

**Fill in this information to identify the case:**

Debtor 1 ITT Educational Services, Inc., et al.

Debtor 2  
(Spouse, if filing) \_\_\_\_\_

United States Bankruptcy Court for the: Southern District of Indiana

Case number 16-07207-JMC-7A

# Official Form 410

## Proof of Claim

04/16

**Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.**

**Filers must leave out or redact** information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

**Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.**

**Part 1:** Identify the Claim

<p><b>1. Who is the current creditor?</b></p>	<p><u>Jorge Villalba, James Eric Brewer, Joshua Cahill, Juan Hincapie, and Cheryl House, on their own behalf and on behalf of all</u> Name of the current creditor (the person or entity to be paid for this claim) <u>other persons similarly situated.</u></p> <p>Other names the creditor used with the debtor _____</p>	
<p><b>2. Has this claim been acquired from someone else?</b></p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____</p>	
<p><b>3. Where should notices and payments to the creditor be sent?</b></p> <p>Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)</p>	<p><b>Where should notices to the creditor be sent?</b></p> <p><u>Eileen M. Connor, Esq., Legal Services Center</u> Name</p> <p><u>122 Boylston Street</u> Number Street</p> <p><u>Jamaica Plain MA 02130</u> City State ZIP Code</p> <p>Contact phone <u>617-390-2528</u></p> <p>Contact email <u>econnor@law.harvard.edu</u></p> <p>Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____</p>	<p><b>Where should payments to the creditor be sent? (if different)</b></p> <p><u>Eileen M. Connor, Esq., Legal Services Center</u> Name</p> <p><u>122 Boylston Street</u> Number Street</p> <p><u>Jamaica Plain MA 02130</u> City State ZIP Code</p> <p>Contact phone <u>617-390-2528</u></p> <p>Contact email <u>econnor@law.harvard.edu</u></p>
<p><b>4. Does this claim amend one already filed?</b></p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____</p> <p>Filed on _____ MM / DD / YYYY</p>	
<p><b>5. Do you know if anyone else has filed a proof of claim for this claim?</b></p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____</p>	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?  No  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_ \_

7. How much is the claim? \$ See attached. Does this amount include interest or other charges?  
 No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
Limit disclosing information that is entitled to privacy, such as health care information.  
  
See attached.

9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature of property:**  
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
  
**Basis for perfection:** \_\_\_\_\_  
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amounts should match the amount in line 7.)  
  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_ %  
 Fixed  
 Variable

10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_

**12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

No

Yes. Check one:

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Up to \$2,850\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

Wages, salaries, or commissions (up to \$12,850\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

Other. Specify subsection of 11 U.S.C. § 507(a)(    ) that applies.

**Amount entitled to priority**

\$ \_\_\_\_\_

\$ 114,000,000.00  
See attached.

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

**Part 3: Sign Below**

**The person completing this proof of claim must sign and date it. FRBP 9011(b).**

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.**

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 01/03/2017  
MM / DD / YYYY

/s/ Eileen M. Connor

Signature

**Print the name of the person who is completing and signing this claim:**

Name Eileen M. Connor  
First name Middle name Last name

Title Director of Litigation, Project on Predatory Student Lending

Company Legal Services Center of Harvard Law School  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 122 Boylston Street  
Number Street

Jamaica Plain MA 02130  
City State ZIP Code

Contact phone 617-390-2528 Email econnor@law.harvard.edu

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

IN RE:

ITT EDUCATIONAL SERVICES, INC., et  
al.,  
  
Debtors.

Chapter 7  
Case No. 16-07207-JMC-7A

**ATTACHMENT TO CLASS PROOF OF CLAIM FILED BY JORGE VILLALBA,  
JAMES ERIC BREWER, JOSHUA CAHILL, JUAN HINCAPIE, AND CHERYL HOUSE  
ON THEIR OWN BEHALF AND ON BEHALF OF ALL OTHER PERSONS  
SIMILARLY SITUATED**

**I. Background**

1. Class Claimants hereby submit this Attachment in support of their claim against ITT Educational Services, Inc., and all of its subsidiaries and alter egos (collectively, the “Debtor” or “ITT”).

2. This Class Claim is asserted pursuant to applicable law, including but not limited to, Fed. Bankr. R. P. 3002, 9014, and 7023. *See also In re Am. Reserve Corp.*, 840 F.2d 487, 493 (7th Cir. 1988) (“It follows that there may be class proofs of claim in bankruptcy.”).

