

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: §  
CORINTHIAN COLLEGES, INC., *et al.*<sup>1</sup> § Chapter 11  
§  
§ Case No. 15-10952 (KJC)  
§  
§ Jointly Administered  
Debtors. §  
§ **Re: Docket No. 655**

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**NOTICE OF FILING OF MODIFICATION TO INJUNCTION PROVISION OF  
DEBTORS' SECOND AMENDED AND MODIFIED COMBINED  
DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF LIQUIDATION**

PLEASE TAKE NOTICE that, on July 27, 2015, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) filed the *Debtors’ Second Amended and Modified Combined Disclosure Statement and Chapter 11 Plan of Liquidation* [Docket No. 655] (the “**Plan**”) with the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”).

PLEASE TAKE FURTHER NOTICE that in response to certain informal comments raised by parties in interest, the Debtors have modified the injunction set forth in Section XIII.A of the Plan (the “**Revised Plan Injunction**”), a copy of which is attached hereto as Exhibit A. For the convenience of the Bankruptcy Court and other parties in interest, a

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Corinthian Colleges, Inc. (7312), Corinthian Schools, Inc. (0525), Rhodes Colleges, Inc. (7311), Florida Metropolitan University, Inc. (7605), Corinthian Property Group, Inc. (2106), Titan Schools, Inc. (3201), Career Choices, Inc. (1425), Sequoia Education, Inc. (5739), ETON Education, Inc. (3608), Ashmead Education, Inc. (9120), MJB Acquisition Corporation (1912), ECAT Acquisition, Inc. (7789), Pegasus Education, Inc. (2336), Grand Rapids Educational Center, Inc. (2031), Rhodes Business Group, Inc. (6709), Everest College Phoenix, Inc. (6173), CDI Education USA, Inc. (0505), SP PE VII-B Heald Holdings Corp. (0115), SD III-B Heald Holdings Corp. (9707), Heald Capital LLC (6164), Heald Real Estate, LLC (4281), Heald Education, LLC (1465), Heald College, LLC (9639), QuickStart Intelligence Corporation (5665) and Socle Education, Inc. (3477). The Debtors’ corporate headquarters is at 6 Hutton Centre Drive, Suite 400, Santa Ana, California 92707.

blackline of the Revised Plan Injunction against the injunction provision originally set forth in the Plan is attached hereto as Exhibit B.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to present the Plan, including the Revised Plan Injunction, and any further modifications to the Plan, at the hearing on confirmation of the Plan currently scheduled for **August 26, 2015 at 1:00 p.m. (ET)**.

Dated: August 20, 2015  
Wilmington, Delaware

/s/ Amanda R. Steele  
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**EXHIBIT A**

**(Revised Plan Injunction)**

### **XIII. INJUNCTION, EXCULPATION AND RELEASES**

#### **A. Injunction to Protect Estate Assets**

From and after the Effective Date, all Persons and Entities who have held, hold or may hold Claims against the Debtors arising prior to the Effective Date or interests in the Debtors are permanently enjoined from taking any of the following actions against the Estates, the Distribution Trust, the Student Trust, or any of their respective property or assets (collectively, the “Estate Assets”) on account of any such Claims or interests (the “Plan Injunction”): (a) commencing or continuing, in any manner or in any place, any action or other proceeding seeking to collect or to recover in any manner against the Estate Assets; (b) enforcing, attaching, collecting, or recovering in any manner against the Estate Assets any judgment, award, decree or order; (c) creating, perfecting, or enforcing any Lien or encumbrance against the Estate Assets; and (d) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors, except as otherwise set forth in Section XI.J. of the Combined Plan and Disclosure Statement; provided, however, that such Persons and Entities shall not be precluded from exercising their rights pursuant to and consistent with the terms of the Combined Plan and Disclosure Statement or the Confirmation Order.

