

October 25, 2010

«FIRST_NAME» «LAST_NAME»
«ADDRESS»
«CITY», «STATE» «ZIP»

**Re: American Justice School of Law and Barkley School of Law
Student Loan Xpress, Inc.—Assurance of Voluntary Compliance**

Dear «FIRST_NAME»:

As you may have learned already from accounts in the media, the Office of Attorney General is pleased to inform you that Student Loan Xpress, Inc. (SLX) has entered into an Assurance of Voluntary Compliance (AVC) with this Office. The AVC resolves my Office's investigation into various alleged unfair and deceptive trade practices by SLX in connection with its American Justice School of Law/Barkley School of Law student loan activity. The AVC is not a finding that SLX violated any law and SLX does not admit any wrongdoing or violation of law in the AVC. Nevertheless, SLX has agreed to reduce loan indebtedness and extend the deferment and grace period for borrowers who complete the claims process outlined in the AVC.

The AVC is extensive and detailed, so I will not address in this letter all the matters covered in the AVC. The AVC may be viewed on-line at <http://ag.ky.gov/slxavc>. If you complete the claims process outlined in the AVC, adjustments that may be made to your loan account pursuant to the AVC include:

*Loan amounts reduced for AJSL/Barkley credits that did not transfer. For borrowers who complete the claims process, their loan amounts will be reduced so as NOT to include any loan amounts for tuition and school fees for credits that did not transfer to another school. The loan amounts for living expenses associated with non-transferred credits will be reduced by 10%.

*Loan origination fees will be removed from accounts.

*Capitalized interest, penalties, and late fees will be removed from loan accounts.

*Interest will be recalculated so as to accrue on the reduced loan amount (i.e. the loan amount that results from the application of the AVC to your account) from the date the loan was disbursed. Any permissible loan fees likewise will be based on the reduced loan amount.

*Extended period of deferment and grace. For borrowers that elect to defer repayment, their repayment date will be at least 9 months after completing the claims process, or if the borrower is enrolled in school at least half-time when the process is concluded, then 9 months after the borrower ceases to be enrolled at least half-time in school.

You must complete the claims process provided in the AVC to insure that the terms are applied to your loan account.

Generally, the steps in the claims process are as follows:

- STEP 1 Review the attached Summary from our Office. Keep this Summary because you may need it during the claims process (see Step 3 below). The Summary sets-forth how your SLX loan funds were divided between tuition/fees and living expenses each semester. The information in the Summary is from the school records the Office of the Attorney General obtained from the Trustee in the American Justice School of Law, Inc. bankruptcy. The Summary is intended to aid you when providing information to SLX in the course of the claims process. **If you disagree with the information in the Summary, you may provide your own information and documents to SLX** demonstrating the amount of SLX loan funds used for tuition/fees and living expenses.
- STEP 2 In approximately 30 days, SLX should be providing you¹ with a Notification Package that includes information about your current account status, a copy of the AVC, and a **Borrower Information Form**.
- STEP 3 Within **ninety (90) days** of receiving the Notification Package from SLX, you must **complete and return the Borrower Information Form to SLX** so that SLX may recalculate your loan account in accordance with the AVC based on the information you provide in the **Borrower Information Form**. Return the **Borrower Information Form** to the address provided by SLX by Certified Mail Return Receipt Requested. You will not be committing to accepting the terms of the AVC simply by returning the completed Form. The Form allows SLX to create a worksheet for you showing what your loan account will be if you accept the application of the AVC to your account. After you receive the worksheet from SLX, you will have the opportunity to decide whether to accept the AVC's application to your account. See Steps 4 and 5.
- STEP 4 SLX will send you a Revised Loan Account Worksheet which shows the application of the AVC to your account based on the **Borrower Information Form** you provided. SLX also will provide you with an **AVC Election Form** and **Liability Release**.

¹ If you are involved in a bankruptcy proceeding or other litigation with SLX or its affiliates, SLX will be contacting your attorney. Section E of the AVC addresses the application of the AVC to the loan accounts of borrowers involved in bankruptcy proceedings or other litigation.

- STEP 5 Within **sixty (60) days** of receiving the Revised Loan Account Worksheet from SLX, **you must complete and return the AVC Election Form and the Liability Release** to SLX if you want to have your account revised in accordance with the Revised Loan Account Worksheet provided by SLX.² Return the **AVC Election Form** and the **Liability Release** to the address provided by SLX by Certified Mail Return Receipt Requested.
- STEP 6 SLX will provide you a Final Revised Loan Account Worksheet, substantially similar to the Revised Loan Account Worksheet that you accepted, and notify you as to when repayment on your loan is scheduled to begin.

If you have any questions throughout the claims process or about your account, you may call the SLX Director of Private Loan Programs at **(888) 568-2442**. The person receiving your call should be able to answer your questions or direct you to another person knowledgeable about the AVC. You may also contact the Office of Attorney General at (502) 696-5389 and speak to Assistant Attorney General Della Justice if you have questions about the process. **Please note, however, that my Office cannot provide you with legal advice or recommend whether you should or should not participate.**

While I am pleased with this AVC and believe it resolves the Office's dispute with SLX, you must decide for yourself whether you want to accept the terms of the AVC. I urge you to consult with your own attorney and accountant to determine the legal and financial consequences of having the terms of the AVC applied to your loan account.

We have heard from several students expressing their gratitude for the work we have done and what we have accomplished. I know that many of you are struggling in these tough economic times to make ends meet. I just hope the work of my Office has lifted some of the burden you carry, and for those of you pursuing a legal career, I hope it has made it easier for you to enter that next chapter with confidence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jack Conway".

Jack Conway
Kentucky Attorney General

² There is an Error Notification process provided in the AVC if you believe that SLX has made a material error in applying the terms of the AVC to your account. An **Error Notification Form** is attached to the AVC, and you can review the form and Section C Paragraph 5 of the AVC for information about the Error Notification process.