3. Contemporaneously herewith, the Putative Class Representatives have filed a Motion for Order Directing Bankruptcy Rule 7023 Applicable to the “Claim Filing Stage” of this case under Chapter 7 of Title 11 of the United States Code (the “Bankruptcy Code”).

4. Class Claimants have also filed, on their own behalf and on behalf of all other persons similarly situated, contemporaneously herewith, a putative class action complaint, filed

as an adversary proceeding under the caption Villalba et al. on their own behalf and on behalf of all other persons similarly situated v. ITT Educational Services (*In re* ITT Educational Services).

5. Class Claimants are students who attended ITT, across all states and campuses, from at least 2006 to 2016, when ITT closed its doors. As set forth in detail in the Adversary Complaint and exhibits, ITT violated applicable consumer protection laws in every aspect of dealing with students and concealed its illegal actions from students, the Department of Education, its investors, accreditors, licensing boards, and security regulators. ITT perpetrated these illegal actions pursuant to corporate policies and imperatives directed at churning students through a costly sham. ITT also breached its contracts with students, as set forth in the Adversary Complaint.

6. Class Claimants, by their Putative Representatives, file this Class Claim in an unknown or unliquidated amount, and for any and all other losses and other damages recoverable under the Class Claim, to the extent it was or could have been asserted in litigation outside of this proceeding, including without limitation all attorneys' fees and expenses and other amounts related thereto, and interest on all of the foregoing.

7. The minimum amount of the claim is estimated at 7.3 billion dollars. This is an estimated amount that is derived from the total amount of federal and private student loans that students have borrowed to attend ITT from 2006 until 2016. This amount represents the nominal amount of principal associated with loans facilitated by ITT, and does not include any accumulated interest, penalties, or fees associated with these loans. It does not include any federal or state grants that students were awarded to attend ITT, nor does it include any G.I. Bill benefits that students used to attend ITT. This amount also does not include any out-of-pocket

expenses that students incurred while attending ITT, nor does it include noneconomic damages, including punitive damages, otherwise available to claimants under state law.

8. The claims asserted herein are unsecured, except to the extent that the Bankruptcy Court determines that such claim in whole is a secured claim. Further, the approximately 40,000 students who were enrolled at the time of ITT's closure have a secured claim pursuant to 11 U.S.C. §507 (a)(7).

9. This Class Claim is supported by the below allegations and the allegations set forth in the Adversary Complaint.

## **II. Claims of Class Representatives**

### **Jorge Villalba**

10. Jorge Villalba is 36 years old and resides in Glendale, California.

11. He is the father of two children, ages 6 and 4.

12. Prior to attending ITT and after graduating from high school, Mr. Villalba worked in construction for six years.

13. In January 2005, Mr. Villalba started a job as a credit analyst at a manufacturing automation company, earning \$13 per hour.

14. In early 2005, Mr. Villalba saw an ITT commercial on television advertising its graphic design and animation program.

15. Around the same time as he saw the commercial, Mr. Villalba became interested in animation.

16. Mr. Villalba visited ITT's Sylmar, California, campus.

17. A year and half later, unhappy with his job prospects, Mr. Villalba decided reconsider ITT and visit the campus a second time.

18. Mr. Villalba met with a recruiter at ITT-Sylmar and told the recruiter that he was interested in animation, design, and multi-media. In response, the recruiter told Mr. Villalba that ITT was the best program for the price he would pay.

19. The recruiter told Mr. Villalba that he would earn four times what he was earning at the time if he received an associate degree, and double that with a bachelor's degree.

20. The recruiter told Mr. Villalba that he would be making \$64,000 upon graduating.

21. The recruiter told him that ITT had contacts within big companies like Disney, NBC Universal, WB, and DreamWorks and that Mr. Villalba would have no problem landing a job after graduation.

22. The recruiter told Mr. Villalba that employers loved hiring students from ITT.

23. The recruiter told Mr. Villalba that he could start at ITT and go to any other school.

24. The recruiter told Mr. Villalba about the school's career services department and that its sole purpose was to get students jobs. All Mr. Villalba would have to do was give them his resume and they would help him find employment.

25. When Mr. Villalba went to enroll, he had to take a multiple choice "entrance exam." He was told to take the test, do the best he could, and that a lot of people didn't finish the exam. He was only able to finish half of it. The recruiter took the exam from him and came back minutes later, telling Mr. Villalba that he passed and that he was accepted to the school. Mr.

Villalba was surprised to learn that he passed, given that he didn't finish half of it, but he was relieved and excited to begin.

