

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

Case No. BC318199

[Consolidated with Case Nos. NC036756 and BC 379049]

**IF YOU ENROLLED IN BROOKS COLLEGE, THE LOS ANGELES
CAMPUS OF AMERICAN INTERCONTINENTAL UNIVERSITY OR
BROOKS INSTITUTE OF PHOTOGRAPHY DURING THE PERIOD
DESCRIBED IN THIS NOTICE; YOU MAY BE ENTITLED TO A
PAYMENT FROM A CLASS ACTION SETTLEMENT**

*The Superior Court of the State of California has authorized this notice; it is not
a solicitation from a lawyer.*

This notice provides you with important information in connection with the settlement (“Settlement”) of three Class Action lawsuits concerning Career Education Corporation and its schools: the Los Angeles Campus of American InterContinental University, Inc. (“AIU-LA”), Brooks College Ltd. (“Brooks”) and Brooks Institute of Photography, LLC (“BIP”) (collectively, the “Defendants”).

Your rights may be affected by this Notice. If you wish to recover money or you do not want to waive rights you may have against Defendants, you must act by March 10, 2008.

This notice is directed to ALL STUDENTS WHO ENROLLED IN:

- (1) AIU-LA from July 1, 2001 to August 31, 2007;
- (2) Brooks from March 21, 2001 to August 31, 2007; and
- (3) BIP from January 1, 1999 to August 31, 2007.

The students who enrolled in and paid tuition to these schools during these time periods are referred to collectively as the “Settlement Class” and individually as “Settlement Class Members.”

- Among other things, the Settlement will provide a \$12,250,000 Settlement Fund (“Settlement Fund”), an injunctive order addressing certain of Defendants’ communications with prospective students, monitoring by an independent auditor for three years and debt forgiveness for eligible students in the Settlement Class. Eligibility factors are discussed below and are described in the Settlement Agreement. The Settlement Agreement and the Motion for Approval of the Settlement are available on-line at www.ceccaactionsettlement.com. You should read these documents carefully.

- The Settlement resolves three class action litigations in which it is alleged that Defendants misled incoming students regarding, among other things, post-graduation employment prospects and salaries, retention and graduation rates, the transferability of credits earned, the competitive nature of the admissions process, the quality of the education offered at each school, the reputation of the schools, financial aid, the quality of career services assistance offered at each school and failed to provide required disclosure documents. The Defendants deny all of these allegations.
- Your legal rights are affected whether you act, or do not act. Read this notice carefully.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS	
SUBMIT A CLAIM FORM	The only way to receive a payment.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants involving any of the legal claims being released in this case.
OBJECT	Write to the Court about why you do not like the Settlement.
GO TO HEARING	Ask to speak in court about the fairness of the Settlement.
DO NOTHING	You will receive no payment, and give up your right to file your own lawsuit or participate in any other lawsuit against the Defendants concerning the claims being released in the case.

- These rights and options – **and the deadline described above to exercise them** – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement, the Settlement becomes final after the resolution of all appeals, objections and after the claims processing procedure described below is complete.

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BASIC INFORMATION

1. What are these lawsuits about?

This Settlement involves three Class Action lawsuits (the “Class Actions”). The first of the three Class Actions, *Outen v. Career Education Corporation*, LASC Case No. BC 318199 was filed on July 8, 2004 in the Los Angeles County Superior Court on behalf of students who enrolled at the Los Angeles campus of American InterContinental University from January 1, 2001 to August 31, 2007. *Thurston v. Brooks College*, LASC Case No. NC 036756 was filed in the Los Angeles County Superior Court on or about March 21, 2005 on behalf of students who enrolled at Brooks College (either the Long Beach or Sunnyvale campuses) from March 21, 2001 to August 31, 2007. The third Class Action, *Nilsen v. Brooks Institute of Photography*, Santa Barbara Superior Court Case No. 1165597 was filed in the Superior Court for Santa Barbara County on February 4, 2005 on behalf of students who enrolled in Brooks Institute of Photography from January 1, 1999 to August 31, 2007.

