at MedVance primarily due to dissatisfaction with the services being provided and not due to disciplinary violation(s), failure or inability to attend class, budgetary issues, health or family issues, childcare issues, transportation issues, relocation, schedule conflicts, imprisonment, pregnancy, military service, academic failure (including failure to meet satisfactory academic progress standards) or eligibility for unemployment benefits or receipt of other government support.

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated in it are true and correct and that I have personal knowledge of the facts stated herein.

Student Signature

Date

Student Printed Name

Please return the completed and signed Certification postmarked by **September 15, 2012** to the following address:

Alex Teitelbaum
5026-D Campbell Blvd
Baltimore, MD 21236

APPENDIX B

1. Priscilla Agnew (plaintiff in *Jones et al. vs. MedVance et al.* (“Jones litigant”))
2. Shareen Anderson (Jones litigant)
3. Melissa Apruzzese (Jones litigant)
4. Patricia Bennett (plaintiff in *Best et al. vs. MedVance et al.* (“Best litigant”))
5. Donesia Best (Best litigant)
6. Yanno Bevacqua (Best litigant)
7. Samona Bradley (Best litigant)
8. Lorene Caudy-Richardson (Best litigant)
9. Juan Cisneros (Jones litigant)
10. Lucyann Crystall (Jones litigant)
11. Michelle Daniels (Best litigant)
12. Ashlee Davis (Best litigant)
13. Toni DeMayo (Jones litigant)
14. Teri Dolecki (Best litigant)
15. Guerlande Exantus (Best litigant)
16. Kerry Faber (Jones litigant)
17. Veronica Fernandez (Jones litigant)
18. Roisheka Finkley (Jones litigant)
19. Michael Fox (Jones litigant)
20. Claire Francy (Best litigant)
21. Jacqueline Granville
22. Tara Goltzene (Jones litigant)
23. Ronald Goss (Best litigant)
24. Angela Hart (Jones litigant)

25. Corinne Johnson (Jones litigant)
26. Tiashana Jones (Jones litigant)
27. Risa Kaplan (Jones litigant)
28. Kecia Kearney (Best litigant)
29. Carol Lacroix (Best litigant)
30. Marianne MacKenzie (Best litigant)
31. Jo Ann Maitland (Best litigant)
32. Peggy Mathias
33. Stephanie McKay (Jones litigant)
34. Diana Medina (Best litigant)
35. Diana Meyer (Best litigant)
36. Nicole Murrell (Jones litigant)
37. Linda O'Neill (Best litigant)
38. Betty Rhoads (Jones litigant)
39. Jodilin Robinette (Jones litigant)
40. Nasley Russi (Jones litigant)
41. Ashley Ryckman
42. Louisanne Saintvil (Best litigant)
43. Eric Sanchez (Jones litigant)
44. Rebecca Seunarine (Jones litigant)
45. Susan Sinko (Best litigant)
46. Brian W. Smith
47. Tiffany Smith
48. Jordana Soler (Best litigant)
49. Deborah Spadaro (Jones litigant)
50. April Townshell (Best litigant)

51. Lamarsha Turner (Best litigant)
52. Jessica Upham (Jones litigant)
53. Terry Webster (Jones litigant)
54. Rozanne Werner (Jones litigant)
55. Victoria Wesley (Best litigant)
56. Annette White (Best litigant)

[Appendix C]

Important Notification of Availability of Expedited Arbitration

We are writing to notify you that pursuant to an agreement reached between the Florida Attorney General Pam Bondi and MedVance, you are eligible to have your pending complaint against MedVance Institute (“MedVance”) heard in an expedited arbitration proceeding.

Arbitration is a non-judicial procedure for resolving disputes using a neutral arbitrator. The expedited arbitration proceeding will allow your claim to be heard by a neutral arbitrator within about 60 days after filing your claim and the arbitrator will decide your claim within two weeks after your case is heard.

For your claim to be eligible for this procedure, the claim against MedVance must be for money damages less than \$75,000. Please note that you will be required to pay a total of \$100 in arbitration fees in connection with the arbitration (which must be paid to the American Arbitration Association (“AAA”) before an arbitrator is assigned to the case). The arbitration proceeding will be governed by the AAA’s Supplementary Procedures for Consumer Related Disputes, which are available on the AAA’s website (www.adr.org/aaa/faces/aoe/gc/consumer) and MedVance will send you a copy of these procedures if you choose to participate in this expedited arbitration. You may, if you choose, hire an attorney to represent you in the arbitration, but you are not required to have an attorney. If you choose to participate in expedited arbitration, you are choosing to resolve any claims you may have regarding your prior enrollment at MedVance through arbitration rather than a lawsuit in court, and therefore you will not also be able to file a lawsuit in court regarding these claims. You will not be able to recover exemplary, incidental, consequential, or punitive damages or attorneys’ fees through arbitration.

In order to participate in expedited arbitration, please complete the enclosed form and return the completed and signed form to the following address postmarked on or before December 31, 2012:

Alex Teitelbaum
5026-D Campbell Blvd
Baltimore, MD 21236

Intent to Participate and Statement of Claim

Please check only one option below (1 – 4):

- 1. I desire to participate in the expedited arbitration process described above with respect to my pending complaint. As such, I also agree that the expedited arbitration proceeding is the only forum in which my complaint will be heard, and I waive my right to bring a lawsuit or pursue any judicial action against MedVance arising from my prior attendance at MedVance. If I am currently a party to litigation against MedVance that has not been stayed or dismissed, I agree to dismiss such action and will do so before an arbitrator is assigned. If my action has already been stayed or dismissed, I agree not to pursue any further appeal.
- 2. I do not intend to participate in the expedited arbitration process described above with respect to my pending complaint.
- 3. I have a complaint against MedVance that is less than \$5,000. (MedVance may contact you directly to determine whether your complaint can be resolved.)
- 4. I do not currently have a complaint pending against MedVance Institute.

If you selected #1 or #3 above, please briefly describe your claim and list the dollar amount of your claim:

Description of Claim (You may attach additional pages if necessary): _____

Dollar Amount of Claim: \$ _____

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated in it are true and correct and that I have personal knowledge of the facts stated herein.

Student Signature

Date

Student Printed Name

Return completed and signed form postmarked on or before December 31, 2012 to:
Alex Teitelbaum
5026-D Campbell Blvd
Baltimore, MD 21236