

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

In re:

CORINTHIAN COLLEGES, INC., *et al.*¹

Debtors.

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Chapter 11

Case No. 15-10952 (KJC)

Jointly Administered

Hearing Date: June 30, 2015 at 2:00 p.m. (ET)

Objection Deadline: June 23, 2015 at 4:00 p.m. (ET)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING
DEBTORS TO ENTER INTO CONSULTING/AUCTION AGREEMENT
WITH GREAT AMERICAN GLOBAL PARTNERS, LLC AND APPROVING THE
TERMS THEREOF, (II) AUTHORIZING SALE OF ASSETS IN ACCORDANCE
WITH AGREEMENT AND (III) GRANTING CERTAIN RELATED RELIEF**

Corinthian Colleges, Inc. (“**Corinthian**”) and its affiliated debtors and debtors in possession (collectively, the “**Debtors**”) respectfully request the entry of an order, pursuant to sections 105, 363, 364 and 554 of the title 11 of the United States Code (the “Bankruptcy Code”) and rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing the Debtors to enter into that certain Consulting/Auction Agreement, dated as of June 9, 2015 (the “**Consulting Agreement**”), with Great American Global Partners, LLC (“**GAGP**” or the “**Consultant**”) relating to the sale of assets identified in the Consulting Agreement (the “**Assets**”) and approving the terms thereof, (ii) authorizing the sale of the Assets in accordance

¹ 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.

with the terms of the Consulting Agreement, and (iii) granting certain related relief. In support of the Motion, the Debtors, by and through their undersigned counsel, respectfully represent:

JURISDICTION & VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334 and venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b).²

GENERAL BACKGROUND

2. On May 4, 2015 (the “**Petition Date**”), each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors are debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code.

3. On May 13, 2015, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) appointed a statutory committee of unsecured creditors (the “**Creditors’ Committee**”). Additionally, the U.S. Trustee appointed an official committee of student creditors (the “**Student Committee**”, and together with the Creditors’ Committee, the “**Committees**”) on May 15, 2015.

4. Corinthian was founded in February 1995, and through acquisitions became one of the largest for-profit post-secondary education companies in the United States and Canada. Corinthian offered career-oriented diploma and degree programs in diverse fields such as health care, business, criminal justice, transportation technology and maintenance, construction trades, and information technology. As of March 31, 2014, Corinthian operated

² Under rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtors hereby confirm their consent to the entry of a final order by this Court in connection with this motion if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection therewith consistent with Article III of the United States Constitution.

over 100 campuses and provided educational opportunities to more than 74,000 students and had more than 10,000 employees. It also offered degrees online.

5. Among its acquisitions, in January 2010, Corinthian purchased Heald Capital, LLC, a Delaware limited liability company (“**Heald**”). Heald, through its subsidiaries, operated Heald College, a 150 year old regionally accredited institution with 12 campuses offering associate degree curricula in, among other fields, healthcare, business, legal, and information technology.

6. Additional information on the Debtors’ business and capital structure, as well as a description of the reasons for filing these cases, is set forth in the *Declaration of William J. Nolan in Support of the Debtors’ Chapter 11 Petitions and First Day Motions* (the “**First Day Declaration**”).

SALE OF ASSETS AT WYOTECH LOCATIONS

A. The Miscellaneous Asset Sales

7. As detailed in the First Day Declaration, the Debtors closed each of their campus locations effective as of April 27, 2015 and are in the process of liquidating their assets and winding down their operations. In connection with such closures, the Debtors instructed the campus presidents at each of the closed locations to log and ship all equipment worth over \$5,000 that was easily transportable (the “**Transferred Assets**”) to the nearer of the Fremont and Long Beach, CA locations (the “**Wyotech Locations**”) to allow the Debtors additional time to properly market the assets. The assets that remained at the closed campus locations were either sold pursuant to miscellaneous asset sale procedures previously approved by the Court [Docket Nos. 23 & 224] (the “**Miscellaneous Asset Sale Orders**”, with the sales consummated

thereunder referred to as the “**Miscellaneous Asset Sales**”)³ or abandoned in connection with the rejection of the underlying real property leases.

8. To date, the Debtors have realized approximately \$446,000 in gross proceeds as a result of sales conducted in accordance with the Miscellaneous Asset Sale Orders. Moreover, in an effort to reduce the administrative obligations of their estates, the Debtors have rejected approximately forty (40) leases of nonresidential real property and will be rejecting an additional nineteen (19) leases relating to teach-out locations on or before August 31, 2015.

B. The Wyotech Assets

9. The Wyotech Locations are multi-building campuses (with multiple real property leases) that offered career-oriented education in the automotive, electrical, plumbing, HVAC and healthcare career fields. The assets located at the Wyotech Locations, including the Transferred Assets, have been consolidated into a single facility at each location, which has allowed the Debtors to reduce their administrative rent obligations at each location to a single real property lease. The assets at the Wyotech Locations include machinery, equipment, vehicles, tooling, parts, accessories, manuals, rolling stock, material handling equipment, office furnishings, as well as the Transferred Assets (collectively, the “**Wyotech Assets**”).

C. Marketing of the Wyotech Assets

10. As part of their marketing efforts, the Debtors and/or their advisors contacted over 300 interested parties to solicit interest in purchasing any of the Debtors’ assets (including the Wyotech Assets). In response to such efforts, the Debtors received various expressions of interest from contacted parties. With regards to proposals received for the assets remaining at the Debtors’ former campus locations, as discussed above, the Debtors were able to

³ The Debtors have also filed an additional motion seeking authority to conduct Miscellaneous Asset Sales at locations not covered by the previous Miscellaneous Asset Sale Orders.

consummate a number of smaller transactions in accordance with the procedures set forth in the Miscellaneous Asset Sale Orders. The Miscellaneous Asset Sales enabled the Debtors to consummate such transactions in an expedited time frame, thereby allowing them to reject the underlying real property leases and stem the incurrence of any additional administrative rent obligations thereunder.

11. The Debtors determined, however, that the potential value to be recovered from the Wyotech Assets justified conducting a more extended sale process (and incurring the rent associated with occupying such locations for a longer duration). Accordingly, in response to initial expressions of interest, the Debtors and/or their advisors conducted more extensive conversations with thirteen interested purchasers, including national liquidation firms and key industry competitors relating to the sale of the Wyotech Assets. In connection with such discussions, the Debtors requested that all parties submit bids for the Wyotech Assets on or before Friday, May 22, 2015. To maintain their optionality, the Debtors requested that all bidders address three scenarios whereby they would either (i) acquire the Wyotech Assets for a guaranteed amount, (ii) serve as the Debtors' consultant in selling the Wyotech Assets on a commission basis, or (iii) some combination of (i) and (ii). Eight (8) interested parties conducted site visits at the Wyotech Locations prior to the May 22, 2015 bid deadline.

