



April 11, 2023

Mr. Fardad Fateri  
Chief Executive Officer  
International Education Corporation  
16485 Laguna Canyon Rd., Ste. 300  
Irvine, CA 92618

Sent via email to [FateriF@IECColleges.com](mailto:FateriF@IECColleges.com)  
Via UPS #1Z37X7Y30118233477

OPE ID: 02305800

Re: Florida Career College – Terms of Continued Participation in Title IV, HEA programs.

Dear Mr. Fateri:

On April 11, 2023, Florida Career College (FCC) was notified by the U.S. Department of Education (Department) of findings that FCC breached its fiduciary duty to the Department, failed to comply with the Department's standards of administrative capability, and violated multiple regulations related to the administration of Ability to Benefit (ATB) tests to substantiate the eligibility of its students to receive Title IV funding ("Recertification Denial Notice").

Because of those violations and as explained in that notice, the Department has denied FCC's application for recertification.

As described in the Recertification Denial Letter, given the short-term nature of most of FCC's educational programs, the Department has determined that these circumstances provide a reasonable basis to defer the effective date of the denial of recertification to September 30, 2023, subject to the conditions outlined below. Providing this extended period will allow FCC to engage in an orderly wind down of its participation in the Title IV programs and will allow some students who are currently enrolled (and who have begun attendance at FCC) to affirmatively decide to complete their program of study, should they choose to do so. However, the Department's agreement to allow a deferred effective date for the denial of recertification is subject to FCC's acceptance of and compliance with the conditions set forth below and its compliance with the regulatory requirements for participation in Title IV, HEA programs.

If FCC fails to comply with any condition listed below or regulatory requirement, or if any circumstance arises that causes the Department to determine that it is no longer reasonable to defer the effective date of the recertification denial, the Department will notify FCC that the Department has rescinded the deferred effective date and FCC's participation will end the last day of the month in which the notice is sent.

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division - Multi-Regional and Foreign Schools  
830 First Street, NE, 9th Floor, Washington, DC 20202  
[StudentAid.gov](http://StudentAid.gov)

FCC must inform the Department within five business days whether it intends to accept the conditions set forth below by executing this agreement and emailing it to me at [michael.frola@ed.gov](mailto:michael.frola@ed.gov) by 5:00 p.m. eastern time on April 18, 2023. If FCC opts not to do so, its participation will end on April 30, 2023.

### CONDITIONS


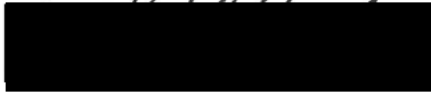
1. **Month-to-Month Status.** FCC will continue to be eligible to participate in Title IV, HEA programs on a month-to-month basis until September 30, 2023, unless, prior to that date, the Department rescinds its decision to defer the effective date of the denial of recertification based upon FCC's failure to comply with any condition listed below or if any circumstance arises that causes the Department to determine that it is no longer reasonable to defer the effective date of the recertification denial.
2. **No New Title IV Enrollments.** FCC must immediately cease enrolling or beginning classes for any new students who may receive Title IV, HEA program funds.
3. **HCM-2.** FCC will remain on heightened cash monitoring 2.
4. **Enrollment Reporting.** FCC must complete enrollment reporting to the National Student Loan Data System ("NSLDS") by May 1, 2023, and on the first day of each month thereafter.
5. **Teach-Out Plan and Agreement.** By no later than June 1, 2023, FCC must provide the Department with an updated teach-out plan for Title IV students, and a report on progress in obtaining teach-out agreements with other institutions for FCC's Title IV students.
6. **Monthly Reporting.** On May 15, 2023 and updated on the 15<sup>th</sup> of each month through September 15, 2023, FCC must provide the Department with the following:
  - (a) an updated report regarding FCC's progress toward arrangements with other Title IV eligible institutions to teach-out its Title IV students;
  - (b) a list of all lawsuits or arbitration proceedings initiated against FCC or related entities (including International Education Corporation) at any time after the Department's Recertification Denial Notice, including the names of the parties and the causes of action or violations alleged.
7. **Refunds to Withdrawing Students.** For currently-enrolled students who choose to withdraw prior to September 30, 2023, FCC will refund any funds paid to the school directly by or on behalf of the student and for which Title IV aid was not disbursed. The refund must be made no later than 30 days following the student's withdrawal.
8. **Direct Disclosures to Students.** Within two weeks, or at a later date according to the Department's discretion, FCC must send to every currently enrolled student a notice to be

supplied by the Department regarding the Department's denial of re-certification and student options, either by electronic mail, U.S. mail first class, or other comparable method of delivery.

