

**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.)	

Receiver's Response To Joseph Harbaugh Letter [Doc. 156]

Pursuant to the Court's Order of March 13, 2018 [Doc. 159], Mark Dottore, Receiver, responds to the letter from Dr. Joseph Harbaugh [Doc. 156]. As a preliminary matter, the Receiver supports all efforts to help the students affected by the closing of Argosy University graduate or transfer to new institutions with as many of their course credits intact as possible. The Receiver has entered into dozens of transfer and teach-out agreements with responsible educational institutions to transition Argosy students to new opportunities. These opportunities are made available to students online.

The Receiver acknowledges and thanks Dr. Harbaugh for remaining involved in Argosy and for his efforts to preserve the school's accreditation status. The Receiver also thanks Dr. Christopher Oberg, of the WASC Senior College and University Commission, for his efforts in working with the Receivership to ensure that accreditation was not pulled prematurely, thereby protecting the students and their investments in their educations.

The Receiver shares Dr. Harbaugh's desire that the Argosy masters and doctoral clinical psychology students be given the opportunity to complete their studies with the least possible interruption. As we understand Dr. Harbaugh's suggestion, a staff would be retained for each of the Hawaii, Atlanta, Tampa, Minneapolis, and Phoenix Argosy campuses. His letter is, however, silent on the issue of how those people would be paid, or how the leases for real property required to provide the services would be paid. The Receivership estate has neither the money nor the resources to pay the faculty and it has, or will shortly, surrender its lease space in all of those locations. As this Court is aware, the Department of Education terminated *all* Title IV funding for the Argosy University system on February 27. Unable to pay salaries, rent, or any other expenses, most Argosy campuses were closed on March 8, and the few campuses that remain in operation have no regular source of income as the Receiver tries to sell them as ongoing entities. Dr. Harbaugh's plan could well bring value to the Argosy masters and doctoral clinical psychology students affected by the campus closures, but his plan, a good one, requires funding.

The Receiver has looked at every possibility for funding such a request, and cannot find one. If Dr. Harbaugh can find a non-Receivership funding source to be used to implement his suggestion, the Receiver would immediately cooperate and offer whatever assistance he can. For example, if the Department of Education decided to release monies currently available under a letter of credit EDMC posted at the time Dream Center purchased Argosy, the Receiver would be willing to set up a payroll account to pay the faculty described by Dr. Harbaugh. The intent would be that the Department-released funds would flow through a third party to the faculty instead of

flowing through the Receivership estate itself. The Receiver would also seek assistance from neighboring educational institutions to provide space for the instruction.

In short, the Receiver welcomes any concrete proposals from the stakeholders whereby a funding source sufficient to cover the expenses associated with the proposal is identified and the Receiver will work to implement any program that assists Argosy's vulnerable students.

Date: March 15, 2019

WHITMER & EHRMAN LLC

/s/Mary K. Whitmer

Mary K. Whitmer (0018213)
James W. Ehrman (0011006)
Robert M. Stefancin (0047184)
2344 Canal Rd., Suite 401
Cleveland, OH 44114
Telephone: (216) 771-5056
Facsimile: (216) 771-2450
Email: mkw@weadvocate.net
Attorneys for Receiver