12. The Debtors received bids from eight (8) different bidders for all or a portion of the Wyotech Assets. Six (6) of the bids submitted were for substantially all of the Wyotech Assets. Following receipt of the bids, the Debtors and/or their advisors contacted the four (4) highest bidders with follow-up questions, and informed the remaining bidders that they would not be part of the process moving forward absent substantial improvements to their bids. The Debtors provided all bidders with an opportunity to improve their bids following such

discussions. After a series of discussions and negotiations with the highest bidders, the Debtors identified two (2) bidders that had offered the greatest consideration for the Wyotech Assets, and that the Debtors believed, based on discussions, might further increase their bids.

13. Accordingly, on May 30, 2015, the Debtors notified each of the bidders of their intent to conduct a telephonic auction for the Wyotech Assets on Monday, June 1, 2015 at 12:00 p.m. (Eastern Time). At the Debtors' request, each of the bidders confirmed their intent to attend the telephonic auction. The Debtors commenced the telephonic auction by stating that the bid submitted by GAGP was currently the best and highest bid received for the Wyotech Assets, and identifying the most recent bids received from both parties. The second highest bidder appeared at the telephonic auction, but declined the opportunity to outbid GAGP. Accordingly, GAGP was then determined to be the highest and best bid for substantially all of the Wyotech Assets (with the specific Wyotech Assets being defined in the Consulting Agreement and referenced herein as the "Assets"). Counsel to the Committees and the Administrative Agent for the Debtors' prepetition lenders were kept informed of the process (and the Debtors' evaluation of bids received) and given an opportunity to appear at the telephonic auction.⁴

D. The Consulting Agreement

14. Pursuant to the terms of the Consulting Agreement, GAGP shall serve as an independent consultant to the Debtors in connection with an orderly liquidation sale of the Assets to be conducted by GAGP on behalf of the Debtors, followed by an auction of the Assets at the Wyotech Locations and/or on the Internet. GAGP anticipates that the auction of the Assets will begin on the date that the Court enters an order approving the relief requested in this Motion (referenced in the Consulting Agreement as the Approval Order) and last no more than sixty (60)

⁴ The financial advisor for the Creditors' Committee did participate in the telephonic auction for the Wyotech Assets held on Monday, June 1, 2015.

days (the “**Sale Termination Date**”); provided that the Sale Termination Date may be changed or extended if mutually agreed upon in writing by the Debtors and GAGP. The specific services to be provided by GAGP, as outlined in the Consulting Agreement, include the following:

- (i) provide full time Supervisors⁵ to supervise and conduct the Sale as further described in Section 2.3 of the Consulting Agreement;
- (ii) lot, tag, photograph and catalogue the Assets;
- (iii) oversee the liquidation and disposal of the Assets from the Facilities; provided, however, Consultant reserves the right to abandon at the Facilities any Assets that have not been sold by the Sale Termination Date;
- (iv) determine and implement appropriate marketing to effectively sell the Assets during the Sale term;
- (v) determining pricing of the Assets if sold prior to the Auction;
- (vi) oversee execution of the Sale, invoicing and collection of proceeds from buyers;
- (vii) provide such other related services deemed necessary or prudent by the Company and Consultant under the circumstances; and
- (viii) provide the Company with reporting and reconciliation of all accounting information in form reasonably acceptable to the Company as set forth herein.

15. Under the terms of the Consulting Agreement, GAGP has guaranteed the Debtors that the proceeds generated from the sale of the Assets shall be no less than \$1.535 million (the “**Guaranteed Amount**”). GAGP is required to pay the Guaranteed Amount to the Debtors within 48 hours of the Court entering the Approval Order; which will subsequently be paid to GAGP from the first \$1.535 million in proceeds collected from the sale of the Assets. The next available proceeds in the amount of an additional \$100,000 shall be used to reimburse GAGP for the payment of Sale Expenses. The Sale Expenses include actual direct operating

⁵ Capitalized terms not otherwise defined herein have the meanings given to them in the Consulting Agreement.

expenses reasonably incurred by GAGP in connection with the Sale, provided that GAGP shall not be responsible for occupancy or related costs for the Facilities (i.e., rents, mortgages, trash, dumpsters, phone, security or utility charges) unless the Sale extends beyond the anticipated Sale Termination Date.⁶ Any additional proceeds received from the sale (above \$1.635 million) will be split 95 percent to the Debtors and 5 percent to GAGP. GAGP will also charge buyers (i) a 15 percent buyer's premium with regards to Assets sold and (ii) a 3 percent bidding surcharge with regards to Assets sold pursuant to online bidding.

E. Disclosures Pursuant to Local Rules

16. In accordance with Local Rule 6004, the Debtors make the following disclosures:

Provision	Description of Provision
Sale	Pursuant to Article 2 of the Consulting Agreement, GAGP shall be retained as an independent consultant to the Debtors in connection with an orderly liquidation sale of the Assets to be conducted by GAGP on behalf of the Debtors, followed by an auction of the Assets at the Wyotech Locations and/or on the Internet.
Guaranteed Amount	Pursuant to Section 4.1 of the Consulting Agreement, the Guaranteed Amount shall be \$1.535 million, which shall be paid to the Debtors within 48 hours of the Court entering the Approval Order. The Guaranteed Amount shall subsequently be paid to GAGP from the first \$1.535

⁶ Section 7.7 of the Consulting Agreement provides as follows:

In the event that the Sales extend beyond the date that is 60 days from the date of entry of the Approval Order, the Consultant shall be solely liable for any expenses incurred in connection with the maintenance or operation of the Facilities for such period, including but not limited to, occupancy costs, utilities, security, local telephone, trash services, property taxes and any other related costs. Consultant acknowledges that, under applicable law, in the event the Sales are ongoing as of September 1, 2015 (or the first day of each subsequent month), its obligations under this Section will include an obligation to pay rent and related charges under the applicable leases for the entire month of September or applicable month thereafter (rather than on a *pro rata* or *per diem* basis for the actual days of occupancy).