26. When Mr. Villalba visited the ITT campus for the second time and met with the recruiter, he also met with someone from financial aid.

27. While Mr. Villalba was aware that he was taking out loans, both private and federal, the financial aid employee did not explain the loans in detail. For example, the financial aid employee did not disclose the interest rate on his private loans.

28. Throughout Mr. Villalba's time at ITT, financial aid employees would pull him out of the middle of a class or right before a class during a short break, to sign financial aid paperwork. As a result of this practice, Mr. Villalba missed class time and, because he felt pressured to get back to class, signed the paperwork without having the opportunity to understand what he was signing or ask questions.

29. In 2007, while attending ITT, Mr. Villalba found a job as a drafter for a small company, earning \$13 per hour.

30. However, in 2008, because of the economic downturn, Mr. Villalba was laid off from this position.

31. When Mr. Villalba was halfway through his bachelor's degree program, he was dissatisfied with his education at ITT and thought about transferring. He inquired at another school and did some online research, and found out that ITT credits did not transfer. Mr. Villalba felt compelled to continue at ITT, rather than starting over somewhere else.

32. Once Mr. Villalba was laid off, he reached out to career services for help finding employment while he was still in school; however, they did not help him find him a job.



33. Throughout his time there, Mr. Villalba would reach out to the career services department and he would not hear back for months at a time. If he did hear back, the career services employees would often tell him how busy they were.

34. Mr. Villalba went to the chair of his department and the dean of the school to ask for help in looking for a job.

35. Only after going to the dean and chair did Mr. Villalba get a response from the career services center. Even then, they helped him with his resume and promised to send it out, but no job opportunities ever materialized.

36. ITT promised Mr. Villalba small classrooms, hands-on teaching, and state-of-the-art equipment; however, it did not fulfill these promises.

37. ITT never taught Mr. Villalba animation, even though animation was supposed to be part of his program, and is a skill that most employers in his field expect him to have.

38. ITT required Mr. Villalba to buy many books that the teachers never used—they sat unopened.

39. Mr. Villalba had to buy a tool kit from ITT which cost approximately \$600, which he never used.

40. Towards the end of Mr. Villalba's bachelor's degree program, ITT would hold two to three classes in one computer lab at the same time, forcing the teachers to share the projector, which resulted in teachers talking over each other.

41. Mr. Villalba's classes were very basic, with no flow to the curriculum.

42. The only computers available to students to use both in class and out of class could not run the necessary software and often crashed.

43. Eventually, Mr. Villalba had to buy his own laptop just to be able to do his work.

44. Mr. Villalba's teachers did not take the work seriously, and seemed to lack interest in really teaching the students.

45. Mr. Villalba's fellow students also did not appear to take the work seriously. Some students did not do any work—they only showed up for class—but those students would nonetheless pass their classes.

46. In a capstone class for his bachelor's degree, Mr. Villalba was the only student to complete a quarter's worth of work on a project, while none of the other students even came close to finishing. About a week before the chair of the program was coming to check in on the class' progress, Mr. Villalba's teacher approached him and asked Mr. Villalba to give his project to the other students so it would appear that they all had finished the assignment. The teacher told Mr. Villalba that if he was willing to do it, he would be a reference and recommend him during his job search.

47. Mr. Villalba had to teach himself through books, YouTube videos, and on the job wherever he has been employed, because he did not learn anything in his classes.

48. While in school and after he graduated, Mr. Villalba applied to Disney, WB, NBC Universal, and DreamWorks. Mr. Villalba never heard back from any of the companies.

49. Mr. Villalba graduated ITT in 2010 with a bachelor's degree in digital entertainment and game design.

50. Mr. Villalba borrowed approximately over \$52,600 in federal student loans.

51. Mr. Villalba borrowed over \$43,300 in private student loans.

52. Upon graduating and afterwards, Mr. Villalba reached out to the career services center but still wasn't getting any help.

53. While in school and immediately after, Mr. Villalba applied to hundreds of jobs and internships and did not receive responses.

54. At first, Mr. Villalba blamed employers' lack of interest on the economy; however, after graduation, he got one interview for an internship, and the interviewer intimated that Mr. Villalba's degree from ITT was valueless. At that moment, Mr. Villalba felt like he was being made fun of by the interviewer and he realized that ITT was the reason he was not receiving responses to his job applications.

55. After getting his bachelor's degree, the only employment Mr. Villalba could get was at a fitness company working as a graphic designer for minimum wage, earning less than he was earning prior to attending ITT.

