

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,)	CASE NO. 1:19-cv-145
)	
Plaintiff,)	JUDGE DAN AARON POLSTER
)	
v.)	MAGISTRATE JUDGE
)	THOMAS M. PARKER
SOUTH UNIVERSITY OF OHIO,)	
LLC, <i>et. al.</i> ,)	
)	
Defendants.)	

REVISED AND AMENDED REPORT ON STUDENT STIPENDS

On February 19, 2019, Mark E. Dottore (the “**Receiver**”) the duly appointed Receiver of Argosy Education Group LLC (“**Argosy**”), Dream Center Education Holdings, LLC (“**DCEH**”) and various other universities that were previously part of Dream Center South University LLC (“**South**”), and Art Institutes International LLC (“**AII**” and together with Argosy, DCEH and South, the “**Dream Entities**”), filed a Report on Student Stipends (the “**Report**”) at the Court’s request. After the Report was filed, the Receiver was troubled by persistent rumors about the situation and conducted a fresh and more thorough investigation. As a result of this investigation it has come to the Receiver’s attention that there may be irregularities in the method and manner used by some or all of the pre-Receivership Dream Center Entities to request Title IV funding, in particular with respect to draw downs of accelerated student funding (“**Student Stipends**”). It appears that amounts improperly requested by the pre-Receivership Dream Center Entities and

then advanced by the United States Department of Education were not remitted to students, either before the submission of the request for payment (as was required), or after the money was received by the pre-Receivership Dream Center Entity. It also appears that when the funding was received by the pre-receivership Dream Center Entities, it was used to pay their operating expenses.

The Receiver is in the preliminary stages of a detailed, forensic investigation and will pursue other and further information about the particulars of the advances of Student Stipend money, including the exact methods used to trigger the advancement of these funds, the exact amount of the funds advanced and not paid over to students, and the persons involved in the procurement and uses of the Student Stipend funding.

Date: February 22, 2019

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/s/ Mary K. Whitmer

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CERTIFICATE OF SERVICE

In accordance with Section 1.4 of the Electronic Filing and Procedures Manual of the Northern District of Ohio and Federal Rule of Civil Procedure 5(b)(2)(E), a copy of the foregoing has been served through the Court's filing system on all counsel of record on February 22, 2019.

/s/ Mary K. Whitmer _____
Mary K. Whitmer (0018213)