Provision	Description of Provision
	million in proceeds collected from the sale of the Assets.
Sale Expenses	Pursuant to Section 4.2 of the Consulting Agreement, the next \$100,000 in available proceeds (above the Guaranteed Amount) shall be used to reimburse GAGP for the payment of Sale Expenses. The Sale Expenses include actual direct operating expenses reasonably incurred by GAGP in connection with the Sale, provided that GAGP shall not be responsible for occupancy or related costs for the Facilities (i.e., rents, mortgages, trash, dumpsters, phone, security or utility charges) unless the Sale extends beyond the anticipated Sale Termination Date. See Section 7.7 of the Consulting Agreement regarding GAGP's obligations with respect to lease related obligations in the event that the Sale extends beyond sixty (60) days.
Shared Amount	Pursuant to Section 4.2 of the Consulting Agreement, proceeds received from the sale above \$1.635 million (after covering the Guaranteed Amount and reimbursement of the Sale Expenses), and not counting GAGP's direct charges to the buyers with respect to (i) a fifteen (15) percent buyer's premium with regards to Assets sold and (ii) a three (3) percent bidding surcharge with regards to Assets sold pursuant to online bidding, will be split 95 percent to the Debtors and 5 percent to GAGP.
Follow-Up Inspection	Prior to June 30, 2015, the anticipated hearing date on this Motion, GAGP shall conduct and complete a follow-up review and inspection of the Assets to confirm that there has been no material adverse change to the Assets (the "Follow-Up Inspection"). In the event that GAGP asserts, based on the Follow-Up Inspection, that there has been a material adverse change to the Assets, the parties shall attempt in good faith to resolve any such issues and make any related revisions or modifications to the Agreement; provided, however, that in the event that the parties are unable to resolve any issues identified in connection with the Follow-Up Inspection, the Court shall address such issues at the hearing on the Motion.
Abandonment of Remaining Assets	Pursuant to Section 2.2(iii) of the Consulting Agreement, GAGP may abandon at the Facilities any Assets that have not been sold by the Sale Termination Date.

Provision	Description of Provision
Buyer's Premium and Online Sales Surcharge	Pursuant to Section 4.2 of the Consulting Agreement, GAGP will charge buyers (i) a 15 percent buyer's premium with regards to Assets sold and (ii) a 3 percent bidding surcharge with regards to Assets sold pursuant to online bidding.
Payment Date	Pursuant to Section 4.1 of the Consulting Agreement, the Guaranteed Amount shall be paid to the Debtors within forty-eight (48) hours of entry of the Approval Order. With regards to any additional proceeds received, Section 4.3 of the Consulting Agreement contemplates that all Sale proceeds shall be deposited in a segregated account; and that GAGP shall provide the Debtors with an accounting of the proceeds of the Sale (and such other information that may be reasonably requested by the Debtors) within twenty-one (21) business days following the completion of the Sale.
Sale Period	Pursuant to Section 1.3 of the Consulting Agreement, GAGP anticipates that the Sale will conclude no later than sixty (60) days after entry of the Approval Order, which date may be changed or extended if mutually agreed upon in writing by the Debtors and GAGP.
No Additional Bidding Process	As detailed above, the Debtors conducted an auction process prior to filing this Motion and submit that they have maximized value for the sale of the Assets. The Debtors are seeking approval of the Consulting Agreement at the hearing on the Motion and are not seeking to establish an additional bidding process with respect to the selection of GAGP as the Debtors' consultant. GAGP, however, will be conducting an Auction of the Assets in accordance with the terms of the Consulting Agreement.
Relief from Bankruptcy Rule 6004(h)	As set forth herein, the Debtors seek relief from the stay requirements of Bankruptcy Rule 6004(h)

RELIEF REQUESTED

17. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto as Exhibit B (the “**Approval Order**”), pursuant to sections 105(a), 363, 364 and 554 of the Bankruptcy Code and Bankruptcy Rule 6004, (i) authorizing the Debtors to enter into the Consulting Agreement relating to the sale of the Assets and approving the terms thereof, (ii) authorizing the sale of the Assets in accordance with the terms of the Consulting Agreement, and (iii) granting certain related relief.

BASIS FOR RELIEF REQUESTED

A. The Debtors’ Entry into the Consulting Agreement is a Sound Exercise of Debtors’ Business Judgement.

18. Bankruptcy Code section 363(b)(1) provides, in relevant part, that “the trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” The notice and hearing requirements contained in section 363(b)(1) are satisfied if appropriate notice and an opportunity for hearing are given in light of the particular circumstances. 11 U.S.C. § 102(1)(A) (defining “after notice and a hearing” to mean such notice and an opportunity for hearing “as [are] appropriate in the particular circumstances”).

19. Under applicable case law, in this and other circuits, if a debtor’s proposed use of its assets pursuant to section 363(b) of the Bankruptcy Code represents a reasonable business judgment on the part of the debtor, such use should be approved. *See, e.g., In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 147 (3d Cir. 1986); *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991) (finding that the sale of substantially all of the Debtor’s assets satisfied the sound business reason test). *See also Myers v. Martin (In re martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th

Cir. 1991)) (noting that the Court defers to the trustee's judgment so long as there is a legitimate business justification); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983) ("The rule we adopt requires that a judge determining a §363(b) application expressly find from the evidence presented before him at the hearing a good business reason to grant such an application."); *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) ("Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct."). Thus, if a debtor's actions satisfy the business judgment rule, then the transaction in question should be approved under section 363(b)(1). Indeed, when applying the "business judgment" standard, courts show great deference to a debtor's business decisions. *See Pitt v. First Wellington Canyon Assocs. (In re First Wellington Canyon Assocs.)*, No. 89 C 593, 1989 WL 106838, at *3 (N.D. Ill. Sept. 8, 1989) ("Under this test, the debtor's business judgment . . . must be accorded deference unless shown that the bankrupt's decision was taken in bad faith or in gross abuse of the bankrupt's retained discretion.").

20. The proposed retention of GAGP under the terms of the Consulting Agreement is analogous to the retention of a liquidation firm to serve as the debtor's agent in selling inventory pursuant to a "going-out-of-business" sale. This Court has repeatedly accepted such an arrangement as an accepted method for the sale of assets in chapter 11 cases. *See, e.g. In re Borders Grp., Inc.*, No. 11-10614 (MG) (Bankr. S.D.N.Y. July 21, 2011) (authorizing debtors' entry into agency agreement to conduct full-scale liquidation of stores); *In re Borders Grp., Inc.*, No. 11-10614 (MG) (Bankr. S.D.N.Y. Feb. 18, 2011) (authorizing debtors' entry into agency agreement to conduct store closing sales on first day); *In re Goody's LLC*, No. 09-10124 (Bankr.

