The Official Committee of Student Creditors (the “Student Committee”) encourages you to return your ballot and vote to accept “the Plan” that was mailed to you with this letter. The Plan was negotiated at arms-length among professionals for many of the major creditor constituencies and represents compromises among each constituency. The Student Committee supports the Plan because it will likely provide a more meaningful benefit to student creditors than any alternative. After reviewing the Plan and Disclosure Statement, if you agree, you are encouraged to return your ballot and vote to accept the Plan.

WHAT THE PLAN PROVIDES:
The Plan provides for a fund to be established under the direction of an independent “Student Trustee” that will utilize those funds to pursue collective benefits for all former Corinthian students. The gross amount contributed to the fund will be approximately $4.3 million; after costs, expenses and priority distributions, it is expected that in excess of $3 million will be dedicated to Student Benefit Programs. The Student Committee believes that the Student Benefit Programs can be an important contributor to efforts to obtain student loan discharge relief for former Corinthian students and to educate students about their rights to discharge relief. Although there are groups that are currently working toward that goal, most groups have little or no funding to support these efforts.

WHAT THE PLAN DOES NOT PROVIDE:
The Plan does not discharge any student loan debt. However, the Student Committee does not believe that the confirmation of the Plan or any effect thereof, will impact the rights of any student, student group or other entity to maintain any legal action that seeks to discharge any student loan obligations. If it is determined that the confirmation of the Plan, or an effect thereof, would negatively impact any action seeking a discharge of student loan obligations, the Student Committee will discontinue its support of the Plan.

If you are receiving a Plan ballot, you have submitted a proof of claim in these cases or your claim was scheduled by the Debtors. Importantly, except for students with 507(a)(7) priority claims—claims to recover student deposits for classes that were not conducted—the Plan does not provide for any direct payments to individual student creditors. If the Plan is confirmed, you will not receive any direct monetary distribution from the Debtors’ estates. On the Effective Date of the Plan, all of the Debtors’ assets will be fully distributed and there will be no opportunity to later recover from any Debtor entity.

THE ALTERNATIVE:
If the Plan is not confirmed, these cases will likely be converted and administered under chapter 7 of the Bankruptcy Code under the guidance of a chapter 7 trustee. The chapter 7 process would likely take one or two years, at a minimum, before any distributions to creditors might be made. In a chapter 7 proceeding, each creditor is competing for a share of the chapter 7 “pot” and it is expected that each student creditor would face objections to its claim, either from a chapter 7 trustee or from competing creditors. Moreover, even if student claimants prevail, it is impossible to predict what individual student creditors might receive. Given very speculative estimates of the assets that might be available for distribution and the magnitude of students that have been harmed by the Debtors’ misconduct, distributions to individual student creditors could be as low as 0-3% of the amount of their claims.

For information on possible discharge of your student loan, contact the Department of Education’s toll-free borrower defense hotline at (855) 279-6207, or visit studentaid.gov/corinthian.