

## ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

This AGREEMENT made as of this 20<sup>th</sup> day of May, 2014 ("Contract Date") by and between [REDACTED] located at [REDACTED] hereinafter referred to as "Seller" and The Rolling Jubilee Fund, located at 151 First Avenue #222, New York, NY 10003 and hereafter referred to as "Buyer".

### WITNESSETH:

Whereas, Seller has acquired certain accounts receivables for which the applicable statute of limitations may or may not bar bringing a civil suit to collect ("Receivables");

Whereas, Buyer desires to purchase certain of the Receivables in order to attempt collection of the Receivables;

NOW THEREFORE, the parties do agree to the mutual terms and conditions as stated hereafter and contained herein;

- 1) **Receivables**. The Receivables consist of 2,761 accounts totaling \$3,856,866.11 as more particularly identified on the attached list (Exhibit A). The purchase price to be paid ("Purchase Price") for the Receivables listed in Exhibit A is \$106,709.48 current certified funds, U.S. dollars.
- 2) **Sale**. On the Closing Date, Seller shall sell, transfer and assign to Buyer all of Seller's right, title and interest in the Receivables in consideration of the Purchase Price, which shall be paid by Buyer to Seller on the Closing Date.
- 3) **Account Documents**. Seller will transfer all copies of documents (final billing statements, etc) ("Account Documents") with respect to a Receivable that are in the Seller's possession within 60 days after the Closing Date. The Account Documents shall be delivered to Buyer at the address designated above in paper or digital format at Seller's election.

Further requests for documentation not provided above will be on an *ad hoc* account-by-account basis for a fee of \$20.00 per document. Seller will use its best efforts to provide affidavits of debt, copies of credit

card application forms, and copies of monthly credit card account statements from the original card issuer or the current account servicer to the extent that such are available. However, Seller's failure to provide an Account Document requested by Buyer will not be deemed a breach of this Agreement nor shall Seller have any liability of any kind to Buyer arising from such failure.

4) **Seller's Warranties.** Seller hereby represents and warranties that it is the sole owner of the Receivables and has full legal authority to sell the Receivables and transfer its title thereto to Buyer. Seller further represents and warranties that the Receivables are not subject to any liens or encumbrances. The Seller hereby further warrants and represents that it has, and shall at all times retain, the financial stability and liquidity to enable the Seller to repurchase the Receivables in the event that same is required pursuant to this provision.

5) **Qualifications.** Buyer understands and agrees that certain Receivables purchased hereunder may not be legally collectible or enforceable and as such may have little or no value. To Seller's best knowledge and reasonable efforts, the Receivables shall not include accounts which, as of the Closing Date, are classified as follows (hereinafter referred to as "Unqualified Accounts"):

- a. Satisfied, settled, or released (the account was paid or otherwise satisfied, or Seller received a settlement check prior to the Closing Date);
- b. Subject to a pending bankruptcy petition or discharged by a judge of a Bankruptcy Court and as reported on a credit bureau or through BANKO as discharged or filed;
- c. Uncollectible due to fraud or death as reported on a credit bureau or through BANKO;
- d. Subject to pending litigation involving Seller;
- e. Seller does not have title to the Receivable;
- f. Or otherwise determined to not be a legal obligation of the account holder of the Receivable ("Account Debtor"), other than due simply to the passage of time, for example such as due to identity theft or fraud; or

- g. Any account deemed uncollectible by reason of a Reimbursement Trigger as described in para. 11 below.

Additionally, to the best of Seller's knowledge, the amount listed with respect to each Receivable is the correct balance. All Receivables sold to Buyer under this Agreement are sold and transferred without recourse as to their enforceability, collectability, or documentation except as stated to the contrary in this Agreement.

