

SETTLEMENT AGREEMENT

This Agreement is made between Xenon International Academy III (OPE ID #03027400) (Xenon) and the United States Department of Education (Department), Federal Student Aid (FSA), acting through its Director, Administrative Actions and Appeals Service Group, and is effective when the last party executes this Agreement.

A. On October 20, 2015, the Department sent Xenon a letter stating that the Department intended to fine Xenon \$57,500 (hereafter "the proposed fine action") based on FSA's findings that Xenon had failed to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) included in § 485(f) of the Higher Education Act of 1965, as amended (HEA), the Drug-Free Schools and Communities Act Amendments of 1989 (DFSCA) and the Department's regulations.

B. The proposed fine action was based on a Final Program Review Determination (FPRD) issued by FSA on June 10, 2013. In the FPRD, FSA concluded that Xenon violated the Clery Act and the Department's regulations by failing to include certain required policy statements in its 2011 Annual Security Report and by not including crime statistics for various categories of crime. In addition, the FPRD concluded that Xenon had not complied with the requirements of DFSCA and the Department's implementing regulations by: failing to develop and implement a drug and alcohol abuse and prevention program (DAAPP); failing to distribute a DAAPP disclosure to students and employees; and failing to conduct a biennial review of the DAAPP's effectiveness and produce a report of the findings.

C. On November 9, 2015, Xenon appealed the proposed fine action and requested a hearing. The appeal was assigned to the Department's Office of Hearings and Appeals and docketed as In the Matter of Xenon International Academy (CO), Docket No. 15-64-SF.

D. Xenon and the Department have now agreed to resolve the proposed fine action without any further administrative procedures.

In consideration of the mutual covenants and conditions contained in this Agreement, and intending to be legally bound, the parties agree as follows:

1. Xenon agrees to pay a fine of \$30,000 to the Department to resolve the proposed fine action. Xenon will pay the fine in accordance with the attached Repayment Agreement. All payments and correspondence regarding these payments must include the Department's billing number AAA201602019.
2. Xenon withdraws its appeal of the proposed fine action. The Department and Xenon agree that the administrative fine action is fully resolved.
3. Upon both full execution of this Agreement and FSA's receipt of Xenon's initial payment of the fine amount as reflected in paragraphs 1 and 2, FSA will file a motion to dismiss the pending action.

4. The Department agrees not to initiate further administrative action against Xenon based on the FPRD dated June 10, 2013.
5. Xenon affirms that it will continue to take steps to comply with the Clery Act and the DFSCA and ensure that all future Clery Act reports are accurate and complete.
6. If Xenon makes payments in accordance with paragraphs 1 and 2 of the Repayment Agreement and is in compliance with the Clery Act and the DFSCA, the Department agrees to not make any adverse determination of Xenon's administrative capability or its Title IV, HEA eligibility and participation based on Xenon's outstanding fine liability.
7. This Agreement does not waive, compromise, restrict, or settle:
 - a. Any past, present, or future violation of the criminal or civil fraud laws of the United States.
 - b. Any presently pending or future action taken by the United States under the criminal laws or civil fraud laws of the United States.

The Department is not aware of any such actions pending against Xenon based on the Clery Act and DFSCA issues addressed in this Agreement.

8. This Agreement does not address or resolve any complaints filed with or any investigations undertaken by the Department's Office of Civil Rights under any applicable law or regulation.

Xenon and the Department each warrant that the undersigned representative is authorized to sign this Agreement on its behalf.

FOR XENON INTERNATIONAL ACADEMY III

Jacqueline J. Hornig

Dated: 2-9-2016

FOR THE UNITED STATES DEPARTMENT OF EDUCATION



Susan Crim
Director
Administrative Actions and Appeals Service Group
Federal Student Aid/Program Compliance
U.S. Department of Education

Dated: 2-11-16