D. Del. Jan. 21, 2009) (authorizing debtors' assumption of prepetition agency agreement and to conduct full-scale liquidation through store closing sales at the outset of the case); *In re Circuit City Stores Inc.*, No. 08-35653 (KRH) (Bankr. E.D. Va. Nov. 10, 2008); *In re Whitehall Jewelers Holdings, Inc.*, No. 08-11261 (KG) (Bankr D. Del. Aug. 8, 2008) (authorizing debtors' entry into an agency agreement to conduct store closing sales); *In re Goody's Family Clothing, Inc.*, No. 08-11133 (CSS) (Bankr D. Del. June 13, 2008) (same); *In re Linens Holding Co.*, No. 08-10832 (CSS) (Bankr. D. Del. May 30, 2008) (same); *In re Sharper Image Corp.*, No. 08-10322 (KG) (Bankr. D. Del. May 30, 2008) (authorizing debtor's entry into an agency agreement to conduct store closing sales).

21. The Debtors submit that their entry into the Consulting Agreement is a sound exercise of their business judgment. The Consulting Agreement will allow the Debtors to use a national liquidation firm with substantial experience and expertise in conducting an orderly sale of the Assets over a two-month period. Moreover, under the terms of the Consulting Agreement, the Debtors will realize a guaranteed amount of \$1.535 million (which shall be paid to the Debtors within forty-eight (48) hours of entry of the Approval Order), while still being able to share in additional recoveries in the event that the proceeds from the Sale exceed \$1.635 million. Indeed, Section 4.2 of the Consulting Agreement, provides that any proceeds received from the sale above \$1.635 million (after covering the Guaranteed Amount and reimbursement of the Sale Expenses) will be split ninety-five (95) percent to the Debtors and five (5) percent to GAGP. The Debtors submit that this proposed structure minimizes the Debtors' risk (by securing payment of the Guaranteed Amount) while at the same time motivating GAGP to maximize the proceeds received from the sale of the Assets.

22. Further, as detailed above, the Debtors' entry into the Consulting Agreement is the result of an extensive marketing process whereby the Debtors contacted over 300 prospective purchasers with the goal of maximizing the value received for the Wyotech Assets. The Debtors received bids from eight (8) bidders to purchase all or a portion of the Wyotech Assets, with six (6) of the bidders seeking to purchase substantially all of the Wyotech Assets. The Debtors were ultimately able to identify GAGP as having submitted the highest and best bid for the Assets, following a series of negotiations with interested bidders and a telephonic auction held on June 1, 2015. The Debtors and their advisors kept counsel to the Committees and the Administrative Agent for the prepetition lenders informed with respect to the process and the Debtors' evaluation of the bids received. Based on the process conducted to date, and the decision of the second highest bidder not to overbid at the telephonic auction, the Debtors submit that they have maximized the value to be received for the Assets and that no further bidding process for the Assets is warranted. Accordingly, the Debtors' submit that their entry into the Consulting Agreement is a sound exercise of the Debtors' business judgment.

23. Moreover, the Debtors submit, and will demonstrate at the hearing on the Motion, that the Consulting Agreement is the result of good faith arms'-length negotiations. GAGP is not an "insider" of the Debtors, as such term is defined under section 101(31) of the Bankruptcy Code, and is not in any way affiliated with the Debtors.

B. The Court Should Authorize the Sale of Assets at the Wyotech Locations Free and Clear of All Liens, Claims and Encumbrances.

24. Pursuant to the terms of the Consulting Agreement, GAGP shall serve as an independent consultant to the Debtors in connection with an orderly liquidation sale of the Assets to be conducted by GAGP on behalf of the Debtors, followed by an auction of the Assets at the Wyotech Locations and/or on the Internet. The Debtors' request that the Court approve

and authorize this arrangement and that any sales effectuated by GAGP (in its capacity as consultant to the Debtors) be free and clear of any liens, claims and encumbrances.

25. The Debtors have determined, in the sound exercise of their business judgment, that the use of GAGP as consultant is the best way to maximize the value received for the Assets. As discussed above, GAGP is a national liquidation firm with substantial experience and expertise in conducting asset sales of this type. Accordingly, the Debtors believe that GAGP's experience and expertise will allow the Debtors to receive the maximum potential recovery from the sale of the assets. Section 2.5 of the Consulting Agreement provides that the Debtors shall maintain title to the Assets through the Sale Term (as defined in the Consulting Agreement). Accordingly, GAGP will be conducting a sale of estate assets on the Debtors' behalf, with the Debtors realizing a potential upside pursuant to the proceeds sharing formula set forth in the Consulting Agreement. Accordingly, the Debtors request that the Court authorize and approve any sales of the Assets by GAGP.

26. Section 363 of the Bankruptcy Code provides in relevant part that a debtor "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." Where a debtor has shown some "articulated business justification," the sale of assets under section 363 should be approved. *See In re Del. and Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991) (noting that the Third Circuit has adopted the "sound business judgment" test for section 363 asset sales); *Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991)); *In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143 (3d. Cir. 1986) (applying business judgment rule); *In re Lionel Corp.*, 722 F.2d at 1070-71 (same).

27. The Debtors submit that ample business reasons exist for selling the Assets in accordance with the Consulting Agreement. As previously described to the Court, the Debtors have ceased all operations and have begun an orderly liquidation of their assets. The liquidation of the Assets at the Wyotech Locations is the most likely path to maximize recoveries for the Debtors' estates, their creditors and other parties-in-interests to wind-down the Debtors' business. The Assets will be monetized most efficiently and expeditiously through an orderly process conducted by an experienced liquidation firm. Moreover, the structure set forth in the Consulting Agreement will minimize the administrative expenses of the estates by reallocating a significant portion of the risk and costs associated with the Sale from the Debtors to GAGP. If the Debtors are not allowed to commence the sale of the Assets in the proposed manner, the Debtors would suffer significant detriment from the resulting delay, added postpetition expenses and further time and efforts required to reformulate a different liquidation strategy.

28. To facilitate the sale of the Assets, the Debtors request authority to sell the Assets on a final "as is" basis, free and clear of all liens, claims and encumbrances in accordance with section 363(f) of the Bankruptcy Code. Section 363(f) of the Bankruptcy Code allows a debtor to sell property "free and clear of any interest in such property of an entity other than the estate" if one of the following conditions is met:

- (a) applicable nonbankruptcy law permits the sale of such property free and clear of such interest;
- (b) the party asserting the lien, claim or interest consents to the sale;
- (c) the interest is a lien and the purchase price for the property is greater than the aggregate amount of all liens on the property;
- (d) the interest is the subject of a bona fide dispute; or
- (e) such entity could be compelled to accept a money satisfaction of such claim.

11 U.S.C. § 363(f); *see also In re Elliott*, 94 B.R. 343, 345 (E.D. Pa 1988) (noting that section 363(f) is written in the disjunctive, thereby allowing sales “free and clear” if any subsection is met).