56. Mr. Villalba currently works as a graphic designer earning \$22 per hour.

57. Mr. Villalba currently owes approximately \$80,000 in federal student loans.

58. Mr. Villalba owes approximately \$69,000 in private student loans.

59. Mr. Villalba's debt load has caused him to experience stress, anxiety and has put a significant strain on his familial relationships.

60. Mr. Villalba feels that his education was useless and regrets his decision to attend ITT.

61. Mr. Villalba submitted a Borrower Defense application to the Department of Education in October 2015.

## **James Eric Brewer**

62. James Eric Brewer is 32 years old and resides in Monrovia, Indiana.
63. Mr. Brewer is the father of two sons, ages 4 and 2.
64. Prior to enrolling in ITT, Mr. Brewer worked in factory and temporary warehouse jobs. At that time, Mr. Brewer had not graduated from high school.
65. Mr. Brewer learned of ITT from television commercials advertising the school, promising a better future.
66. After getting his GED in 2009, Mr. Brewer signed up to attend ITT-Indianapolis, Indiana.
67. Mr. Brewer decided to enroll in ITT because he no longer wanted to work a factory job and wanted to better himself and to provide a better life for his family by working with computers.
68. While signing up to attend ITT's Computer Electronics Engineering Technology associate degree program, Mr. Brewer met with a recruiter who told him he was making the best decision of his life by attending ITT.
69. The recruiter told Mr. Brewer that he would be earning a mid-range salary of \$55,000 a year upon graduating with his computer electronics engineering technology associate degree.
70. The recruiter promised Mr. Brewer that ITT would help him find work in his field of study when he graduated.
71. The recruiter told Mr. Brewer that ITT had an 80% placement within his field.
72. When Mr. Brewer first enrolled, he met with financial aid staff. From then on, he met with financial aid staff about once per quarter.
73. Every time Mr. Brewer met with a financial aid employee, the process was rushed and vague.
74. Mr. Brewer attempted to slow down the process by asking the financial aid employee to explain to him what he was signing.

75. The financial aid employee would give Mr. Brewer a short answer and brush off his questions.

76. Rather than explaining the financial aid process and the types of loans and the total amount that Mr. Brewer would be borrowing, the financial aid employee completed the loan applications and rushed him to sign.

77. Throughout Mr. Brewer's time at ITT, financial aid employees would pull him out of the middle of a class or find him right before a class to sign financial aid paperwork. As a result of this practice, Mr. Brewer missed class time and, because he felt pressured to get back to class, signed financial aid paperwork without having the opportunity to understand what he was signing or ask questions.

78. After about a year in the Computer Electronics Engineering Technology program, Mr. Brewer realized that his program would not train him to work with computers, but only to work on the electronics within the computers. He started considering switching to the Computer Network Systems program.

79. When Mr. Brewer was thinking about switching programs, he spoke with a recruiter to make sure that his financial aid would not change and that his job prospects would be the same.

80. The recruiter told him that with a computer network systems associate degree, he would also be earning a mid-range salary of \$55,000 a year upon graduating.

81. The recruiter told Mr. Brewer that the Computer Network Systems program used state-of-the-art technology.

82. As a result, Mr. Brewer switched to the Computer Network Systems associate degree program.

83. Shortly after completing the general education classes for the Computer Network Systems program, Mr. Brewer found that ITT's promises about the quality of the program were not true. Up until that point, Mr. Brewer had believed that the state-of-the-art technology ITT promised would reveal itself after he completed the general education classes.

84. Mr. Brewer consistently attended class and worked diligently, but he had teachers who would simply read from the textbook and teachers who passed students who had never shown up to class.

85. All of Mr. Brewer's lab experience was "virtualized." All of the work was done on simulated models on a computer screen, rather than hands-on with actual equipment. Mr. Brewer had very little experience with actual equipment while at ITT, never having seen a router, switch, or server, all of which are common equipment used in the computer network systems field.

86. ITT had students download a non-proprietary network simulation/virtualized program called Cisco Packet Tracer, to learn how to configure the equipment and see the connections that are made between the different infrastructure devices.

87. Cisco's own instructions for the Packet Tracer state that it is "not substitute for real equipment."

88. Mr. Brewer graduated from ITT in 2012 with an associate degree in computer network systems.

89. Mr. Brewer borrowed approximately \$29,600 in federal student loans to attend ITT.

90. Unbeknownst to Mr. Brewer, ITT borrowed private loans in his name through its PEAKS loan program.

91. ITT told Mr. Brewer that the cost of getting his associate degree was around \$34,000. Upon graduating, Mr. Brewer believed the only debt he had was his federal student loans.

