

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (“**Agreement**”) is made and executed by and between the Iowa Attorney General’s Office (“**AG**”) and La’ James College of Hairstyling Inc. of Fort Dodge, doing business as La’ James International College; Travis, Ltd., doing business as La’ James International College, M & C Beauty School, Inc., doing business as La’ James International College, Tiffany, Ltd., doing business as La’ James International College, R & R Construction Co., doing business as La’ James International College, Lyndi, Ltd., Travis Becher, and Cynthia Becher including, except as otherwise provided herein, all of their respective subsidiaries, affiliates, successors, and assigns (**collectively, “La’ James,”**) (**collectively with the AG the “Parties”**) and provides for the settlement of the October 22, 2021 Notice of Non-Compliance.

This Agreement is entered into by the Parties as a free and voluntary act and with full knowledge and understanding of: (i) the allegations contained in the October 22, 2021 Notice of Non-Compliance and (ii) the obligations and duties imposed by this Agreement.

WHEREAS, the AG issued a Notice of Non-Compliance alleging that La’ James was in violation of the July 1, 2016 Consent Judgment, specifically provisions that require La’ James not make any false, deceptive, or misleading students in connection with the recruitment of prospective students or concerning financial aid.

WHEREAS, the Parties wish to settle their differences upon the terms and conditions set forth in this Agreement.

In consideration of the mutual agreements, covenants, representations, and conditions contained herein, the Parties agree as follows:

1. **DEFINITIONS**

1.1. “Consent Judgment” shall mean the Proposed Consent Judgment filed on June 29, 2016 in the Iowa District Court, Polk County, Case No. EQCE077018.

1.2. “Effective Date” shall mean the date this Agreement becomes effective, which shall be the first date on which the AG and La’ James have fully executed this Agreement.

1.3. “Notice of Non-Compliance” shall mean the October 21, 2021 correspondence from the AG stating its determination that La’ James failed to comply with the terms of Paragraphs 71 and 72 of the Consent Judgment.

1.4. “Qualifying Former Students” shall mean students who (a) enrolled and attended classes at La’ James between August 1, 2018 and December 1, 2020; (b) owe amounts to La’ James for enrollment and attendance; and (c) who subsequently withdrew from La’ James during that time period.

2. RELEASE AND PAYMENT

2.1. In the interest of resolving all matters arising from or related to the Notice of Non-Compliance, the Parties wish to settle their differences upon the terms and conditions set forth in this Agreement.

2.2. La' James agrees to forgo efforts to collect all amounts that La' James claim is owed to La' James by Qualifying Former Students (hereinafter "Institutional Debt") which amounts total **\$461,771.42** in full settlement of the issues raised in the Notice of Non-Compliance. ("**Settlement Amount**"). For the avoidance of doubt, Institutional Debt shall not include debts that are owed to non-La' James entities, such as, for example, federal student loans owed to the United States government. La' James further agrees to forgo collecting on any amounts owed to La' James by any Qualifying Former Students who have not been included in the \$461,771.42 identified above.

2.3. Within forty-five (45) days of the Effective Date, La' James shall send a letter by U.S. mail to each Qualifying Former Student at his or her last known mailing address notifying each Qualifying Former Student that La' James is foregoing collection on his/her Institutional Debt, including all interest and fees. The notice shall state that due to a recent settlement with the Attorney General, the Qualifying Former Student's account balance owing to La' James is zero dollars (\$0) and shall encourage the Qualifying Former Student to advise any and all co-signers that the Qualifying Former Student's account balance owing to La' James has been reduced to zero dollars (\$0).

2.4 La' James will be required to provide the names of the Qualifying Former Students in such manner as agreed to by the Parties and as contemplated in the Consent Order and in compliance with La' James's FERPA obligations.

2.5 La' James will be required to include additional information in conjunction with financial aid awards related to the timing of aid disbursements and payments to students. Such explanatory paragraph will be mutually agreed to by the parties within forty-five days of the Effective Date.

2.6 The AG agrees to accept the Settlement Amount in full satisfaction of the issues raised in the Notice of Non-Compliance.

3. RELEASE OF CLAIMS

The Parties agree that this Agreement finally and completely resolves their current dispute regarding the Notice of Non-Compliance. The Parties release, relinquish, acquit, and forever discharge each other from all liability—including but not limited to any losses, damages, expenses, costs (such as, but not limited to, travel, photocopying, or any related expenses), attorney fees, judgments, interest, actions, claims, or any other liability whatsoever—arising from or related to the Notice of Non-Compliance and the Settlement Amount.

4. NO ADMISSION OF FACT OR LIABILITY

The Parties acknowledge that this Agreement has been executed in connection with the compromise and settlement of a disputed claim. The Agreement and the actions taken pursuant to the Agreement do not constitute an acknowledgment or admission of any fact or liability by any Party.

5. WITHDRAWAL OF NOTICE OF NON-COMPLIANCE

Upon the Effective Date of this Agreement, the Notice of Non-Compliance shall be withdrawn by the AG.

6. MISCELLANEOUS

6.1. Acknowledgement of Consideration. The Parties agree and acknowledge that the consideration received in this Agreement for the execution thereof shall constitute the complete and only consideration the Parties shall receive.

