

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,	)	CASE NO. 1:19-cv-145
	)	
Plaintiff,	)	JUDGE DAN AARON POLSTER
	)	
v.	)	MAGISTRATE JUDGE
	)	THOMAS M. PARKER
SOUTH UNIVERSITY OF OHIO,	)	
LLC, <i>et. al.</i> ,	)	
	)	
Defendants.	)	

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NOTICE OF THE FILING OF

**RECEIVER’S MOTION TO APPROVE (1) GLOBAL SETTLEMENT AND  
COMPROMISE AMONG RECEIVER AND ALL INSUREDS UNDER THE  
PORTFOLIOSELECT FOR NON-PROFIT ORGANIZATIONS LIABILITY  
INSURANCE POLICY; (2) APPROVING PAYMENT OF DEFENSE COSTS;  
AND (3) BARRING AND PROHIBITING PARTIES FROM ASSERTING  
CERTAIN CLAIMS**

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YOUR RIGHTS MAY BE AFFECTED

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**TO ALL PARTIES IN INTEREST:**

**Mark E. Dottore, Receiver (the “Receiver”) for the Receivership  
Entities<sup>1</sup> which include the schools known as Argosy Universities, some**

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<sup>1</sup> The “**Receivership Entities**” include (i) South University of Ohio LLC; (ii) Dream Center Education Holdings, LLC; (iii) The DC Art Institute of Raleigh-Durham LLC; (iv) the DC Art Institute of Charlotte LLC; (v) DC Art Institute of Charleston, LLC; (vi) DC Art Institute of Washington LLC; (vii) The Art Institute of Tennessee - Nashville LLC; (viii) AiTN Restaurant LLC; (ix) The Art Institute of Colorado LLC; (x) DC Art Institute of Phoenix LLC; (xi) The Art Institute of Portland LLC; (xii) The Art Institute of Seattle LLC; (xiii) The Art Institute of Pittsburgh, DC LLC; (xiv) The Art Institute of Philadelphia, DC, LLC; (xv) DC Art Institute of Fort Lauderdale LLC; (xvi) The Illinois Institute of Art LLC; (xvii) The Art Institute of Michigan LLC; (xviii) The Illinois Institute of Art at Schaumburg LLC; (xix) DC Art Institute of Phoenix, LLC, and its direct subsidiaries (xx) the Art Institute of Las Vegas LLC; (xxi) the Art Institute of Indianapolis, LLC; (xxii) AiIN Restaurant LLC; (xxiii) Dream Center Argosy; (xxiv) University of California LLC, and its direct subsidiaries; (xxv) Argosy Education Group LLC; (xxvi) Dream Center Education Management LLC; and (xxvii) South University of Michigan LLC. *See* Order Appointing Receiver (“**Initial Receiver Order**”) [ECF No. 8] at 3-4; *see also* Order Clarifying Order Appointing Receiver (“**Clarifying Receiver Order**”) [ECF No. 14] at 1 (removing AU Student Funding, LLC as a “Receivership Entity”). All capitalized terms not initially defined in this Motion shall have the same meaning(s) as defined later in this Motion; and all capitalized terms not otherwise defined in this Motion, shall have the same meaning(s) as ascribed in the Settlement

South University campuses and some Arts Institute campuses has filed a Motion for Entry of Order (1) Approving Global Settlement and Compromise Among Receiver and All Insureds Under the Portfolio Select for Non-Profit Organizations Insurance Policy; (2) Approving Payment of Defense Costs; and (3) Barring and Prohibiting Parties from Asserting Certain Claims (the “Settlement Motion”).

**Your rights may be affected.** A complete copy of the Settlement Motion with its Exhibits including the Settlement Agreement is available at (<https://www.dottoreco.com/dream-center-education-holdings>) (the “Website”). You should read the Settlement Motion and the other documents carefully and discuss them with your attorney, if you have one, in this receivership case. (If you do not have an attorney, you may wish to consult one.)

The Receiver has entered into a Settlement Agreement (the “Settlement”) with and certain individuals who were officers, directors or employees of Dream Center Education Holdings, LLC, including Brent Richardson, Christopher Richardson, John Crowley, Chad Garrett, Monica Carson, Melissa Esbenshade, Shelley Gardner, Michael LaCrosse, Randall Barton, Shelly Murphy, Rob Paul, Debbi Lannon-Smith, Stacey Sweeney, Pastor Matthew Barnett, Timothy Slottow, Rufus Glasper, Jack DeBartolo, Cynthia Baum, James Terrell among others (the “Officers and Directors”) The Dream Center Foundation, Dream Center South University, LLC and Subsidiaries, The Arts Institutes International, LLC and Subsidiaries, DC Miami International of Art & Design, LLC and Subsidiaries, Dream Center Argosy University of California, LLC, Argosy Education Group, LLC, Dream Center Education Holdings, LLC Retirement Plan, and the Dream Center Education Holdings, LLC Self Funded Employee Benefit Plans. The Settlement includes the following terms and conditions:

- **Payment of \$8.5 million to the Receivership estate;**
- **The balance of the primary policy proceeds are reserved (the “Reserve”) for use by National Union to pay possible defense expenses<sup>2</sup>;**
- **The balance of the Reserve will be paid to the Receivership estate if not exhausted after 36 months;**

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Agreement. In the event of any inconsistency between the terms of the Settlement Agreement and this Motion, the Settlement Agreement shall control.

<sup>2</sup> The primary policy was in the amount of \$10,000,000, and policy language provides that defense costs are paid from the benefit amount. The proposed settlement agreement will pay \$8.5 million to the Receiver directly and requires that a portion of the policy benefit be reserved for future defense costs, and if not expended, is subject to payment at a later date. Thus, the amount the receiver may ultimately receive is reduced accordingly.

- **The Settlement is contingent on an order barring all claims against the Officers and Directors, The Dream Center Foundation (a non-Receivership Entity) and the insurer, National Union Fire Insurance Company of Pittsburgh, Pa, and all Insureds for matters that arise from, are related to or derive from the Receivership Entities or transactions conducted with the Receivership Entities.**

**If the Settlement is approved by the Court, interest holders that have claims against the Officers and Directors, The Dream Center Foundation and/or National Union that relate to the Receivership Entities will forever be barred from pursuing them.**

**If you do not want the Court to grant the Settlement Motion or if you want the Court to consider your views on the Settlement Motion, then you must take all of the following steps:**

- (1) On or before April 8, 2021 you or your attorney must file with the Court a written objection explaining your position at:**

**Clerk of Courts  
United States District Court  
801 West Superior Avenue  
Cleveland, Ohio 44113**

**If you mail your objection to the Court for filing, you must mail it early enough so the court will receive it on or before the date stated above.**

**In light of the fact that potentially available settlement proceeds may be consumed through the settling parties' preparation of responses to objections to the settlement, the court strongly discourages the filing of pro forma and/or meritless objections.**

(2) You must also mail a copy to:

Mary K. Whitmer, Esq.  
Whitmer & Ehrman LLC  
2344 Canal Rd., Suite 401  
Cleveland, OH 44113

(3) You must also attend the hearing scheduled on May 7, 2021 at 4:00 p.m. at the United States District Court, 801 West Superior Avenue, Cleveland, Ohio 44113.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief without holding a hearing.

Dated: February 18, 2021

Respectfully submitted,

/s/ Mary K. Whitmer

Mary K. Whitmer (0018213)  
James W. Ehrman (0011006)  
Robert M. Stefancin (0047184)  
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*Counsel for Mark E. Dottore, Receiver*