In each case, the class of Plaintiffs are represented by “Named Plaintiffs” who are the individual plaintiffs identified in each Litigation. On behalf of all Class Members, the Named Plaintiffs allege that the Defendants misrepresented graduate employment rates, retention and graduation rates, financial aid, the competitive nature of the admissions process, graduates starting salaries, transferability of credits, the schools’ admissions criteria, the reputation of the schools, academic reputations, quality of education, and career employment services to prospective students. It is

also alleged that the schools failed to provide legally required disclosure documents, including school performance fact sheets containing graduate employment and completion rates and credit transferability disclosure statements. The lawsuits seek tuition refunds and other damages, plus punitive damages for violations of California’s Education Code, Unfair Competition law, and Consumer Legal Remedies Act. The Defendants deny all of these allegations.

2. Why did I receive this notice of these lawsuits?

The Defendants’ records indicate that you enrolled in an undergraduate degree program at AIU-LA, Brooks or BIP during the time periods described above. The Defendants’ records further indicate that you paid tuition to one of the schools and that you may have either graduated, completed your coursework but did not graduate, voluntarily withdrew or you may be an active student.

The Court directed that this Notice be sent to the Settlement Class because each student in the Settlement Class has a right to know about the proposed Settlement and available options before the Court decides whether to approve the Settlement. If the Court approves the settlement, and any objections and appeals are resolved, then the Auditor appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuits, the Settlement, Settlement Class Members’ legal rights, what benefits are available, who is eligible for them, and how to get them.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if your are a Settlement Class Member.

3. How do I know if I am part of the Settlement?

The Settlement Class potentially includes *all students who enrolled in an undergraduate degree program and paid tuition during the class periods* for each school described on the first page of this Notice. The right to actually receive payments will depend on eligibility.

Eligibility will be determined by an independent “Auditor” appointed by the Court. The Auditor’s findings may be reviewed, at the request of any Settlement Class Member, by a retired judge appointed by the Court (the “Appeal Judge”). The Appeal Judge’s determinations are final and binding on all Settlement Class Members.

The Auditor will determine eligibility based on criteria set forth in the Settlement Agreement. For graduates and completers, the Auditor will use Claim Forms submitted by Settlement Class Members (and other data from Defendants) to determine whether a Settlement Class Member was employed within 12 months after graduation or completion of specified coursework in his/her field of study or a “related field.” Criteria considered to determine whether a particular student was or is employed in his/her field of study or in a related field are described in the Settlement Agreement. Those who obtained employment in their field of study or in a related field are not eligible for payments. Those who did not get a job in their field of study or a related field are eligible for payments.

For students who withdrew, the Auditor will use the Claim Forms and other data to determine whether each Settlement Class Member submitting a Claim Form withdrew for reasons related to the claims asserted in the Class Actions. Those who did not withdraw for reasons related to the claims asserted in the Class Actions are not eligible for payments. Those who were involuntarily dismissed from school are not eligible for payments. Those who withdrew, for whatever reason, but had less than a 2.0 grade point average at the time of withdrawal, are not eligible for payments.

Active students will all receive payments, so long as they are attending classes at the time payments or payment determinations are made and they chose to attend school because of reasons related to career services or career employment at each school. Students on probation, leave of absence or who otherwise are still enrolled but are not active, are not eligible for payments unless they achieve active status by October 25, 2007.

4. Are there exceptions to being included in the Settlement Class?

You are not a Settlement Class Member if: (1) you enrolled during the relevant time period but did not pay tuition (*i.e.*, you got a scholarship or grant), (2) you enrolled during the relevant time period but you were involuntarily dismissed from school; (3) you enrolled but were not a degree seeking student (in other words you just enrolled to take some classes); (4) you were attending school on a student visa; or (5) you enrolled in a masters program.

Also excluded from the Settlement Class are any Settlement Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice as described in Question 13 below.

5. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for help free of charge. You can call 1-877-451-2128 or visit www.ceccaactionsettlement.com for more information. Or you can fill out and return the Claim Form described in question 10, below, to see if you qualify for payments.

THE SETTLEMENT BENEFITS. WHAT YOU COULD GET

6. What does the settlement provide?

The Defendants have agreed to create the Settlement Fund by paying \$12,250,000. The balance of this Settlement Fund, after deduction of Court-awarded attorneys' fees and expenses, court awarded incentive payments to the Named Plaintiffs, and certain settlement administration costs (up to \$700,000 for the Auditor and for the Appeal Judge, both of whom will determine eligibility) will be divided among all Settlement Class Members who send in valid Claim Forms and are determined to be eligible for payments. Payments will be made in accordance with agreed upon formulas set forth in the Settlement Agreement.