- 6) **Purchase or Substitution of Unqualified Accounts.** Seller shall use its reasonable best efforts to verify that the Receivables do not include any Unqualified Accounts. If within One Hundred and Twenty Days (120) days following the Closing Date, Buyer determines the Receivables included Unqualified Accounts, cash refund will be issued to Buyer by Seller in connection with such Unqualified Accounts ("Reimbursements.") The Reimbursements shall be made to Buyer by Seller no later than thirty (30) days following receipt by Seller of acceptable proof that the subject accounts are in fact Unqualified Accounts. Acceptance by Seller of proof shall not be unreasonably withheld. In regards to State-specific sales, the Reimbursements will be the specific price assigned to the applicable Unqualified Account. The dollar amount of the Reimbursements may exceed or be less than the weighted average price of the final sales portfolio.
- 7) **Post-Closing Receipts.** In the event that Seller receives any money from an Account Debtor with respect to a Receivable subsequent to its sale or assignment to Buyer hereunder, Seller shall promptly remit all such monies it receives to Buyer with reasonable promptness, together with adequate documentation related to such monies. Seller shall remit the full amount to Buyer at the address designated above.
- 8) **Representations Warranties and Covenants of Buyer.** Buyer hereby represents, warrants and covenants, to and with Seller, as of the date of this Agreement the following as of the date of this Agreement and as of the Closing Date:

- i. **Notification.** Within 30 days after the Closing Date, to the extent that any collection activity is commenced against such obligor or, otherwise, as required by applicable state or a federal law, Buyer will notify the obligor(s) of each Receivable of their acquisition of the Receivable by virtue of a written notice mailed to each obligor at his or her last known address.
- ii. **Compliance with Law.** While collecting and attempting to collect the Receivables, Buyer and all of Buyer's service providers, agents, successors and assigns shall at all times conform with the requirements of all applicable Federal, State and local laws, rules and regulations applicable to the conduct of such activities including, by way of illustration but not limitation, state licensing laws, the Fair Debt Collection Practices Act (15 U.S.C. Section 1692 et seq.), the Consumer Credit Protection Act, the Fair Credit Reporting Act, The Dodd-Frank Act, and the Gramm-Leach Bliley Act.
- iii. **Post-Closing Obligations.** After the Closing Date, all rights, obligations, liabilities and responsibilities of Seller with respect to servicing of the Receivables, if any, shall pass to Buyer, and Seller shall be discharged from all liability therefore arising from actions occurring after the Closing Date. Buyer and all of Buyer's service providers, agents, successors and assigns shall comply with all laws related thereto including, but not limited to, the Internal Revenue Code and the Gramm-Leach Bliley Act.
- iv. **Authorization.** The Buyer is duly and legally authorized to enter into this Agreement and has complied with all laws, rules, regulations, charter provisions and bylaws to which it may be subject or by which the Receivables may be bound, and the undersigned representative is authorized to act on behalf of and bind the Buyer to the terms of this Agreement.

- v. **No Breach or Default.** The execution and delivery of this Agreement and the performance of its obligations hereunder by Buyer will not conflict with any provision of any law or regulation to which Buyer is subject or by which any of its assets may be bound or conflict with or result in a breach of or constitute a default under any of the terms, conditions, or provisions of any agreement or instrument to which Buyer is a party or by which it or any of its assets may be bound, or any order or decree applicable to Buyer.
- vi. **Assistance of Third Parties.** Buyer hereby agrees, acknowledges, confirms and understands that Seller shall have no responsibility or liability to Buyer arising out of or related to any third party's failure to assist or cooperate with Buyer or Seller. In addition, Buyer is not relying upon the continued actions or efforts of Seller or any third party in connection with its decision to purchase the Receivables. The risks attendant to the potential failure or refusal of third parties to assist or cooperate with Buyer and/or Seller in the effective transfer, assignment, and conveyance of the Receivables, and/or assigned rights shall be borne by Buyer.
- vii. **Independent Evaluation.** Buyer's decision to purchase the Receivables pursuant to this Agreement is and was based upon Buyer's own independent evaluation of information deemed relevant to Buyer. Buyer acknowledges and agrees that, while some information concerning the Receivables was made available to Buyer for review prior to the Sale, such information may not be complete. Buyer has relied solely on its own investigation and it has not relied upon any oral or written information provided by Seller, or any its contractors, employees or representatives, and acknowledges that no contractor, employee or representative of Seller has been authorized to make, and

that Buyer has not relied upon, any statements other than those specifically contained in this Agreement.

viii. **Due Diligence**. Buyer has been urged to conduct such due diligence review and analysis of the information available in order to make a completely informed decision with respect to the purchase and acquisition of the Receivables.