29. To the extent there are any entities with an interest in any of the Assets that have not already consented to the Sale, such entity could be compelled to accept a money satisfaction of such interest. Specifically, the Debtors propose that any liens, claims or encumbrances asserted against the Assets attach to the Guaranteed Amount and any additional proceeds payable to the Debtors under the terms of the Consulting Agreement, in the same priority and subject to the rights, claims, defenses and objections, if any, of all parties with respect thereto.

C. Security Interest in Assets Pending Recovery of Guaranteed Amount

30. As discussed above, GAGP has guaranteed to the Debtors that the proceeds of the Assets generated from the Sale shall be no less than \$1.535 million. GAGP shall pay the Guaranteed Amount to the Debtors no later than forty-eight (48) hours following entry of the Approval Order, well in advance of GAGP recovering any proceeds in connection with the Sale. Indeed, the Consulting Agreement provides that the first \$1.535 million in proceeds collected from the sales of the Assets shall be used to repay GAGP for the Guaranteed Amount. Accordingly, GAGP’s advancement of the Guarantee Amount constitutes an extension of credit pursuant to the Consulting Agreement. As such, pursuant to Section 4.4 of the Consulting Agreement, the Debtors have consented to providing GAGP with a security interest in the Assets to secure payment of the Guaranteed Amount. Moreover, the Debtors submit that the advancement of the Guaranteed Amount constitutes a good faith extension of credit under section 364(e) of the Bankruptcy Code and, as such, the reversal or modification on appeal of the

Court's authorization to consummate the transactions contemplated by the Consulting Agreement and the security interest thereunder should not affect the validity of such transactions unless such authorization has been stayed pending appeal.

D. Authority to Abandon Assets Not Sold Pursuant to Sale

31. GAGP is incentivized under the terms of the Consulting Agreement to use its best efforts to sell all of the Assets for the highest possible price. Indeed, GAGP and the Debtors split any proceeds recovered over \$1.635 million, with ninety-five (95) percent of such proceeds going to the Debtors and five (5) percent of such proceeds going to GAGP. Moreover, GAGP will charge buyers a fifteen (15) percent buyer's premium for any Assets sold and a three (3) percent bidding surcharge with regards to Assets sold pursuant to online bidding. That said, the Debtors and GAGP anticipate that there may be certain Assets that they are unable to sell. Accordingly, the Debtors and GAGP seek authorization to abandon at the WyoTech Locations any Assets that have not been sold by the Termination Date.

32. Bankruptcy Code section 554(a) provides that "[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C. § 554(a). The Debtors anticipate rejecting the real property leases relating to the Wyotech Locations on or immediately following the Sale Termination Date. In order to effectively reject such leases, the Debtors will need to surrender possession of the premises to the respective landlords. The Debtors submit that the ability to abandon unsold Assets (in consultation with GAGP) will allow the Debtors to surrender possession as soon as practicable, thereby stemming the incurrence of continuing administrative rent under the leases.

E. Relief from Restrictive Provisions of Real Property Leases Impeding the Debtors' Ability to Sell the Assets.

33. The leases with respect to each of the Wyotech Locations may contain provisions purporting to restrict or prohibit the Debtors from conducting liquidation or similar sales. Such provisions have been held to be unenforceable in chapter 11 cases as they constitute an impermissible restraint on a debtor's ability to properly administer its reorganization case and maximize the value of its assets under section 363 of the Bankruptcy Code. *See, e.g., In re Ames Dep't Stores, Inc.*, 136 B.R. at 359 (holding that enforcement of such lease restrictions would "contravene overriding federal policy requiring debtor to maximize estate assets. . ."); *In re R. H. Macy and Co., Inc.*, 170 B.R. 69, 73-74 (Bankr. S.D.N.Y. 1994) (holding that the lessor could not recover damages for breach of a covenant to stay open because the debtor had a duty to maximize the value to the estate and the debtor fulfilled this obligation by holding a store closing sale and closing the store.); *In re Tobago Bay Trading Co.*, 112 B.R. 463, 467-68 (Bankr. N.D. Ga., 1990) (finding that a debtor's efforts to reorganize would be significantly impaired to the detriment of creditors if lease provisions prohibiting a debtor from liquidating its inventory were enforced); *In re Lisbon Shops, Inc.*, 24 B.R. 693, 695 (Bankr. E.D. Mo. 1982) (holding restrictive lease provision unenforceable in Chapter 11 case where debtor sought to conduct going-out-of-business sale).

34. As such, to the extent that such provisions or restrictions exist in the leases, such landlords may not interfere with or otherwise seek to restrict the Debtors and/or GAGP from conducting the Sale. Accordingly, the Debtors request that the Court authorize the Debtors and/or the GAGP to conduct the Sale without interference by any landlords or other persons affected, directly or indirectly, by the sale of the Assets. Bankruptcy courts in this District have held that similar restrictive lease provisions affecting store closing sales in chapter 11 cases are unenforceable. *See, e.g., In re Tweeter Home Entm't Group, Inc.*, Ch. 11 Case No. 07-10787

(PJW) (Jointly Administered) (Bankr. D. Del. July 13, 2007) (final order authorizing debtor to continue store closing sales pursuant to store closing agreement); *In re Three A's Holdings, L.L.C.*, Ch. 11 Case No. 06-10886 (RLS) (Jointly Administered) (Bankr. D. Del. Sept. 25, 2006) (order authorizing, among other things, agent to conduct store closing sales).

F. Waiver of Stay Under Bankruptcy Rule 6004(h)

35. Bankruptcy Rule 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* 10 COLLIER ON BANKRUPTCY ¶ 6004.11 at 6004-19 (citing Advisory Committee on the Federal Rules of Bankruptcy Procedure, Committee Notes on Rules – 1999 Amendment at subdivision (g) (1999)). Although Bankruptcy Rule 6004(h) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the 14-day period, the leading treatise on bankruptcy suggests that the stay period should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to the procedure.” 10 COLLIER ON BANKRUPTCY ¶ 6004.10 at 6004-20 (15th ed. 2008). The treatise further provides that if an objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

36. The Debtors submit that under the circumstances, ample cause exists to justify the waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h). Any delay in the Debtors’ ability to sell the Assets would be detrimental to the Debtors and their estates and creditors. Accordingly, the Debtors seek a waiver of the 14-day stay of any order approving this Motion and request that each sale under the procedures described in this Motion, be deemed immediately approved when consummated thereunder.