7. How much will my payment be?

If you are entitled to a payment, your share of the Settlement Fund will depend on your status and how much tuition you paid, less grants and scholarships.

The \$12,250,000 cash settlement, plus interest but less attorneys' fees and costs of Plaintiffs' counsel, incentive payments to Named Plaintiffs, and administrative costs (described above in Question 8) is the Net Settlement Fund. The Court appointed Auditor will distribute the Net Settlement Fund according to the Settlement Agreement after the deadline has passed for submission of Proof of Claim forms, after the Court enters an order approving the Settlement and after all objections to the Settlement and appeals from the rulings on those objections have been resolved.

The allocation of Settlement Funds to each group (graduates, completers, withdrawals and active students) in the Settlement Class will be a percentage of the "Base Amount" for each Settlement Class Member. The Base Amount is the sum of all tuition paid, less federal, state and other grants and scholarships. Thus, the Base Amount, and therefore the amount paid to each class member, will vary. To evaluate the settlement, you must understand the Base Amount applicable to your individual claim.

The following percentages will apply to calculate payments to each group:

American InterContinental University

Enrolled from January 1, 2001 to July 7, 2004

Graduates	100%
Completers	50%
Withdrawals	
after 2/3 of coursework	33%
between 1/3 and 2/3 of coursework	16.5%
less than 1/3 of coursework	8.5%
Active students	5%

Enrolled July 8, 2004 to August 31, 2007

Graduates	10%
Completers	5%
Withdrawals	
after 2/3 of coursework	3%
between 1/3 and 2/3 of coursework	2%
less than 1/3 of coursework	1%
Active students	1%

Brooks College

Enrolled from March 21, 2001 to March 21, 2005	
Graduates	100%
Completers	50%
Withdrawals	
after 2/3 of coursework	33%
between 1/3 and 2/3 of coursework	16.5%
less than 1/3 of coursework	8.5%
Active students	5%
Enrolled from March 22, 2005 to August 31, 2007	
Graduates	10%
Completers	5%
Withdrawals	
after 2/3 of coursework	3%
between 1/3 and 2/3 of coursework	2%
less than 1/3 of coursework	1%
Active students	1%

BIP

Enrolled from January 1, 1999 to February 4, 2005	
Graduates	100%
Completers	50%
Withdrawals	
after 2/3 of coursework	33%
between 1/3 and 2/3 of coursework	16.5%
less than 1/3 of coursework	8.5%
Active students	5%
Enrolled from February 5, 2005 to August 31, 2007	
Graduates	10%
Completers	5%
Withdrawals	
after 2/3 of coursework	3%
between 1/3 and 2/3 of coursework	2%
less than 1/3 of coursework	1%
Active students	1%

The percentage of tuition received by each student may be less depending on: (1) the number of claims submitted, and (2) administrative costs and charges against the Settlement Fund, including plaintiffs' counsel's reasonable attorneys' fees as awarded by the Court.

Payments to graduates and completers will be reduced by any outstanding amounts still owed by a particular Settlement Class Member to Defendants.

The percentages were the product of negotiations and reflect Plaintiffs' counsel's estimate of potential recovery given among other things, the difficulty of proving claims within each group, the likely damages that might be recovered, and the time, cost and risk of pursuing the claims.

It is important for you to understand that the payments from the Net Settlement Fund are not intended to be, nor are they refunds of tuition paid. Tuition was used in the Base Amount simply as a means of approximating out-of-pocket damages that might have been incurred.

All Settlement Class Members whose claims are not approved by the Auditor and/or the Appeal Judge will be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of the Settlement, including the terms of the Judgments to be entered in the Class Actions, and will be barred from bringing any claim against CEC that relate to those asserted in the Class Actions.

If any money remains in the Net Settlement Fund after distributions have been made to eligible Settlement Class Members, then any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such money shall be paid to one or more non-sectarian, not-for-profit, 501(c)(3) organization(s).

In addition to the Settlement Fund, CEC will contribute the sum of \$150,000.00 to a scholarship fund. CEC's scholarship committee will determine eligibility for such funds.

CEC will also forgive debts owing by Settlement Class Members who are determined by the independent auditor to be entitled to payments under the Settlement. The amount of any such debt forgiveness will be credited against amounts payable from the Net Settlement Fund.