9) **Enforcement-Legal Actions**. Buyer shall not:

- i. institute any enforcement or legal action or proceeding in the name of Seller, any subsidiary thereof, or make reference to any of the foregoing entities in any correspondence to or discussion with any particular obligor regarding enforcement or collection of the Receivables;
- ii. take any enforcement action against any obligor that would be commercially unreasonable, nor misrepresent, mislead, deceive, or otherwise fail adequately to disclose to any particular obligor the identity of Buyer as the owner of the Assets;
- iii. use, adopt, exploit, or allude to Seller or any name derived there from or confusingly similar therewith or the name of any local, state or federal agency or association to promote Buyer's sale, enforcement, collection, or management of the Receivables;
- iv. represent that there is an affiliation or agency relationship between Buyer and Seller, nor shall Buyer state or represent in any way that Buyer is acting on behalf of the Seller; and
- v. with respect to any Account for which the statute of limitations has expired, not falsely represent or by implication that a lawsuit may or will be filed if the Account Debtor thereon does not pay.

Buyer agrees, acknowledges, confirms and understands that there may be no adequate remedy at law for a violation of the terms, provisions, conditions and limitations set forth in this Section and Seller shall have the right to seek the entry of an order of court of competent jurisdiction enjoining any violation hereof.

Notwithstanding the foregoing, Buyer may use name of Seller only for purposes of identifying itself as the successor in interest to Seller with regard to any Receivable in communications with any Obligor in order to collect amounts outstanding on the Receivable, in connection with filing suit upon the Receivable and in connection with the resale of the Receivable.

**10) Seller's Waiver of Right to Repurchase Receivables.** Seller shall have no right to repurchase any Receivable for any reason.

**11) Reimbursement of Purchase Price in the Event Receivables Not Collectible.**

In the event that the Receivables are not collectible a result of any one or more of the following, each a “Reimbursement Trigger”:

- i. an Attorney-General investigation and/or prosecution, or settlement thereof, whether on a state or federal level;
- ii. an administrative proceeding, order, ruling or otherwise of the Consumer Financial Protection Bureau (“CFPB”) or other consumer protection or similar agency or authority;
- iii. a merger of Everest College/ Corinthian College with any other institution; or
- iv. the acquisition of Everest College/ Corinthian College by any other institution;

then the Seller shall pay a Reimbursement to the Buyer pursuant to the payment terms set forth in para. 6 above.

12) **Conditions of Resale by Buyer.** If Buyer wishes to resell or transfer any of the Accounts to a third party (including without limitation, any of Buyer's affiliated companies), Buyer must give Seller at least 14 days' prior written notice of Buyer's desire to transfer. Buyer's notice will:

- i. identify the Account(s) that Buyer wishes to resell or transfer; and
- ii. identify by name and address each third party that potentially would purchase or otherwise receive the Account(s) from Buyer.

Seller shall have the right to approve of such resale or transfer within the 14-day period to an assignee that is reasonably acceptable to Seller. Seller's approval shall not be unreasonably withheld.

The parties acknowledge that, in certain cases, Seller must obtain approval from an issuer or prior owner as set forth in prior agreements in order to have the ability to grant its approval to Buyer.

Seller shall use its reasonable best efforts to obtain issuer or prior owner's approval in such cases, however the parties agree that should issuer or prior owner not grant such approval, and Seller's agreement with issuer or prior owner requires such approval, then it shall be considered reasonable under this provision that Seller withhold its approval of Buyer's request for resale or transfer.

If Buyer resells, transfers or conveys any Receivable or group of Receivables to any person or entity other than Seller, Buyer shall require such other person or entity to abide by the same conditions, obligations and warranties imposed upon and assumed by Buyer in this Agreement, without limitation. Seller shall not be obligated in any way to a third party who acquires or purports to have acquired any of the Accounts. Any resale or assignment of Accounts without concurrent assignment of Buyer's obligations under this Agreement will be void. Any approved third-party to whom Buyer transfers accounts shall not have the right to contact Seller directly. Buyer shall remain Seller's counterpart and any communications between any such approved third-party transferees and Seller shall go through Buyer as the intermediary. Seller shall have the right, but not the obligation,

to contact any third-party transferee directly if it receives collection complaints regarding any Receivable.