NOTICE

37. The Debtors will provide notice of this Motion to: (i) the Office of the United States Trustee for the District of Delaware; (ii) proposed counsel to the Creditors' Committee; (iii) proposed counsel to the Student Committee; (iv) counsel to Bank of America, N.A., in its capacity as Administrative Agent for the Lenders; (v) the Department of Education; (vi) the Internal Revenue Service; (vii) the Securities and Exchange Commission; (viii) the United States Attorney for the District of Delaware; (xi) any banking or financial institution that holds the Debtors' accounts; (x) any other known party holding liens with respect to the Assets; (xi) any landlords with respect to the Wyotech Locations; (xii) the Office of the Attorney General for the State of California; and (xiii) all parties entitled to notice of this Motion pursuant to Bankruptcy Rule 2002.

38. The Debtors submit that no other or further notice is necessary under the circumstances.

NO PRIOR MOTION

39. The Debtors have not made any prior motion for the relief sought in this Motion to this Court or any other.

WHEREFORE, the Debtors respectfully request the entry of the Approval Order, substantially in the form attached hereto as Exhibit B, granting the relief requested in its entirety and any other relief as is just and proper.

Dated: June 9, 2015
Wilmington, Delaware

/s/ Amanda R. Steele
Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Marisa A. Terranova (No. 5396)
Amanda R. Steele (No. 5530)
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Attorneys for the Debtors and Debtors in
Possession

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

In re:	§	
	§	Chapter 11
CORINTHIAN COLLEGES, INC., <i>et al.</i> ¹	§	
	§	Case No. 15-10952 (KJC)
	§	
	§	Jointly Administered
Debtors.	§	
	§	Hearing Date: June 30, 2015 @ 2:00 p.m. (EDT)
	§	Obj. Deadline: June 23, 2015 @ 4:00 p.m. (EDT)

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that, on June 9, 2015, the above-captioned debtors (collectively, the “**Debtors**”) filed the *Debtors’ Motion for Entry of an Order (I) Authorizing Debtors to Enter Into Consulting/Auction Agreement with Great American Global Partners, LLC and Approving the Terms Thereof, (II) Authorizing Sale of Assets in Accordance with Agreement and (III) Granting Certain Related Relief* (the “**Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”).

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must be in writing, filed with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned proposed counsel for the Debtors on or before **June 23, 2015 at 4:00 p.m. (Eastern Daylight Time)**.

¹ 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.

PLEASE TAKE FURTHER NOTICE that a hearing to consider the Motion, if required, will be held before The Honorable Kevin J. Carey, United States Bankruptcy Judge for the District of Delaware, at the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801 on **June 30, 2015 at 2:00 p.m. (Eastern Daylight Time)**.

IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: June 9, 2015
Wilmington, Delaware

/s/ Amanda R. Steele
Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Marisa A. Terranova (No. 5396)
Amanda R. Steele (No. 5530)
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Counsel for the Debtors and Debtors in
Possession

EXHIBIT A

Consulting Agreement

CONSULTING/AUCTION AGREEMENT

This Consulting Agreement, dated as of June 9, 2015 (together with all Schedules, Exhibits and attachments hereto, (collectively, the “Agreement”)), is made by and between Great American Global Partners, LLC, a California limited liability company, with a principal place of business at 21860 Burbank Boulevard, Suite 300 South, Woodland Hills, CA 91367 (the “Consultant”) and Corinthian Colleges, Inc., a Delaware Corporation (Federal Employer Identification Number 33-0717312) (“CCI”) and certain of its affiliated entities, including, but not limited to, Corinthian Schools, Inc. (Federal Employer Identification Number 95-4520525), Rhodes Colleges, Inc. (Federal Employer Identification Number 33-0717311), Everest College Phoenix, Inc. (Federal Employer Identification Number 45-2216173) and Sequoia Education, Inc. (Federal Employer Identification Number 94-3135739) (collectively, with CCI, the “Company”).

WITNESSETH:

WHEREAS, the Company and certain of its affiliates filed for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) on May 4, 2015, which cases are pending in the United States Bankruptcy Court for the District of Delaware (the “Court”) and are being jointly administered under Case No. 15-10952 (KJC);

WHEREAS, the Company desires to retain Consultant to provide consulting services with respect to the management and disposition of the Assets (as defined below); and

WHEREAS, Consultant is willing to serve as the Company’s consultant, for the purpose of providing such consulting services, upon the terms and conditions and in the manner set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

For the purpose of this Agreement, the terms listed below shall have the respective meanings indicated:

1.1 Except as set forth below, “Assets” shall mean the assets and equipment of the Company located and/or stored at the Facilities, as viewed, inspected and represented by the Company during Consultant’s inspection and review on May 19, 2015 and May 20, 2015. Notwithstanding anything in this Agreement to the contrary, the Assets shall not include certain “Heald” historical items located at the Facilities and stored in seven (7) speed pack boxes, leased equipment located at the Facilities and 9 parts washers located at the Fremont, CA Facility, as the parties have agreed that such items shall not be part of the Sale and may be removed from the Facilities at any time prior to the Sale Termination Date. Prior to June 30, 2015, the anticipated hearing date whereby the Court will consider entry of the Approval Order (the “Sale Hearing”), Consultant shall conduct and complete a follow-up review and inspection of the Assets to confirm that there has been no material adverse change to the Assets (the “Follow-Up

Inspection”). In the event that Consultant asserts, based on the Follow-Up Inspection, that there has been a material adverse change to the Assets, the parties shall attempt in good faith to resolve any such issues and make any related revisions or modifications to this Agreement; provided, however, that in the event that the parties are unable to resolve any issues identified in connection with the Follow-Up Inspection, the Court shall address such issues at the Sale Hearing.

1.2 “Facilities” shall mean the Company's facilities located at 2131 Technology Place, Long Beach, CA 90810 and 420 Whitney Place, Fremont, CA 94539.

1.3 “Sale” shall mean an orderly liquidation sale of the Assets to be conducted by Consultant on behalf of the Company, followed by an auction of the Assets at the Facilities and/or on the Internet, which auction Consultant anticipates will occur no later than 60 days after entry of the Approval Order, which date may be changed or extended if mutually agreed upon in writing by the Company and Consultant.

1.4 “Sale Expenses” shall mean, with respect to the Sale, actual direct operating expenses reasonably incurred by Consultant in connection with the Sale. Sale Expenses do not include occupancy or those types of related costs for the Facilities (i.e., Rents, Mortgages, Trash, Dumpsters, Phone, Security, Utilities).

1.5 “Sale Term” shall mean the period of time beginning on the date of entry of the Approval Order and ending on the Sale Termination Date.

1.6 “Sale Termination Date” shall mean the date that is 60 days following the date of entry of the Approval Order, unless otherwise mutually agreed by Consultant and the Company.

1.7 “Sales Taxes” shall mean all sales, excise, gross receipts and other taxes attributable to the Sale of the Assets (other than taxes on income) payable to any taxing authority having jurisdiction.