92. Mr. Brewer only discovered that ITT had taken out private loans in his name when he received a call from the lender approximately six months after graduating from ITT.

93. Mr. Brewer even initially believed that this call was a scam designed to make him believe that he owed money.

94. However, once Mr. Brewer looked into it, he realized that these loans were in fact taken out in his name to pay ITT.

95. Approximately \$29,600 of private loans were taken out in Mr. Brewer's name and paid to ITT.

96. ITT failed to help Mr. Brewer find a job in the computer network systems field after he graduated.

97. The only employment ITT ever helped Mr. Brewer obtain was a \$10 per hour work-study data entry position while he was a student, which lasted for four months.

98. Throughout his time at ITT, Mr. Brewer would go to the career services office to ask whether they had leads for employment.

99. ITT's career services staff would send him lists of jobs they found on an online job board. Most of the jobs were at call centers and paid \$12 per hour.

100. ITT's career services department sent out Mr. Brewer's resume to potential employers only three or four times, and he never heard back.

101. After graduating from ITT, Mr. Brewer did not hear from anyone at ITT career services.

102. Mr. Brewer reached out a few times to the career services center after he graduated to ask whether they had any job opportunities. Mr. Brewer left voicemails, but he never heard back.

103. Mr. Brewer had no choice but to look for employment on his own.

104. When he graduated from ITT, Mr. Brewer was working as help-desk support, earning \$14 per hour on a short-term basis.

105. Shortly after he graduated, his help-desk position ended. Mr. Brewer went to work at a warehouse job, in shipping and receiving. This job did not require any kind of degree.

106. Since graduating from ITT, Mr. Brewer has mostly been limited to contract employment.

107. Contract employment positions are very unstable and do not provide job security or stability. Once the contract is over, Mr. Brewer must look for new employment.

108. In the last year, Mr. Brewer has removed ITT from his resume and as a result, he had seen a substantial increase in responses to his resume submissions.

109. Mr. Brewer currently owes over \$34,500 in federal student loans.

110. Mr. Brewer currently owes approximately \$38,000 in private student loans.

111. Mr. Brewer cannot afford to make payments on his loans. His private loans are in default, and his federal loans are going into temporary forbearance due to his economic hardship.

112. Mr. Brewer was recently considered for a government position; however he did not get the job when a required background check revealed his high unpaid student loan debt.

113. Mr. Brewer is currently unemployed. Recently, he has applied for a job driving a fork lift in a dog food warehouse, with a pay rate of \$13 per hour.

114. Mr. Brewer's debt load has caused him to experience significant stress, anxiety, loss of sleep, and it has put a strain on relationships with family and friends.

115. Mr. Brewer deeply regrets his decision to attend ITT and his attempt to better himself by going there.

116. Mr. Brewer filled out a Borrower Defense application in June 2016 that was submitted to the Department of Education.

### **Joshua Cahill**

117. Joshua Cahill is 32 years old and resides in Omaha, Nebraska.

118. He is the father of one son, age 6.

119. Mr. Cahill saw commercials for ITT beginning in the 1990s, including advertisements that ITT could teach people "the skills for tomorrow's technology today."

120. Prior to attending ITT, Mr. Cahill worked as a skilled laborer in carpentry and construction.

121. Around the time his son was born, Mr. Cahill decided he wanted to get an education to make a better life for himself and his family.

122. Mr. Cahill visited three local colleges, including ITT-Omaha, Nebraska.

123. At ITT, Mr. Cahill met with a recruiter.



124. When Mr. Cahill indicated that he was looking into a few other local schools, the recruiter told him that ITT was the best value for his money.

125. The recruiter told Mr. Cahill that ITT had in-class and hands-on opportunities for students.

126. The recruiter told Mr. Cahill that ITT had an 88% job placement rate for its associate degree programs.

127. The recruiter told Mr. Cahill that ITT would help him with job placement in his field of study within 6 months of graduation.

128. The recruiter showed Mr. Cahill a piece of paper that stated that the average salary for a student graduating with an associate degree from ITT would be in the range of \$42,000 to 60,000 after graduation.

129. Mr. Cahill, swayed by the promises of the recruiter, returned to ITT in less than a week, and decided to sign up for the Computer Network Systems program.

130. When Mr. Cahill visited to sign up, he met with the same recruiter.

131. At this meeting, the recruiter refreshed Mr. Cahill's memory regarding the associate program, and also told him that ITT had a 92% job placement rate for ITT graduates with a bachelor's degree, with an average salary range of \$55,000 to \$100,000 upon graduation.