13) **Resale Information Maintenance.** Buyer agrees to maintain a record of all sales of receivables Buyer obtained from Seller pursuant to this Agreement. Said record shall include at a minimum the following information:

- i. The name, main office address, and current telephone number of the party to whom Buyer sold each receivable;
- ii. If applicable, the assumed name under which said party does business and its business address if different from the main business address of the purchasing party;
- iii. The date of sale of each such receivable;
- iv. A statement indicating that the Buyer provided or did not provide account documents in its possession to the purchasing party regarding each receivable sold; and
- v. With regard to receivables that Seller subsequently purchases back from Buyer, the names, addresses and assumed names (if applicable) of all collection agencies or third parties with whom each receivable was placed for collection, along with the dates of placement, the current balance due, the payment history and any correspondence received regarding each receivable, and any additional information or documentation Seller may reasonably request.

Buyer agrees to include a duplicate of this section in its subsequent Sales/Purchase contracts including any receivable obtained pursuant to this Agreement, and to report to Seller all such information it receives from subsequent purchasers regarding any receivable sold to any party subsequent to the closing of this Agreement.

14) **Notice of Litigation and Complaints.** Buyer agrees to notify Seller in writing within five (5) days of obtaining knowledge that any Account is subject to actual or threatened litigation that names Seller as

a party. Buyer agrees to notify Seller in writing within five (5) days of receiving any complaint from an Account Obligor or other individual or entity regarding Seller with respect to an Account, along with information relating to the complaint and a proposed response. Seller shall work in good faith with Buyer on appropriate responses and identifying and correcting any root causes associated with such complaint(s).

15) **Buyer Indemnification.** Buyer will protect, indemnify, defend and hold the Seller (including its Officers, Directors, Employees, Stockholders, Agents, Partners, Representative, Assigns and Principals) harmless from and against any and all claims, loss, cost, expense (including, without limitation, reasonable attorney's fees and costs of suits), demands, liabilities and damages arising from or related to: (a) any breach by the Buyer or any subsequent buyer or assignee of the representations, warranties, covenants or other responsibilities set forth in this Agreement, each to be read without regard to any materiality requirement in order for there to be a breach or (b) any other act or omission by the Buyer or any of its respective officers, directors, agents, employees, representatives or assignees with respect to the Receivables, or (c) by reason of actual and or alleged negligence, willful misconduct or violation of any applicable law, rule or regulation by Buyer (or its employees or agents) in connection with the collection or enforcement of the Accounts. The Buyer shall notify the Seller immediately of any claim or threatened claim that may affect the Buyer or Seller that is discovered by Buyer.

16) **Seller Indemnification.** Seller will protect, indemnify, defend and hold Buyer (including its Officers, Directors, Employees, Stockholders, Agents, Partners, Representative, Assigns and Principals) harmless from and against any and all claims, loss, cost, expense (including, without limitation, reasonable attorney's fees and costs of suits), demands, liabilities and damages arising from or related to: (a) any breach by the Seller of the representations, warranties, covenants or other responsibilities set forth in this Agreement, each to be read without regard to any materiality

requirement in order for there to be a breach or (b) any other act or omission by the Seller or any of its respective officers, directors, agents, employees, representatives or assignees with respect to the Receivables, or (c) by reason of negligent or willful misconduct or violation of any applicable law, rule or regulation by Seller (or its employees or agents) in connection with the collection or enforcement of the Accounts. The Seller shall notify the Buyer immediately of any claim or threatened claim that may affect the Buyer or Seller that is discovered by Seller.

17) **Amendments.** No modification of or amendment to this Agreement shall be binding unless in writing and executed by both parties.

18) **Limitation of Liability.** Seller shall not be liable nor assume any obligation for incidental consequential or special damages of any kind, including without limitation, lost profit, lost revenue, cost of capital, and use of capital and/or lost services. Seller makes absolutely no representations or warranties regarding the collectability of the Receivables being transferred to Buyer hereunder.

19) **Agency.** Nothing in this Agreement is intended nor shall be construed to create any agency, joint venture, partnership, or fiduciary relationship between the parties. The parties shall at all times remain separate and distinct, independently contracting entities; neither party shall be authorized to create any obligation or bind the other to any contract or performance in any manner.

20) **Severability.** If any one or more provisions of this Agreement, for any reason, is held to be invalid, unenforceable or illegal, such invalidity, unenforceability or illegality will not affect the other provisions of this Agreement, and this Agreement will be construed without the invalid, illegal or unenforceable provision.

