

January 25, 2019

Dear Student,

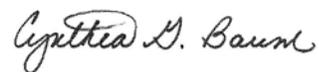
Argosy University (Argosy), which includes The Art Institute of California – San Diego, a campus of Argosy University, is committed to providing you with a quality education filled with the guidance, technology and instruction you need to make an impact in the lives of others.

I want to make you aware that Dream Center Education Holdings (DCEH), our parent company, made the announcement that they entered into federal receivership on Friday, January 18. As a result of our affiliation with DCEH, Argosy also entered into receivership. Federal receivership means a legally appointed receiver acts as custodian of DCEH's business operations as we work out legacy leases, contracts, and claims, including those from the university's prior owner, Education Management Corporation. The ultimate goal of receivership is to protect Argosy's ongoing operations and, most importantly, your student experience.

Because of the current inability of DCEH to meet its outstanding financial obligations, our accrediting body (the WASC Senior College and University Commission) has concluded that there is a reasonable basis to notify us of Show Cause. Show Cause is a sanction that requires us to present evidence that we can demonstrate the financial resources to assure our continuance. The very fact that receivership protects Argosy University while this restructuring occurs will be helpful in assuring them that we are in full compliance with the accreditation standards.

We are continuing to work with our accreditors, state regulators and the U.S. Department of Education to provide favorable outcomes for our students. Importantly, Argosy remains accredited by WASC during Show Cause. Your campus leadership and faculty stand ready to assist you in your educational journey.

Sincerely,



Cynthia G. Baum, Ph.D.  
Chancellor  
Argosy University

## FAQS REGARDING RECEIVERSHIP FOR ARGOSY UNIVERSITY

### **What is the change that has taken place?**

Dream Center Education Holdings (DCEH) entered into federal receivership. As a result of our affiliation with DCEH, Argosy University also entered into receivership.

### **What is federal receivership?**

Federal receivership means a federal judge appoints a receiver who acts as custodian of a company's assets or business operations. The receiver has the full authority of a federal judge to work out legacy leases, contracts and claims, and restructure debt. The ultimate goal of receivership is to protect Argosy University, allowing us to continue to operate.

### **Is Argosy University completely closing?**

Federal receivership protects Argosy and allows the university to continue operations while the legacy leases, contracts, and claims from the bankruptcy of the former parent company, Education Management Corporation, are dealt with by a seasoned court-appointed receiver with higher education experience. Entering into receivership will also provide DCEH and Argosy the opportunity to work with new financial and business partners who will be assisting with restructuring the debt and overhead inherited when DCEH acquired the school systems from EDMC in October 2017.

We are continuing to work with our accreditors, the U.S. Department of Education, and the attorneys general to provide favorable outcomes for our students. Your campus leader will have more information as the receivership process progresses.

During this time, we expect there will be minimal impact for Argosy students. Classes will proceed as scheduled.

### **What does this mean for the future of Argosy University?**

We are continuing to work with our accreditors, the U.S. Department of Education, and the attorneys general to provide favorable outcomes for our students. Importantly, Argosy University remains accredited. Your campus leadership and faculty stand ready to assist you in your educational journey. You will continue to be informed as we work toward a successful outcome.

### **Is Argosy University filing for bankruptcy?**

DCEH and Argosy University are entering into federal receivership. Federal receivership means a legally-appointed receiver acts as custodian of a company's assets or business operations as we work out legacy leases, contracts and claims and restructure debt. The ultimate goal of receivership is to protect Argosy University, allowing us to continue to operate.

Unlike bankruptcy where students would no longer be eligible for federal financial aid, in receivership students remain fully eligible for all of their federal financial aid. This is one of many major distinctions between a bankruptcy and receivership.

### **Why is Argosy University entering into receivership?**

Entering into receivership will provide DCEH the opportunity for financial restructuring through a seasoned, court-appointed receiver to allow us to manage the debt and overhead that was inherited from Education Management Corporation, the previous owner, with the purchase of the Argosy University, South University and Art Institutes systems in October 2017. The ultimate goal of receivership is to protect Argosy University, allowing us to continue to operate.

### **How does this affect students?**

During this time, we expect there will be minimal impact for Argosy University students. Classes will proceed as scheduled. Argosy remains focused on helping students to develop professional competence, providing them with opportunity for personal growth, and fostering interpersonal effectiveness.

Going into federal receivership will allow DCEH to restructure the debt and overhead they inherited when they acquired Argosy University, South University and The Art Institutes from EDMC in October 2017 and allow us to stay focused on providing accessible, affordable, relevant and purposeful education on stronger financial footing. We are continuing to work with our accreditors, the U.S. Department of Education, and other parties to provide favorable outcomes for our students. Your campus leader will have more information as the receivership process progresses.

### **What does it mean that Argosy was put on Show Cause?**

Because of the current inability of DCEH to meet its outstanding financial obligations, our accrediting body (the WASC Senior College and University Commission) has concluded that there is a reasonable basis to notify us of Show Cause. Show Cause is a sanction that requires us to present evidence that we can demonstrate the financial resources to assure our continuance. The very fact that receivership protects Argosy University while this restructuring occurs will be helpful in assuring them that we are in full compliance with the accreditation standards.

### **How will this affect my financial aid? How will my financial aid be processed?**

We do not anticipate that this change will impact your financial aid. We are continuing to work with our accreditors, the U.S. Department of Education, and other parties to provide favorable outcomes for our students. Importantly, Argosy University remains accredited while we resolve both the receivership and Show Cause issues. Questions regarding financial aid should be directed to the financial aid department.

### **Does this mean I don't have to pay my tuition/my loans will be forgiven?**

Entering into federal receivership does not impact tuition nor student loans and monies due. Please speak with your campus leader for additional information.

### **What would happen if my school doesn't exit receivership?**

In the unlikely event that we are unsuccessful in exiting receivership, Argosy University will provide accessible, appropriate, and affordable alternatives for students to complete their studies. We will do our best to keep all students informed of the progress we are making.

### **Other Questions**

We will have more information as the receivership process progresses. You will continue to be informed as we work toward a successful outcome.