132. The same day, Mr. Cahill met with a financial aid employee to talk about the cost of the program and the loans required. Mr. Cahill expressed concern about the cost of attending ITT to the financial aid employee. The financial aid employee sent Mr. Cahill back to the recruiter, who reminded him about the job placement and salary rates.

133. The computers ITT provided Mr. Cahill and other students were slow and did not have enough RAM. This made it very difficult if not impossible to complete work.

134. ITT passed a lot of students who should have failed and in fact, one instructor told Mr. Cahill that he would lose his job if enough students did not pass.

135. Mr. Cahill was disappointed in the education at ITT because the material was presented to students without developing critical thinking skills.

136. ITT did not have enough routers for all of the students in Mr. Cahill's program. Mr. Cahill and some other students got extremely limited time with a router, if any time at all.

137. In the last quarter of his associate degree, Mr. Cahill was employed as a technical support representative, making \$10.25 per hour. While completing some exit paperwork with an employee from career services, Mr. Cahill watched the employee mark this job as being "in the field" for ITT's employment statistics. However, not only did Mr. Cahill not use any of his education at this job, he was explicitly told by the company that he could not apply his college education to his duties.

138. Mr. Cahill received his associate degree in computer network systems in 2012.

139. Mr. Cahill reached out to the career services office; however, they were unable to find him employment.

140. Mr. Cahill applied to jobs on his own, but was unable to find employment.

141. Mr. Cahill decided that a bachelor's degree would help his employment prospects.

142. Mr. Cahill felt like he had no choice but to continue with a bachelor's at ITT because the only other school that would accept his ITT credits was another for-profit institution.

143. Mr. Cahill graduated from ITT in 2015 with a bachelor's degree in information systems cyber security.

144. After Mr. Cahill graduated with his bachelor's degree, he applied for hundreds of jobs in his field, but could not find employment.

145. Mr. Cahill currently works as a sandwich shop delivery person, earning \$9 per hour, plus tips.

146. Mr. Cahill borrowed over \$45,700 in federal student loans to attend ITT, and currently owes approximately \$54,200 on these loans.

147. Mr. Cahill borrowed \$3,000 dollars in private student loans, and currently owes more than \$3,000 on these loans.

148. Mr. Cahill has never worked in his field of study and does not believe he will ever be able to work in his field of study.

149. Mr. Cahill's debt load has caused him to experience stress and anxiety.

150. Mr. Cahill regrets his decision to attend ITT.

151. Mr. Cahill submitted a Borrower Defense application to the Department of Education in September 2016.

### **Juan Hincapie**

152. Juan Hincapie is 25 years old and resides in Taunton, Massachusetts.

153. Mr. Hincapie is the first person in his family to attend college.

154. At the end of his senior year of high school, Mr. Hincapie applied to several colleges, but was rejected.

155. At the time of his high school graduation, he was working as a grocery store clerk.

156. A member of his high school staff recommended that he attend a college fair, where he first learned about ITT and spoke to an ITT recruiter.

157. The recruiter told Mr. Hincapie that ITT had flexible class schedules to accommodate his job, that he wouldn't have to make any payments while attending, and that the cost of attendance would be deferred until six months after he graduated.

158. After the fair, Mr. Hincapie went to visit ITT's Norwood, Massachusetts, campus and met with another recruiter on campus.

159. The recruiter, knowing that Mr. Hincapie was working as a clerk in a grocery store, told him that he could better his life with an education from ITT.

160. The recruiter promised Mr. Hincapie that ITT would have hands-on experience for students.

161. The recruiter told him that their graduates leave with a job and are gainfully employed, and gave an example of a graduate from his program making six figures.

162. In the hallway, ITT had a poster that listed how much someone would earn with an associate degree and how much someone would make with a bachelor's degree from ITT in the technology fields. The poster showed the progression of someone's salary if they continued

their education. The poster stated that with a bachelor's degree from ITT, a student would earn \$80,000.

163. Mr. Hincapie signed up for computer network systems because it was the closest to program engineering, which he wanted to do.

164. The same day Mr. Hincapie met with the recruiter, he met with someone from the financial aid department. Mr. Hincapie asked to evaluate the paperwork, but the financial aid employee told him there was not enough time and to just sign.

165. He also had to take an entrance exam. The entire process felt rushed and overwhelming, but Mr. Hincapie really wanted to go college, and was relieved to be accepted.