21) **Waiver and Release.** Buyer and all others claiming by or through Buyer hereby disclaim and waive any claim, losses or liabilities they may now or in the future have against Seller and any of their respective contractors, affiliates, officers, directors, employees, contractors, attorneys, agents, and predecessors in interest and their respective successors and assignees as a result of the purchase of the

Receivables; provided, however, that this waiver and release shall not extend to any liability of Seller arising from Seller's failure to perform its obligations in accordance with the terms of this Agreement.

In addition, Buyer and all others claiming by or through Buyer hereby release Seller, its affiliates, officers, directors, employees, contractors, attorneys, agents and predecessors in interest and their respective successors and assigns, from any and all claims, losses or liabilities arising from or related to the Receivables or arising out of the violation of any applicable laws.

22) **Taxes.** The Purchase Price of the Receivables does not include any sales or use tax. Buyer acknowledges that payment of taxes due on this transaction is Buyer's sole obligation and that any required tax returns will be filed and all taxes due will be remitted to the appropriate tax authority by Buyer immediately after the closing.

23) **Governing Law/Choice of Forum.** This Agreement shall be construed and the rights and obligations of Seller and Buyer hereunder determined, in accordance with the laws of the State of New York (the "State"). The parties agree that any legal actions between Buyer and Seller regarding the purchase of the Receivables hereunder shall be originated in the courts in and for the State in the county where the Seller is located, and Buyer hereby consents to the jurisdiction of said court in connection with any action or proceeding initiated concerning this Agreement and agrees that service by mail to the address specified on the first page of this Agreement, or such other address as may be provided to Seller in writing from time to time, shall be sufficient to confer jurisdiction over Buyer in such State court. The parties further agree that should Seller successfully bring any suit or legal action against Buyer to enforce this Agreement or recover damages arising from a breach of this Agreement, Seller shall also be entitled to reimbursement by Buyer of Seller's attorney's fees and costs associated with bringing such suit or legal action.

24) **Authorization and Capacity.** Buyer's agent executing this Agreement represents that he or she is duly authorized to execute and enter into this Agreement on Buyer's behalf and commit Buyer hereto.

Further, Buyer has complied with all laws, rules, regulations, charter provisions and by-laws to authorize to so act on its behalf and bind it to the terms of this Agreement.

25) **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with respect to the Receivables, and supersedes all prior written and oral proposals, understandings, agreements, and representations, all of which are merged herein. No amendment or modification of this Agreement shall be effective unless it is in writing and executed by all of the parties hereto.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior representations and statements made by any party or its representatives, whether orally or in writing, are deemed to have been merged into this Agreement and reflected above.

This Agreement shall become effective when executed by Buyer and Seller.

**SELLER:**

The Rolling Jubilee Fund

151 First Ave. #222

New York, NY 10003

By:

Managing Partner

**BUYER:**

## EXHIBIT A

### CLOSING STATEMENT

Receivable Amount \$3,856,866.11

Purchase Rate 0.02767%

Purchase Price \$106,719.48

Closing Date May22, 2014

- A. By the closing date May 8, 2014 the Purchaser shall pay to Seller, by wire the amount of \$106,719.48
- B. Seller agrees to transfer the Accounts, as set forth in Exhibit A, to Purchaser within 24 hours of funding of the first payment stated in A. of closing statement (Cleared Payment – Certified or Wire).

## EXHIBIT B

### WIRE INSTRUCTIONS

Funds must be wired as follows:

Company Name:



Bank Name:



ABA (Routing) Number:



Credit Bank Account Name:



Credit Bank Account Number:



## BILL OF SALE

[REDACTED] for value received and in accordance with the terms of the Accounts Receivable Purchase Agreement by and among [REDACTED] ("Seller") and The Rolling Jubilee Fund. ("Purchaser"), dated as of June 3, 2014 (the "Agreement"), does hereby sell, assign, and transfer to Purchaser all of its good and marketable title, free and clear of all liens, claims and encumbrances in and to the Accounts listed in the Account Schedule attached as Appendix A to the Agreement, without recourse and without representation or warranty of collectibles, or otherwise, except to the extent stated in the Agreement.

Executed on June 3, 2014

By [REDACTED]

[REDACTED]  
Managing Partner