



Exhibit H

December 1, 2006

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dear Ms. McKinney, Ms. James and Ms. Blackwell:

Your letter of September 6, 2006 to U.S. Senator Maria Cantwell has been forwarded to the U.S. Department of Education, Federal Student Aid to assist in responding to your questions and concerns about Court Reporting Institute.

Court Reporting Institute was certified to participate in the Federal Student Aid programs on May 1, 1991. In order to obtain certification, an institution must adhere to the following requirements:

It must be legally authorized by the state where the institution offers Postsecondary education to provide a postsecondary education program and

It must be Accredited by a nationally recognized accrediting agency

Additionally, to be eligible as a proprietary institution or a postsecondary vocational institution, a school must be legally authorized to give the same postsecondary instruction for at least two consecutive years prior to its application.

Court Reporting Institute was licensed by the Washington Workforce Training and Education Coordinating Board (WTECB) and accredited by the Accrediting Council of Independent Schools and Colleges (ACICS); therefore the school met these requirements for participation in the Title IV, HEA programs.

In your letter, you question the validity of the Court Reporting program offered at CRI and the Department's failure to act on student complaints. I have reviewed all of the school files for CRI as well as incoming and outgoing correspondence relating this school and based on the

U.S. Department of Education, Federal Student Aid, School Participation Team - San Francisco/Seattle
701 Fifth Avenue, Suite 2550, Seattle, WA 98104
www.FederalStudentAid.ed.gov

FEDERAL STUDENT AID START HERE. GO FURTHER.

[REDACTED]
[REDACTED]
[REDACTED]

Page 2

results of my research I found that prior to 2003, there were no student complaints received in this office. Therefore, prior to 2003 there was nothing for the Department to act on.

In 2001 WTECB, the state-licensing agency for CRI received several students' complaints ultimately resulting in an investigation. WTECB determined that CRI was misleading students about the amount of time it would take to complete the Court Reporting program. The school was instructed to ensure that potential students would be given accurate information about the rigorous requirements of the program; its complexity and the difficulty of completing this type of program type within the time allotted.

Schools must also offer at least one program that meets the eligible program requirements. The school is ultimately responsible for determining that a program meets the eligible program definition and make certain that the program is included under the notice of accreditation from a nationally recognized accrediting agency and authorized by the state.

It is however the Department's responsibility to oversee the Federal Student Aid programs to ensure that schools are in compliance with the regulatory requirements governing the Title IV, HEA programs. The Department employs several methods to monitor an institution's ability to administer these programs, one of which would be to conduct a program review.

Program reviews are conducted to identify possible problems in a school's administration of the Federal Student Aid programs. It covers fiscal operations and accounting procedures as well as the school's compliance with the specific program requirements for student eligibility and awards. There are several indicators that would warrant conducting a program review at an institution. The indicators vary from moderate to serious. All student complaints are researched thoroughly and have, at times resulted in the Department conducting a program review.

Our records show that there were two program reviews conducted at the Court Reporting Institute located in Seattle, WA. The first on-site review was conducted during the period of June 28, 1993 through July 3, 1993. The school was cited for moderate deficiencies, which were subsequently corrected by the institution. There were additional concerns or complaints until 2003 at which time the Department received letters complaining about the quality of education being offered at CRI.

A second program review was conducted on September 30, 2003 and ended October 30, 2003. The results of this review revealed that CRI had failed to apply the quantitative measurement of the satisfactory academic progress policy accurately.

Regulations require institutions to develop a satisfactory academic progress policy that includes both a qualitative and quantitative measure. The quantitative measure is a maximum timeframe in which the student must complete his or her educational program. It must be based on the student's enrollment status and for an undergraduate can be no longer than 150% of the published length of the program.

As a result, students enrolled in the Court Reporting program were enrolled beyond the maximum timeframe resulting in their receiving Title IV funds in excess of their eligibility.

The investigation that you reference in your letter was the September 30, 2003 program review. The length of this review has been a result of the complexity of the finding, the number of students and academic years and the total amount and type of financial aid involved. We are aware that it has been a long process and to-date; we are still actively seeking a satisfactory resolution.

The Department is aware of the financial burden that the students of CRI have incurred. It is unfortunate that students were unable to complete their programs of study at the time of closure as well as those former students who were misled and misguided. If applicable, the Department offers several options for discharging and /or cancellation of federal student loans.

A student borrower's obligation to repay a Stafford or SLS loan or a parent borrower's obligation to repay a PLUS received on or after January 1, 1986 will be cancelled if the borrower was unable to complete his or her program of study because the school closed, or if the borrower withdrew from the school not more than 90 days before the school closed. This 90-day period may be extended on a case-by-case basis if deemed appropriate by the Secretary.

Also, the borrower's obligation to repay may be cancelled if the institution falsely certified the borrower's eligibility for the loan. If the school falsely certified that a student had the ability to benefit from its training, or signed the borrower's name without authorization by the borrower on the loan application or promissory note, the loan may be discharged under this provision. This is considered false certification by the school based (in the first case) on student eligibility to borrow, and (in the second case) on unauthorized signature.

In the case of an electronic funds transfer, the borrower must certify that he or she did not endorse the loan check or sign the authorization for electronic funds transfer, or authorize the school to do so. The borrower must state that he or she did not receive the proceeds of the contested disbursement either through actual delivery of the loan funds or by a credit to the school's account.

Interest and collection fees, as well as loan principal, will be discharged. The Department will attempt to collect from the school the loan amount discharged, including any refund owed the student.

If a borrower's defaulted loans are discharged under these provisions, the borrower, if otherwise eligible, regains eligibility for federal student financial assistance (SFA) grants and loans. In addition, any adverse credit history will be deleted from credit reporting agencies' records. The period of study the student was unable to complete because of a school's closing will not be counted in calculating the student's eligibility for additional student financial assistance.

██████████
██████████
██████████
Page 4

If you are for a loan discharge and/or cancellation you can obtain a "Discharge Application" from the guaranty agency, your lender or the Federal Student Aid website at: www.fsa.ed.gov.

I sincerely hope that I have been able to answer your questions and/or concerns. If you would like to contact me, I can be reached at (206) 615-3638.

Sincerely,



DeNise L. Hill
Institutional Review Specialist
Federal Student Aid
School Eligibility Channel – School Participation Team

cc: U.S. Senator Maria Cantwell