166. During his time at ITT, Mr. Hincapie had to meet with someone from the financial aid office once per quarter.

167. Mr. Hincapie felt like every interaction with the financial office was rushed.

168. Mr. Hincapie would ask the financial aid employee how much the total cost of his education would be and instead of giving him a straightforward answer, the employee would dodge the question and just give him the total cost for a quarter.

169. While Mr. Hincapie was still in school, he got a part-time job at an IT consulting firm, paying approximately \$10 per hour.

170. Despite the recruiter's promises of hands-on experience, Mr. Hincapie found that ITT had outdated technology and incorrect instructions on how to use software.

171. The computers that ITT provided were outdated, and could not run the type of software, specifically VMware player and Windows Server 2008, that students needed.

172. Toward the end of his associate degree, unhappy with his education at ITT, Mr. Hincapie looked into transferring to Northeastern University. However, he found out that none of his credits would transfer, and therefore, because he had already borrowed so much in loans and did not want to start from scratch, he continued on to get his bachelor's degree at ITT.

173. During his bachelor's degree program, Mr. Hincapie ended up having to buy his own personal computer so that he could complete his work.

174. Mr. Hincapie's experience at ITT was that instructors would pass students who earned very low and failing scores on exams in order to get more students through the program.

175. When Mr. Hincapie was close to graduating, he was told that the credits from a class that he took earlier in his education at ITT were no longer valid and that Mr. Hincapie had to take an additional class to make up the credits in order to graduate.

176. Mr. Hincapie graduated from ITT in 2014 with a bachelor's degree in information systems security.

177. ITT took in over \$69,000 in federal student loans for Mr. Hincapie's degree, including Parent PLUS loans borrowed by his father, which Mr. Hincapie promised to repay on his father's behalf.

178. Unbeknownst to Mr. Hincapie, ITT took out private loans in his name, as part of its PEAKS loan program.

179. ITT took out over \$9,000 in private loans for Mr. Hincapie to attend ITT.

180. Mr. Hincapie only found out about these private loans when he was contacted by the private loan company.

181. Upon graduation, Mr. Hincapie continued to work at the IT consulting company where he had been working part-time while in school, and has continued to work there. He has earned several promotions and presently earns approximately \$48,000 per year.

182. Mr. Hincapie is current on all of his loans, and has been making payments since he graduated.

183. Mr. Hincapie still owes over \$65,600 on his federal loans, including the Parent PLUS loans that he promised to pay on his father's behalf.

184. Mr. Hincapie still owes approximately \$7,900 in private loans.

185. Mr. Hincapie's debt load has caused him to experience stress, anxiety and depression.

186. Mr. Hincapie regrets his decision to attend ITT.

187. Mr. Hincapie submitted a Borrower Defense application to the Department of Education in September 2016.

### **Cheryl House**

188. Cheryl House is 37 years old and resides in Mesa, Arizona.

189. Ms. House first learned of the ITT's Albuquerque, New Mexico, campus when she visited with a friend who was interested in attending.

190. Prior to attending ITT, Ms. House briefly attended New Mexico State University, but withdrew before completing a degree and moved home to live with her family on the Navajo reservation.

191. At the time she visited ITT with her friend, Ms. House was not interested in attending ITT. While she wanted to go back to school, she did not want to attend a private school because she was worried about the cost of attendance.

192. While Ms. House was waiting for her friend, one of the ITT recruiters began speaking with her. The recruiter told Ms. House that if she were to enroll in an associate degree program, ITT would help with job placement, she would get a job in her field of study, and she would start earning \$30,000 annually with a steady increase over time. The recruiter also told Ms. House that she would start out earning \$80,000 a year after graduating with a bachelor's degree.

193. The recruiter promised Ms. House that she would have a job by the time graduated.

194. At the time, Ms. House was not employed and was living on the reservation with family.

195. Enticed by the ITT recruiter's promises, Ms. House returned a week later to enroll.

196. Ms. House decided on the criminal justice program after discussing the different program options with the recruiter. Ms. House wanted to be a police officer and thought that the criminal justice program would be useful for that field. The recruiter told her that the criminal justice program would be less expensive than some of the other programs ITT offered.

197. The recruiter told Ms. House that an associate degree would cost approximately \$25,000 to \$30,000, and that if she wanted to continue on to her bachelor's degree, it would only cost \$10,000 to \$15,000 more. Ms. House believed that her associate degree combined with her bachelor's degree would cost no more than \$45,000.