CEC has agreed to a comprehensive Injunctive Order aimed at assuring the accuracy of the schools' communication with prospective students. To that end, CEC has agreed to pay for the services of an independent auditor, for a period of not less than three (3) years who will determine whether students are being given information that complies with all the terms of the Injunctive Order.

THE LAWYERS REPRESENTING YOU

8. Do I have a lawyer in this case?

The Court ordered that the following counsel and their law firms will represent you and the other Settlement Class Members: Michael D. Braun, Braun Law Group, P.C., 12304 Santa Monica Boulevard, Suite 109, Los Angeles, California 90025, Tel: (310) 442-7755, Fax: (310) 442-7756, info@braunlawgroup.com; and Janet Lindner Spielberg, Law Office of Janet Lindner Spielberg, 12400 Wilshire Boulevard, Suite 400, Los Angeles, California 90025, Tel: (310) 392-8801, Fax: (310) 278-5938, Secretary@jlspl.com. If you want to be represented by your own lawyer, you may hire one at your own expense. If you elect to exclude yourself or opt out, you will not be represented by class counsel.

9. How will the lawyers be paid?

Plaintiffs' Counsel are applying to the Court for an award of attorneys' fees and for reimbursement of expenses from the Settlement Fund not to exceed \$4,185,000.00. In this type of litigation it is customary for counsel to be awarded a portion of the Settlement Fund for attorneys' fees and costs.

HOW DO YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

10. How can I receive a payment?

To qualify for payment, you must submit a completed Claim Form. A blank Claim Form is enclosed with this Notice. You also may obtain a Claim Form on the Internet at www.ceccaactionsettlement.com. Read the instructions carefully, fill out the form completely and accurately, sign it, and mail or email it by no later than March 10, 2008.

11. When will I receive my payment?

The Court will hold a hearing on April 29, 2008 to decide whether to approve the Settlement. Even if the Court approves the Settlement, it could take months before the Net Settlement Fund is distributed to the Eligible Class Members. One reason is that delays could be caused by the filing of appeals by those who object to the Settlement. Another reason is that once the Settlement has been approved, the Auditor must process all of the Claim Forms. The processing is complicated and might involve appeals to the Appeal Judge, and therefore, it will take several months. Please be patient.

12. What am I giving up if I apply to receive a payment?

Unless you exclude yourself, you are staying in the Settlement Class (whether you do nothing, or apply and your claim is rejected). That means that if the Settlement is approved, then you will waive all claims against Defendants arising from or relating to the Class Actions.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. How do I exclude myself from the Settlement?

If you do not want to receive a payment from this Settlement, but you want to keep any right you may have to sue Defendants on your own, then you must take steps to "opt out." Excluding yourself from the Settlement Class is sometimes referred to as "opting out."

To opt out, you must send a letter by mail saying that you want to be excluded. Your letter can simply say "I hereby elect to be excluded from the Settlement in the CEC Class Actions." Be sure to include your name, address, telephone number, and email address. You cannot exclude yourself on the telephone or by email. You must mail your exclusion request postmarked no later than **March 10, 2008** to:

CEC Class Action Exclusions
 c/o BDO Seidman
 Attn: CEC Class Action Auditor
 330 Madison Avenue
 New York, NY 10017
 E-mail: cesettlement@bdo.com

If you exclude yourself from the Settlement Class, you will not receive a payment, and you cannot object to the Settlement. If you exclude yourself, you will not be legally bound by anything that happens in the Class Actions.

14. If I do not exclude myself can I sue Defendants later for the claims that I am releasing in this Settlement?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims arising out of or relating to these Class Actions that have been or could have been asserted. You must exclude yourself from the Settlement Class to bring your own lawsuit. Remember, the exclusion deadline is March 10, 2008.

15. If I exclude myself can I obtain a payment from this Settlement?

No. If you exclude yourself, do not send in a Claim Form to ask for any money.