6.2. Full Capacity and Authority. Each Party represents that it has the full mental and physical capacity and legal authority to enter into, execute, and perform this Agreement.

6.3. No Assignment. The Parties are the sole and lawful owners of all claims being settled herein. The Parties have not assigned or transferred any of the claims released herein to any other persons or entity not bound by this Agreement.

6.4. Severability. Each provision of this Agreement shall be deemed to be severable from all other provisions of the Agreement and, if one or more of the provisions of the Agreement shall be declared invalid, the remaining provisions of the Agreement shall remain in full force and effect.

6.5. Choice of Law and Forum.

6.5.1. The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Agreement without regard to the choice of law provisions of Iowa law or any other principles of conflicts of law.

6.5.2. Nothing in this Agreement shall be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to the AG or its agents, officers, employees, representatives, predecessors, successors, assigns, attorneys, agencies, divisions, departments, commissions, commissioners, boards, board members, and all other persons or entities acting on behalf of the State of Iowa.

6.6. Modification. Neither this Agreement nor any documents incorporated by reference in connection with this Agreement may be changed, amended, waived, discharged, or terminated orally. This Agreement may only be changed, amended, waived, discharged, or terminated

through written, unanimous approval that is signed by the Parties.

6.7. Waivers. No waiver by the Parties of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the Parties in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by the Parties shall preclude future exercise thereof or the exercise of any other right or remedy.

6.8. Complete Integration. This Agreement contains the entire understanding between the Parties and any representations or statements—whether oral or in writing—that may have been made before or after the signing of this Agreement, which are not contained herein, are nonbinding, void, and of no effect. None of the Parties have relied on any such prior representation in entering into this Agreement.

6.9. Counterparts. The Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.10. Drafted by All Parties. This Agreement will be understood as drafted by all the Parties to the Agreement and, in any dispute, will not be construed against any Party.

6.11. Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction and interpretation of this Agreement.

6.12. Attorney Consultation. The Parties acknowledge that they have had ample opportunity to consult with their attorneys prior to execution of this Agreement and have either done so or have specifically elected to forgo legal consultation.

7. PUBLIC RECORD

It is understood and agreed by the Parties that this Agreement is a public record under Iowa Code chapter 22 (the Iowa Open Records Act). The Parties also affirmatively acknowledge Iowa Code sections 422.20 and 422.72 related to confidential information.

SIGNATURE PAGES TO FOLLOW

FOR THE STATE OF IOWA



By: _____

Noah Goerlitz

Assistant Attorney General

Consumer Protection Division

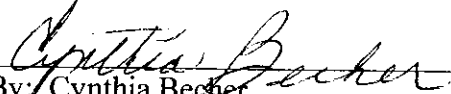
1305 E. Walnut St.

Des Moines, IA 50319

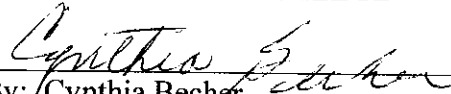
Email: noah.goerlitz@iowa.gov

Telephone: (515) 281-5164

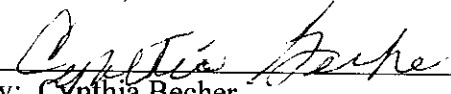
LA' JAMES COLLEGE OF
HAIRSTYLING INC. OF FORT DODGE,
d/b/a LA' JAMES INTERNATIONAL
COLLEGE


By: Cynthia Becher
Its: President, Secretary, and Treasurer

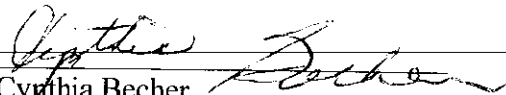
TRAVIS, LTD, d/b/a LA' JAMES
INTERNATIONAL COLLEGE



By: Cynthia Becher
Its: President, Secretary, and Treasurer

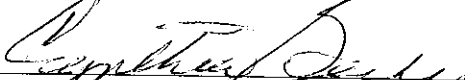
M & C BEAUTY SCHOOL INC., d/b/a
LA' JAMES INTERNATIONAL
COLLEGE,


By: Cynthia Becher
Its: President, Secretary, and Treasurer

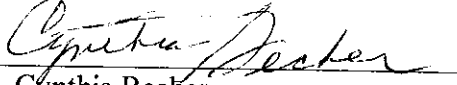
TIFFANY, LTD, d/b/a LA' JAMES
INTERNATIONAL COLLEGE



By: Cynthia Becher
Its: President, Secretary, and Treasurer

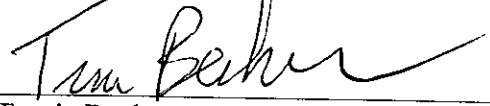

R & R CONSTRUCTION COMPANY,
d/b/a LA' JAMES INTERNATIONAL
COLLEGE,


By: Cynthia Becher
Its: President, Secretary, and Treasurer

LYNDI, LTD,


By: Cynthia Becher
Its: President, Secretary, and Treasurer


Cynthia Becher, Individually


Travis Becher, Individually