198. Ms. House expressed concerns about repaying the loans to the recruiter. In response, the recruiter assured her that, given her guaranteed employment and salary after graduation, Ms. House would easily be able to pay back the loans.

199. When Ms. House met with a recruiter to enroll in an associate degree program, the recruiter told her that she could get a job anywhere with that degree.

200. Once Ms. House completed her associate degree, a recruiter told her that employers prefer students from ITT with their bachelor's degree.

201. Ms. House felt like she had no choice but to continue to get her bachelor's degree in criminal justice.

202. Throughout her time at ITT, Ms. House had a series of meetings with a financial aid employee to fill out financial aid paperwork.

203. Every single meeting that Ms. House had with someone from the financial aid office was rushed.

204. In the meetings, the financial aid employee demanded that Ms. House electronically sign documents, but would not provide specific information about the documents Ms. House was signing.

205. During one of the meetings with a financial aid employee, Ms. House noticed that a form included an option to borrow private loans. Ms. House specifically told the employee that she did not want to borrow any private loans. In response, the financial aid employee assured her that the cost of her attendance was covered completely by federal student loans.

206. While at ITT, Ms. House worked as a student aide to a teacher who passed a lot of students who never came to class or did any work.

207. The teacher himself didn't seem to know the material and would simply hand out articles and read them to the class.

208. Ms. House was also aware that some teachers were having sexual relationships with students.

209. Ms. House had one teacher who would come to class intoxicated on a regular basis.

210. Ms. House believes that she could have been taught a lot more. ITT's classes seemed very basic and there was not enough hands-on experience, especially in the area of forensics.

211. Ms. House graduated from ITT in 2012 with bachelor's degree in criminal justice.

212. Ms. House borrowed over \$54,300 in federal student loans to attend ITT.

213. Unbeknownst to Ms. House, ITT took out private loans in her name to attend ITT, as part of its Student CU Connect loan program.

214. ITT took out approximately \$14,600 in private loans for Ms. House to attend ITT.

215. Upon graduating, Ms. House believed that the only loan debt she had was from her federal student loans.

216. Ms. House discovered that she had private loans after the debt had already been incurred.

217. Ms. House reached out to the career services center while she was still a student at ITT to help her find employment.

218. Ms. House gave a copy of her resume to a career services employee, who promised to submit her resume to various employers.

219. Ms. House did not get a single interview through ITT career services.

220. After graduation, on her own, Ms. House applied to approximately 10 to 15 jobs in her field her study but was unable to find employment.

221. The only employment Ms. House could find was as a retail sales clerk at a clothing store for \$7.45 per hour.

222. A year later, still unable to find a job in her field and still working in retail, Ms. House moved to Phoenix, Arizona, in hopes of finding employment in her field of study.



223. In Phoenix, Ms. House applied to at least a dozen jobs in her field of study, but again, was unable to secure employment.

224. The only employment Ms. House was able to find in Phoenix was through a temporary staffing agency, working in the mail room at a financial institution, earning \$10 per hour. This position ended after four months.

225. Through the same temporary staffing agency, Ms. House began working at a call center for another financial institution. The temporary position turned into a permanent position, and that is where Ms. House has been working for the last three years, earning \$14 per hour.

226. Ms. House has never worked in her field of study.

227. Ms. House cannot afford to make any loan payments.

228. Ms. House currently owes approximately \$67,000 in federal student loans.

229. Ms. House currently owes over \$20,300 in private student loans.

230. Ms. House was devastated when she was told by one servicer that she will be repaying her loans for the rest of her life.

231. Ms. House's debt load has caused her to experience significant stress, anxiety, headaches, and suicidal thoughts.

232. As a result of her debt load's effect on her credit, Ms. House has been denied car loans and cannot even get approved for a low-credit-limit credit card to try to rebuild her credit.

233. Ms. House regrets her decision to attend ITT.

234. Ms. House filled out a Borrower Defense application in October 2016 that was submitted to the Department of Education.

### **III. Conclusion**

235. The Class Claimants, by their Putative Class Representatives, reserve the right to amend and/or supplement this Class Claim at any time, and to file additional proofs of claim for additional claims.

236. This Class Claim is filed to preserve any and all rights and entitlements that the Class Claimants may have against the Debtors and/or any of their affiliates, and nothing set forth herein should be construed as an admission or waiver by the Class Claimants.

237. Class Claimants, on their own behalf and on behalf of all other persons similarly situated, seek recognition as creditors and request apportionment of the estate that is justly due and to the full extent available.

Dated: January 3, 2017

Respectfully submitted,

/s/ Eileen M. Connor

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