OBJECTING TO THE SETTLEMENT

16. How do I notify the Court that I do not like the Settlement?

If you are a Settlement Class Member you can object to the Settlement or any part of it you do not like. To object, you must send a signed letter to the Court saying that you are a Settlement Class Member, that you object to the Settlement and the reasons why you object. In your objection, you must include your name, address, telephone number, and your signature. You should refer to the “CEC Class Actions.” Your objection must be mailed to the court and counsel listed below and be post-marked no later than **April 8, 2008**:

COURT	PLAINTIFFS COUNSEL	DEFENSE COUNSEL	DEFENSE COUNSEL
Judge Peter D. Lichtman Superior Court of the State of California County of Los Angeles- Central Civil West 600 Commonwealth Los Angeles, CA 90005	Michael D. Braun, Esq. Braun Law Group, P.C. 12304 Santa Monica Blvd. Suite 109 Los Angeles, CA 90025	Stuart M. Richter, Esq. Katten Muchin Rosenman LLP 2029 Century Park East Suite 2600 Los Angeles, CA 90067	Matthew N. Falley, Esq. Greenberg Glusker Fields Claman & Machtinger LLP 1900 Avenue of the Stars Suite 2100 Los Angeles, CA 90067-4590
	PLAINTIFFS COUNSEL	DEFENSE COUNSEL	DEFENSE COUNSEL
	Janet Lindner Spielberg, Esq.	Jeff E. Scott, Esq. Greenberg Traurig, LLP	John Hoyt Holloway, Esq. Best Best & Krieger LLP

Law Office of Janet Lindner Spielberg 12400 Wilshire Boulevard Suite 400 Los Angeles, CA 90025	2450 Colorado Avenue Suite 400E Santa Monica, CA 90404	300 South Grand Avenue 28 th Floor Los Angeles, CA 90071
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17. What is the difference between objecting and requesting exclusion from the Settlement?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. By staying in the Settlement Class and objecting, you may be entitled to a payment if you also timely submit a Claim Form. If your objection is overruled by the Court, you will be bound by the Settlement, and therefore will not be able to sue or continue suing Defendants. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 9:30 p.m. on April 29, 2008, in Department 322 of the Superior Court of the State of California for the County of Los Angeles – Central Civil West, 600 Commonwealth, Los Angeles, CA 90005. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are written objections, the Court will consider them. At this hearing, the Court will also listen to people who have filed objections and wish to speak at the hearing. The Court may also decide how much to award Plaintiff's Counsel for attorneys' fees and expenses.

19. Do I have to come to the hearing?

No. Plaintiff's Counsel will answer any questions the Court may have. You may attend if you desire to do so. If you have submitted an objection, then you may want to attend.

20. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must include with your objection, described in Question 18 above, the statement, "I hereby give notice that I intend to appear at the Final Approval Hearing in the CEC Class Actions." Be sure to include your name, address and telephone number, and sign the letter. If you intend to have any witnesses testify or to introduce any evidence at the Final Approval Hearing, you must list the witnesses and evidence in your objection. Your Notice of Intention to Appear must be postmarked no later than April 8, 2008, and be sent to the Clerk of the Court, Plaintiffs Counsel, and Defense Counsel, at the addresses shown in the answer to Question 16, above. You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will not receive any money from this Settlement. But, unless you exclude yourself; you also will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants that involves the claims released by this Settlement.

GETTING MORE INFORMATION

This Notice summarizes the proposed Settlement. More details are contained in the Settlement Agreement. You can obtain a copy of the Settlement Agreement by visiting www.ceccaclassactionsettlement.com. If you have questions regarding completing your Claim Form, correspondence you have received from the Auditor, or the calculation of your claim, you may contact the Auditor toll free at 1-877-451-2128 or write to him at CEC Class Action Litigation, c/o BDO Seidman, Attn: CEC Class Action Auditor, 330 Madison Avenue, New York, NY 10017.

To obtain copies of the Settlement Agreement and for further information regarding this settlement, you may contact Plaintiffs' Counsel:

Michael D. Braun, Esq.
Braun Law Group
12304 Santa Monica Boulevard, Suite 109
Los Angeles, California 90025
Tel: (310) 442-7755
Fax: (310) 442-7756
Email: info@Braunlawgroup.com

Janet Lindner Spielberg, Esq.
Law Office of Janet Lindner Spielberg
12400 Wilshire Boulevard, Suite 400
Los Angeles, California 90025
Tel: (310) 392-8801
Fax: (310) 278-5938
Email: Secretary@jlslp.com

**DO NOT CONTACT THE COURT OR ANY REPRESENTATIVE OF CEC
CONCERNING THIS NOTICE**

Dated: _____, 2008

By Order of the Court
CLERK OF THE COURT