9. **Record Retention and Reporting.** On May 1, 2023, FCC must submit to the Department a records retention plan detailing FCC's structure for retaining, at a minimum, the following documents:
  - (a) all documents required to be preserved by any applicable regulations, including, without limitation, 34 C.F.R. §§ 668.16(d), 668.23(e), 668.24, and 668.26(b)(3);
  - (b) all documents relating or pertaining to FCC's administration of Title IV, HEA program funds; and
  - (c) all documents constituting student admissions, financial aid, and educational files including student transcripts.
10. **Ensuring Immediate Access to Records.** FCC must provide official and unofficial copies of academic transcripts, financial records, and other educational records to current and former students, and to institutions designated by students, upon request, without respect to any balance students may owe to FCC or International Education Corporation. FCC may not charge students a fee for access to or provision of these records.
11. **Financial Protection.** FCC must provide the Department with financial protection in the form of a letter of credit ("LOC") or cash escrow in the amount of \$6,015,824, which is ten percent of FCC's annual Title IV funding volume for the fiscal year ended December 31, 2022. This financial protection is in addition to any other financial protection FCC has already posted. At the same time it returns the executed copy of this letter, FCC must notify the Department whether it intends to post an LOC or a cash escrow. If FCC decides to post an LOC, it must provide a letter from a financial institution at that same time, confirming that the financial institution is working with FCC to secure the LOC and the timeline for its delivery. The financial protection (LOC or cash escrow) must be received by the Department no later than 30 calendar days after the date of this letter. If an LOC is posted, its expiration date must be no sooner than January 31, 2025, and must be renewed at the Department's request. The Department has attached the template for the LOC. If FCC elects the cash escrow, the Department will provide FCC with a cash escrow agreement.

Acceptance of the terms and conditions set forth in this letter must be signed by an authorized representative of FCC, and by authorized representatives of IEC US Holdings, Inc. and IEC Corporation. To be effective, such signatures must be received no later than 5:00 p.m. eastern time, April 18, 2023.

Sincerely,

Michael J. Frola  
Director, Multi-Regional and Foreign  
Schools Participation Division

By signing below, the institution and its owner entities acknowledge and agree to the conditions specified in this letter.

Florida Career College, by its authorized representative:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

IEC US Holdings, Inc., by its authorized representative:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

IEC Corporation, by its authorized representative:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Enclosure: Letter of Irrevocable Credit Template

cc: Gary Puckett, Executive Director, Council on Occupational Education, via  
[gary.puckett@council.org](mailto:gary.puckett@council.org)  
Executive Director, Florida Commission for Independent Education, via  
[susan.hood@fldoe.org](mailto:susan.hood@fldoe.org)  
Milan George, Director, Texas Workforce Commission – Career Schools and Colleges,  
via [career.schools@twc.texas.gov](mailto:career.schools@twc.texas.gov)  
Tina Marberry, Director of Human Resources, Texas Workforce Commission – Veterans  
Education, via [tina.marberry@tvc.texas.gov](mailto:tina.marberry@tvc.texas.gov)  
Harrison Keller, Commissioner of Higher Education, Texas Higher Education  
Coordinating Board, via [commissioner@highered.texas.gov](mailto:commissioner@highered.texas.gov)  
Silvia Anguiano, Executive Assistant, Texas Higher Education Coordinating Board, via  
[silvia.anguiano@highered.texas.gov](mailto:silvia.anguiano@highered.texas.gov)  
Department of Defense, via [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)  
Department of Veteran Affairs, via [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov)  
Consumer Financial Protection Bureau, via [CFPB ENF Students@cfpb.gov](mailto:CFPB_ENF_Students@cfpb.gov)