1.8 “Services” shall mean the services to be performed by Consultant pursuant to Section 2.2 of this Agreement.

1.9 “Supervisors” shall mean the individual or individuals whom shall provide Services at the Facilities as set forth in Sections 2.2 and 2.3 of this Agreement.

2. RETENTION

2.1 Subject to the entry of the Approval Order, the Company hereby retains Consultant, and Consultant hereby agrees to serve, as an independent consultant to the Company in connection with the conduct of the Sale as set forth herein. With respect to the Sale, Consultant shall serve as the Company's sole and exclusive consultant relative thereto throughout the Sale Term. Consultant shall implement an orderly liquidation and auction for the liquidation of the Assets.

2.2 On the terms and conditions set forth herein, Consultant shall provide the Company with the following Services with respect to the conduct of the Sale:

- (i) provide full time Supervisors to supervise and conduct the Sale as further described in Section 2.3 below;
- (ii) lot, tag, photograph and catalogue the Assets;
- (iii) oversee the liquidation and disposal of the Assets from the Facilities; provided however, Consultant reserves the right to abandon at the Facilities any Assets that have not been sold by the Sale Termination Date;
- (iv) determine and implement appropriate marketing to effectively sell the Assets during the Sale term;
- (v) determine pricing of the Assets if sold prior to the Auction;
- (vi) oversee execution of the Sale, invoicing and collection of proceeds from buyers;
- (vii) provide such other related services deemed necessary or prudent by the Company and Consultant under the circumstances; and
- (viii) provide the Company with reporting and reconciliation of all accounting information in form reasonably acceptable to the Company as set forth herein.

2.3 In connection with the Sale, Consultant shall directly retain and engage the Supervisors. The Supervisors are independent contractors engaged as agents of Consultant, and are not and shall not be deemed to be employees of the Company in any manner whatsoever. In consideration of Consultant's engagement of the Supervisors, Sale Expenses shall include Supervisor expenses.

2.4 All sales of Assets shall be made by Consultant as agent in fact for the Company. Except for incurring Sale Expenses and as otherwise specifically provided in this Agreement, Consultant shall have no authority to enter into any contract, agreement or other arrangement or take any other action, by or on behalf of the Company, that would have the effect of creating any obligation or liability, present or contingent, on behalf of or for the account of the Company without the Company's prior written consent.

2.5 The Assets will be sold in such lots as Consultant may determine. Title to the Assets shall remain with the Company throughout the Sale Term, unless and until paid for by, and transferred to, a purchaser through the Sale.

2.6 Consultant is authorized to accept, as the Company's agent, cash, wires, nationally recognized bank credit cards and guaranteed checks as payment for the Assets sold. Consultant shall ensure that all proceeds are deposited in the Sale Proceeds Account (defined below) no later than one (1) business day after receipt.

2.7 Consultant shall sell the Assets “as is”, “where is”, on a final basis, without any representations of any kind or nature whatsoever, including as to merchantability or fitness, and without warranty or agreement as to the condition of such Assets, and all sales receipts will reflect the same. Consultant is acting solely in the capacity of agent for the Company and has no knowledge with respect to the fitness or usability of any of the Assets. Consultant will not use, alter or repair any of the Assets for any particular purpose or otherwise.

2.8 Notwithstanding anything to the contrary set forth herein, Consultant shall exercise commercially reasonable efforts to sell all of the assets during the Sale Term.

3. EXPENSES

3.1 Consultant shall be responsible for the payment of Sales Expenses, subject to reimbursement of such amounts from the proceeds of the Sales in accordance with the terms and limitations of Section 4.2 of this Agreement. For the avoidance of doubt, any obligation of the Company to reimburse Consultant for any Sales Expenses, including any expenses relating to the Supervisors described in Section 2.3 above, shall be limited to the \$100,000 in next available proceeds to be paid to Consultant in accordance with Section 4.2 of this Agreement.

4. CONSULTANT'S FEES & BUYER'S PREMIUM

4.1 Consultant hereby guarantees to the Company that the proceeds of the Assets generated from the Sale shall be no less than \$1,535,000 (the “Guaranteed Amount”). Consultant shall pay the Guaranteed Amount no later than 48 hours after entry of the Approval Order. The Guaranteed Amount shall be repaid from the proceeds of the auction as provided in Section 4.2 below.

4.2 After sufficient proceeds have been collected from the sale of the Assets to pay the Guaranteed Amount, Consultant shall be entitled to be paid the next available proceeds in the amount of an additional \$100,000 to reimburse the payment of Sale Expenses and other costs. Any additional proceeds after \$1,635,000 will be split 95% to the Company and 5% to Consultant. Consultant will also charge buyers a 15% Buyer's Premium and a 3% bidding surcharge with regards to Assets sold pursuant to online bidding. Such premium and surcharge will be retained by Consultant.

4.3 All Sale Proceeds shall be deposited in a segregated sale proceeds account (the “Sale Proceeds Account”). Within 21 business days following the completion of the Sale, Consultant shall provide the Company with an accounting of the proceeds of the Sale and shall provide such other information that may be reasonably requested by the Company.

4.4 The Approval Order shall provide that Consultant maintains a security interest in the Assets, as permitted by section 546(b) of the Bankruptcy Code, to secure payment of the Guaranteed Amount.

4.5 Consultant shall not be required to file formal applications for approval of its compensation and reimbursement of expenses; *provided, however*, within 30 days of the Sale Termination Date, the Company or its counsel shall file on Consultant's behalf, with assistance from Consultant, a summary of proceeds realized and amounts paid, which summary shall be in

full satisfaction of any Bankruptcy Code requirements including, but not limited to, sections 327, 328, 330 and 331 of the Bankruptcy Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure.

5. REPRESENTATIONS AND WARRANTIES OF CONSULTANT

5.1 Consultant hereby represents, warrants and covenants in favor of the Company as follows:

- (a) Subject to the entry of the Approval Order, Consultant has taken all necessary action required to authorize the execution, performance and delivery of this Agreement, and to consummate the transactions contemplated hereby;
- (b) This Agreement is a valid binding obligation of Consultant enforceable in accordance with its terms;
- (c) To the best of Consultant's knowledge, no action or proceeding has been instituted or threatened affecting the consummation of this Agreement or the transactions contemplated herein;
- (d) Prior to the date hereof, Consultant has inspected and reviewed the Assets, and the Consultant shall have no right to adjust the Guaranteed Amount or to change the disbursement allocation of the Sale Proceeds (as set forth in Section 4.2 above); provided however, that prior to June 30, 2015, Consultant shall conduct the Follow-Up Inspection to confirm that there has been no material adverse change to the Assets, and the parties shall attempt in good faith to resolve any issues identified during the Follow-Up Inspection and make any related revisions or modifications to this Agreement, with any unresolved issues identified during the Follow-Up Inspection to be addressed by the Court at the Sale Hearing.
- (e) Consultant's use and occupancy of the Facilities shall be consistent with the terms of this Agreement; and
- (f) Except as may be provided in the Approval Order, Consultant shall conduct the Sale in accordance with any and all state and all applicable standards and state and federal laws, rules, and regulations governing such transactions or events.

