

COPY

BARR, JONES & ASSOCIATES LLP
ATTORNEYS AT LAW

May 26, 2009

Department of Education
PO Box 7063
Utica, NY 13504

&

Ashford University
400 North Bluff Blvd.
Clinton, Iowa 52732

Re: [Redacted] / xxx-xx [Redacted]

To Whom It May Concern:

Our office is consulting [Redacted] in regards to a student loan issue that she is experiencing with Ashford University and the U.S. Department of Education.

[Redacted] received financial aid during her entire enrollment at Ashford University through Iowa Student Loan. For her last quarter of schooling she obtained two loans from U.S. Bank in the amounts of \$11,812 and \$688 for a total of \$12,500. This loan was purchased, in January 2009, by the Department of Education under the Ensuring Continued Access to Student Loan Act.

Jason F. Barr
Attorney at Law

The total \$12,500 was dispersed from U.S. Bank to Ashford University. The University retained \$1,500 of the balance for [Redacted]'s tuition and provided [Redacted] with a check for the overage to cover her educational related expenses.

Andrew D. Jones
Attorney at Law

[Redacted] verified with both Ashford University and the U.S. Department of Education that the overage was part of her loan package and that the funds could be used for her educational related needs.

Andrew P. Brasse
Attorney at Law

Ashford University is now claiming that [Redacted] owes the University the sum of \$10,937 for the aforementioned loans because the University "inadvertently" repaid the sum back to the U.S. Department of Education on the loans.

Naila Khan
Attorney at Law

Patrick J. Heugerty
Attorney at Law
"Of Counsel"

Columbus Metro Office
Redacted by HELP

Cincinnati Metro Office
Redacted by HELP

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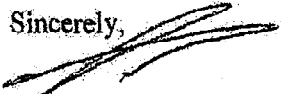
(1 ^{Redacted}) *Continued*

Ashford University was paid in full for any tuition due for her schooling. The Department of Education has been paid back \$10,937 of the \$12,500 borrowed by ^{Redacted} for the subject loans. Therefore, ^{Redacted} owes the Department of Education \$1,563 for repayment of the subject loans. It is our position that ^{Redacted} does not owe Ashford University anything for the University's negligent actions.

We are requesting that Ashford University respond with its position within fourteen (14) business days. Along with this response please include any documentation proving that ^{Redacted} has agreed to compensate the University for its voluntary repayment to the Department of Education. During this time we are asking that the Department of Education take no action in an attempt to compensate Ashford University for the University's actions.

Should we fail to hear from Ashford University we will assume that our contention is correct. Accordingly we will assume that Ashford University will no longer attempt to collect the alleged debt from ^{Redacted}. Once we obtain the University's response we will be in contact with all parties.

Thank you for your time and consideration. I look forward to hearing from you soon.

Sincerely,

Jason F. Barr, Esq.

JFB/grh

*Jason F. Barr
Attorney at Law*

*Andrew D. Jones
Attorney at Law*

*Andrew P. Brasse
Attorney at Law*

*Nadia Khan
Attorney at Law*

*Patrick J. Heugerty
Attorney at Law
"Of Counsel"*

Columbus Metro Office
Redacted by HELP

Cincinnati Metro Office
Redacted by HELP



June 24, 2009

Redacted

Dear [Redacted];

Ashford University (hereinafter "the University") is in receipt of the letter sent on your behalf by Redacted Redacted by on May 26, 2009, and received by the University's Ombudsman's Office on June 8, 2009. On June 9, 2009, the University sent a letter to Redacted notifying him we had received his correspondence and requested that you complete a Family Education Rights and Privacy Act (FERPA) release, authorizing the University to speak with Redacted on issues related to your student record. To date, the University has not received a completed FERPA release from you, and therefore cannot communicate the University's position with him.

You did not avail yourself to the University's formal grievance procedure, outlined on pages 22-24 of the 2008-2009 University catalog (enclosure 1). However, given the nature of your complaint, the University treated it as a formal grievance, conducted a thorough investigation into the issues and the determination of that investigation has been outlined in this letter. The University considers this matter closed.

From Redacted letter, the University is advised that you are disputing the \$10,827.63 balance owed to the University. Redacted states the University "inadvertently" repaid a student loan in the amount of \$10,037.00 to the Department of Education. The University refutes this claim based on the following facts:

On December 17, 2008, the University packaged your financial aid for your final course, COM 200, and awarded you \$688.00 in subsidized Stafford loans, and \$875.00 in unsubsidized Stafford loans. On December 18, 2008, you were sent an award letter that reflected these amounts and estimated disbursement dates (enclosure 2).

On December 19, 2008, due to unknown causes, an automated packaging error occurred and increased your award of unsubsidized Stafford loans from \$875.00 to \$11,812.00; an increase that you were **not** eligible to receive.

On January 20, 2009, you received a disbursement of \$681.12 in subsidized Stafford loans and \$11,693.88 in unsubsidized Stafford loans.

On January 23, 2009, the University erroneously sent a stipend check to you in the amount of \$11,364.00. On February 2, 2009, you cashed this check (enclosure 3). On April 2, 2009, per federal regulation, the University refunded \$10,827.63 in unsubsidized Stafford loans, as you were not eligible to receive the funds. This refund created a balance with the University in the amount of \$10,827.63.

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Confidential Treatment Requested

BPI-HELP_00027875

Bridgepoint Education, Inc.
Document 22, Page 3

The University maintains you are financially responsible for the balance on your account. You were sent an award letter on December 18, 2008, that clearly outlined your awards for your final course with the University; a subsidized Stafford loan for \$688.00, and an unsubsidized Stafford loan for \$875.00. Based on the information contained in your award letter of December 18, 2008, receiving such a large disbursement and stipend should have caused you to question that this was not your award. During your tenure with the University, you were never issued a stipend check that exceeded \$2,156.00. The average amount of the four stipends you received prior to the final stipend was \$1,624.75.

Given these circumstances, the University believes any reasonable person would have realized that the disbursement was thirteen times greater than the amount awarded, as specified in the December 18, 2008 award letter, and the stipend was seven times greater than any other stipend check you had received in the past. Your failure to contact the University and question the disbursement or stipend was a violation of your responsibilities as a student and cashing and using the money was an act of bad faith.

The University is willing to offer you a three year interest-free payment plan to pay off the balance owed to the University. Please contact [Redacted], Collection Specialist, at [Redacted] by July 15, 2009, to avoid having your account sent to an outside collection agency.

Because the University treated your issues as a formal grievance, you have the right to appeal this decision to the University president by following the procedure located at the bottom of page 23 of the 2008-2009 catalog (review enclosure 1). Please send your completed appeal to [Redacted] by HELP

Sincerely,

[Redacted]

[Redacted]

Vice President of Compliance