#### **B. Status of Debtors Post-Effective Date**

All injunctions or stays provided for the Debtors in the Chapter 11 Cases under, *inter alia*, sections 105 or 362 of the Bankruptcy Code, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date, at which time they will terminate. As the Debtors are distributing the Estate Assets and immediately thereafter dissolving on the Effective Date in accordance with the terms of the

**Plan, the Plan Injunction shall not apply to the Debtors. In addition, given the complete liquidation of the Debtors' property pursuant to the terms of the Plan, the Debtors are not receiving a discharge pursuant to section 1141(d)(3) of the Bankruptcy Code in these Chapter 11 Cases.**

**C. Exculpation**

**EXHIBIT B**

**(Blackline)**

### **XIII. INJUNCTION, EXCULPATION AND RELEASES**

#### **A. Injunction to Protect Estate Assets**

~~\_\_\_\_\_ All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, \_\_\_\_\_~~ **From and** ~~in existence on the Confirmation Date, shall remain in full force and effect until~~ **after the Effective Date.** ~~Except as otherwise provided in the Combined Plan and Disclosure Statement or to the extent necessary to enforce the terms and conditions of the Combined Plan and Disclosure Statement, the Confirmation Order or a separate Order of the Bankruptcy Court,~~ all Persons and Entities who have held, hold or may hold Claims against **the Debtors arising prior to the Effective Date** or interests in the Debtors ~~shall be~~ **permanently enjoined from taking any of the following actions against the** ~~Debtors, their~~ Estates, the Distribution Trust, the Student Trust, or any of their respective property or assets **(collectively, the “Estate Assets”) on account of any such Claims or interests; (the “Plan Injunction”):** (a) **commencing or continuing, in any manner or in any place, any action or other proceeding seeking to collect or to recover in any manner against the Estate Assets;** (b) **enforcing, attaching, collecting, or recovering in any manner against the Estate Assets** any judgment, award, decree or order; (c) **creating, perfecting, or enforcing any Lien or encumbrance; against the Estate Assets; and** (d) **asserting a setoff, right of subrogation, or recoupment of any kind against** any debt, liability, or obligation due to the Debtors, except as otherwise set forth in Section XI.J. of the Combined Plan and Disclosure Statement; ~~and (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Combined Plan and Disclosure Statement; provided, however, that such~~ **provided, however, that such Persons and** Entities shall not be precluded from

exercising their rights pursuant to and consistent with the terms of the Combined Plan and

Disclosure Statement or the Confirmation Order. ~~Notwithstanding anything in this Section XIII.A. to the contrary, the Combined Plan and Disclosure Statement shall not enjoin any action for non-monetary relief that is excepted from the automatic stay pursuant to section 362(a)(4) of the Bankruptcy Code. Any party seeking relief from this provision for cause shown may file a motion with the Bankruptcy Court seeking such relief, which motion shall be considered by the Bankruptcy Court at a hearing following full notice to the Distribution Trustee, his or her counsel and all other affected parties.~~

~~—————The People of the State of California and the Commonwealth of Massachusetts (collectively, the “States”) object to the inclusion of the injunctive language in Section XIII.A. of the Combined Plan and Disclosure Statement on the basis that the inclusion of such language in a liquidating chapter 11 plan amounts to a discharge injunction, which the States believe is expressly forbidden by section 1141(d)(3) of the Bankruptcy Code. Moreover, the States assert that even assuming that such an injunction is available, any such provision must completely and expressly carve out police power actions under section 362(d)(4) of the Bankruptcy Code. The States submit that the civil law enforcement actions brought pursuant to state consumer protection laws currently pending against certain of the Debtors in the California and Massachusetts state courts (San Francisco Superior Court No. 534793 and Massachusetts Superior Court 14-1093E) are police power actions under section 362(d)(4) of the Bankruptcy Code, and that the Combined Plan and Disclosure Statement omits a carve-out of such actions from the injunctive provision. The Debtors dispute the States’ position with respect to the injunctive language contained in Section XIII.A. of the Combined Plan and Disclosure Statement, submit that the provision complies with applicable law and provides for an~~



~~appropriate carve-out of police power actions under section 362(d)(4) of the Bankruptcy Code and is in the best interests of the Estates.~~

**B. Status of Debtors Post-Effective Date**

All injunctions or stays provided for the Debtors in the Chapter 11 Cases under, *inter alia*, sections 105 or 362 of the Bankruptcy Code, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date, at which time they will terminate. As the Debtors are distributing the Estate Assets and immediately thereafter dissolving on the Effective Date in accordance with the terms of the Plan, the Plan Injunction shall not apply to the Debtors. In addition, given the complete liquidation of the Debtors' property pursuant to the terms of the Plan, the Debtors are not receiving a discharge pursuant to section 1141(d)(3) of the Bankruptcy Code in these Chapter 11 Cases.

**C. Exculpation**