



JOSH STEIN
ATTORNEY GENERAL

STATE OF NORTH CAROLINA
DEPARTMENT OF JUSTICE
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REPLY TO:
MATT LILES
CONSUMER PROTECTION DIVISION
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July 12, 2018

Dream Center Education Holdings, LLC
1400 Penn Avenue
Pittsburgh, PA 15222

The Art Institute of Charlotte, LLC
The Art Institute of Raleigh-Durham, Inc.
South University of North Carolina, LLC
c/o Corporation Services Company, registered agent
2626 Glenwood Avenue, Suite 550
Raleigh, NC 27608

Re: Closure of Dream Center's North Carolina Campuses

Dear Dream Center:

On July 2, 2018, Dream Center Education Holdings, LLC ("Dream Center") notified students that all three of its North Carolina campuses (Art Institute of Charlotte, Art Institute of Raleigh-Durham, and South University in High Point) would be closing by December 31, 2018. This news has upended the lives of the close to 3000 students reportedly enrolled at these campuses, and left those students searching for a way forward. We are writing seeking additional information regarding the closure and its impact on students.

A recent news article¹ outlined four options for Dream Center students:

- 1) finishing their programs at their current campuses by the end of the year, if possible;
- 2) finishing their programs online;
- 3) finishing their programs face-to-face at another Dream Center campus; and
- 4) finishing their programs at a "partner school."

¹ Jane Stancill, 'We're just stuck and lost.' As Art Institute Faces Closure, Students Worry About Their Future, Raleigh News & Observer, Jul. 10, 2018, <https://www.newsobserver.com/news/local/article214578670.html>

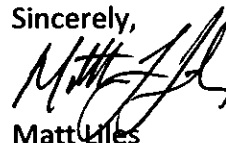
We have questions about all of the options presented:

1. For option 1, please provide the number of students who could potentially finish their programs under that option, and describe your method for determining that number. Please also confirm the total number of students enrolled at Dream Center's North Carolina campuses as of July 1, 2018.
2. For option 2, please confirm that all students enrolled in the three North Carolina campuses are in programs that can in fact be completed online. If online completion is not possible for all students, then please provide the number of students who can finish online.
3. For option 3, for each campus and each program, please identify the closest physical Dream Center location where students could complete their programs.
4. For option 4, please produce a list of the names and locations of all "partner schools." We also ask that you immediately publicize the list widely to students.
5. Finally, the option of a closed school discharge ("CSD") – which is available to federal student loan borrowers pursuant to 34 C.F.R. § 685.214 – is noticeably absent from your list. Please let us know what information you have conveyed to students regarding CSD, how that information was conveyed, and when it was conveyed.
6. At this critical juncture, it is everyone's duty to make sure that Dream Center students are fully informed about their future. We therefore request a complete roster, with full contact information, of all students enrolled at a North Carolina Dream Center campus as of July 1, 2018.

It is imperative that your students receive fulsome and accurate information as soon as possible. These students are making important decisions about their futures in real time. Time is of the essence. We therefore ask for your response to the questions posed herein without delay, but in any event no later than July 19, 2018.

Please feel free to contact me with any questions you may have.

Sincerely,



Matt Liles

Assistant Attorney General

cc: Josh Stein, Attorney General of North Carolina (*via e-mail*)
Swain Wood, General Counsel, North Carolina Department of Justice (*via e-mail*)
Daniel Harrison, Associate Vice President for Academic Planning and State
Authorization, University of North Carolina General Administration (*via e-mail*)