

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

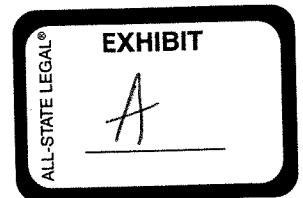
MARK E. DOTTORE, RECEIVER)	CASE NO.
)	
Plaintiff,)	JUDGE
)	
v,)	MAGISTRATE JUDGE
)	
STUDIO ENTERPRISE MANAGER, LLC)	
<i>et al.</i> ,)	
)	
Defendants.)	

DECLARATION of MARK DOTTORE

Mark Dottore hereby declares under penalty of perjury that the following is true and correct:

1. I am a resident of the State of Ohio, and live within Cuyahoga County, Ohio.
2. I make the within affidavit from my own personal knowledge, and I am competent to so testify.
3. I was appointed Receiver on January 18, 2019, in the case captioned *Digital Media Solutions, LLC v. South University of Ohio, LLC*, pending before the United States District Court for the Northern District of Ohio under case number 1:19-cv-00145-DAP.
4. The entities for which I was appointed include the following: South University of Ohio LLC, Dream Center Education Holdings LLC, The DC Art Institute of Raleigh-Durham LLC, The DC Art Institute of Charlotte LLC, DC Art Institute of

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Charleston LLC, DC Art Institute of Washington LLC, The Art Institute of Tennessee – Nashville LLC, AiTN Restaurant LLC, The Art Institute of Colorado LLC, DC Art Institute of Phoenix LLC, The Art Institute of Portland LLC, The Art Institute of Seattle LLC, The Art Institute of Pittsburgh, DC LLC, The Art Institute of Philadelphia, DC, LLC, DC Art Institute of Fort Lauderdale LLC, The Illinois Institute of Art LLC, The Art Institute of Michigan LLC, The Illinois Institute of Art at Schaumburg LLC, DC Art Institute of Phoenix, LLC and its direct subsidiaries the Art Institute of Las Vegas LLC, the Art Institute of Indianapolis, LLC, and AiIN Restaurant LLC; Dream Center Argosy University of California LLC and its direct subsidiaries, and Argosy Education Group LLC; Dream Center Education Management LLC; and, South University of Michigan LLC. The entities are collectively referred to as “Receivership Entities.”

5. The contracts, including signature pages, attached to the Memorandum In Support of Receiver’s Motion For a Temporary Restraining Order and Preliminary Injunction are true and accurate copies recovered from the Receivership Entities’ files.
6. Dream Center Argosy Education Group of California LLC and Argosy Education Group LLC (collectively, “Argosy”) paid Studio the sum of \$1.6 million in January 2019, pursuant to the Master Services Agreement before I was appointed Receiver.
7. I understand that Art Institutes International LLC (“AII”) and Dream Center South University LLC (“South”) also paid Studio the sum of \$1.6 million each in January of 2019.

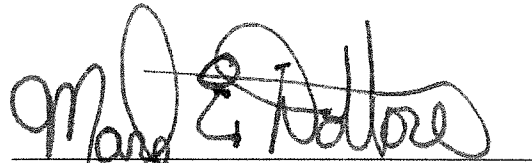
8. It is also my understanding that AII paid Studio the sum of \$1.6 million again in February of 2019.
9. Dream Center Education Holdings LLC (“DCEH”) has provided all of the services required under the Transition Servicing and License Agreement (“TSLA”) between DCEH and Studio.
10. DCEH utilizes a bank of networked servers to provide the services, along with a well-trained staff. The programs running on the servers are intricately intertwined, and it is not possible at this juncture to stop serving one of the three university systems. It will take significant resources, which the receivership estate does not maintain, to extricate the three universities’ data and systems from the servers.
11. I have made repeated demands upon Studio to pay DCEH the sums required under the TSLA. Studio has continued to refuse my requests. Rather, Studio paid DCEH the sum of \$1.8 million in February 2019 for services DCEH provided in January. Studio has refused to pay the \$2.1 million dollars that remains due for January’s services.
12. It is my understanding that Studio is currently holding more than \$4 million of dollars that is either currently due, or will be due shortly, to DCEH.
13. DCEH desperately needs the money due from Studio under the TSLA in order to be able to continue to provide the services required thereunder. If DCEH is rendered unable to pay the costs associated with the provision of those services, and therefore forced to shut down the servers and terminate the staff’s employment, all three university systems AII, South, and Argosy will fail as a

result of the total lack of critical services like payroll, human resources, IT, accounting and other fundamental requirements of running any business.

14. If the Receivership Entities are unable to complete their teach-out obligations, the more than 10,000 students attending the Receivership Entities campuses will be entitled to cancel their student loans, but will likely lose the value of the partial semester, as well as previous coursework, as new schools would be under no obligation to give credit for that coursework. Those affected students would lose at least a semester's worth of work if not more.

Dated:

2/20/19

A handwritten signature in black ink, appearing to read "Mark E. Dottore", written over a horizontal line.

Mark Dottore

SIGNED IN BERKELEY CALIFORNIA