6. REPRESENTATIONS AND WARRANTIES OF COMPANY

6.1 The Company hereby represents, warrants and covenants in favor of Consultant as follows:

- (a) Subject to the entry of the Approval Order, the Company has good and valid authority to consummate the transactions contemplated hereby, including the conduct of the Sale;

- (b) To the best of the Company's knowledge, the Company has legal title to the Assets and, subject to the entry of the Approval Order, has legal authority to sell the Assets to the general public free and clear of any liens, claims or encumbrances;
- (c) To the best of the Company's knowledge, no action, arbitration, suit, notice, or legal, administrative or other proceeding before any court or government body has been instituted by or against the Company or has been settled or resolved, or is threatened against the Company or the Company's business or properties, that questions the validity of this Agreement or that, if adversely determined, would adversely affect the conduct of the Sale;
- (d) To the best of the Company's knowledge, the Assets are in compliance with all applicable federal, state, or local product safety laws, rules and standards;
- (e) Throughout the Sale Term, Consultant shall have the right, as reasonably required by Consultant, during normal business hours, to the uninterrupted use and occupancy of, and peaceful and quiet possession of, the Facilities to conduct the Sale and to allow the removal of the Assets from the Facilities. The Company shall through the Sale Termination Date make reasonable efforts to maintain in good working order, condition and repair, at its sole expense, all heating systems, air conditioning systems, elevators and all other mechanical devices reasonably necessary to allow for the conduct of the Sale and the removal of the Assets from the Facilities during such hours;
- (f) Company consents to Consultant's use of the Company's branded names including without limitation "WyoTech" and "Corinthian Colleges, Inc." in connection with the Sale. Consultant may use such name in advertising of such sale and may also include Company as a "client" in its promotional, marketing and/or advertising materials; and
- (g) To the extent available, the Company shall provide to Consultant, no later than one week after Court Approval Date, (i) all equipment records, maintenance logs and records, and other files relating to the Assets (ii) all documents in the Company's possession reasonably requested by Consultant prior to the Auction(s) and otherwise necessary to transfer title to the Assets, including vehicle titles, properly endorsed. Consultant acknowledges that the Company may not have all requested titles, records and maintenance logs, but that the Company will use its best efforts to locate and provide available documents in accordance with this Section.

7. AFFIRMATIVE DUTIES OF CONSULTANT

7.1 Consultant shall reimburse, indemnify, defend and hold the Company, as well as its agents and employees, harmless from and against any and all known or unknown losses, damages (including without limitation, any personal injury, death or property damages), liabilities, claims, actions, judgments, penalties and fines, court costs and legal or other expenses, or any claim or action therefore, by or on behalf of any person, which the Company may incur as a direct or indirect result of: (i) Consultant's breach of this Agreement or any of its representations or warranties hereunder, including, but not limited to, collection of Sales Taxes from buyers; (ii) any claims asserted by Consultant's employees or agents, including Consultant's employees' or agents' payroll claims (wage claims, claims for taxes required to be withheld from wages, social security, etc.), or unemployment compensation claims; and (iii) grossly negligent or intentional acts or omissions of Consultant or its agents, employees, representatives or principals in connection with the Sale.

7.2 Subject to the Company's obligation to provide access to the Facilities as provided above, and without altering Consultant's right to abandonment as provided above, Consultant shall coordinate and manage the removal of the Assets and use its best efforts to ensure that the Assets that are sold pursuant to this Agreement are removed at buyers' cost from the Facilities. Removal of items shall be supervised by Consultant, and Consultant shall take all reasonable precautions to ensure that such removal is conducted by buyers so as to avoid any damage to the Facilities. Notwithstanding any provision in this Agreement to the contrary, Consultant shall not be responsible for any losses, damages, costs or expenses resulting from or related to the sale or removal of the Assets by buyers or their agents or representatives.

7.3 Consultant shall keep records of the sale price offered and paid for the Assets, the Sale Proceeds and Sale Expenses incurred by Consultant.

7.4 Consultant shall provide, at Consultant's sole expense, sufficient labor for the conduct of the Sale (including auctioneers, accounting, support and personnel to register bidders) and moving, transferring or consolidating Assets out of or within the Facilities (including sufficient insurance), payment for which shall be included as part of the Sale Expenses.

7.5 Except as may be provided in the Approval Order, Consultant shall be responsible, at its own cost and expense, for obtaining, with the assistance of the Company as may be required, any permits or licenses necessary to conduct the Sale.

7.6 Consultant shall maintain at Consultant's cost and expense throughout the Sale Term comprehensive public liability insurance policies covering injuries to persons and property in or in connection with Consultant's services hereunder (including, without limitation, with respect to removing the Assets from the Facilities), of at least \$1,000,000, and shall cause the Company to be an additional insured with respect to all such policies. Consultant shall deliver a certificate evidencing such insurance to the Company within 5 days of execution of this Agreement. In the event of a claim under such policies, Consultant shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, to the extent said claim arises from or relates to the alleged acts or omissions of Consultant or Consultant's employees, agents or independent contractors.

7.7 In the event that the Sales extend beyond the date that is 60 days from the date of entry of the Approval Order, the Consultant shall be solely liable for any expenses incurred in

connection with the maintenance or operation of the Facilities for such period, including but not limited to, occupancy costs, utilities, security, local telephone, trash services, property taxes and any other related costs. Consultant acknowledges that, under applicable law, in the event the Sales are ongoing as of September 1, 2015 (or the first day of each subsequent month), its obligations under this Section will include an obligation to pay rent and related charges under the applicable leases for the entire month of September or applicable month thereafter (rather than on a *pro rata* or *per diem* basis for the actual days of occupancy).

8. AFFIRMATIVE DUTIES OF COMPANY

8.1 The Company shall be solely liable for any expenses (other than the Sale Expenses) incurred in connection with the maintenance or operation of the Facilities through the date that is 60 days following the date of entry of the Approval Order, including but not limited to, occupancy costs, utilities, security, local telephone, trash services, property taxes and any other related costs.

8.2 Sales Taxes shall be added to the sales prices of the Assets and collected by Consultant, on the Company's behalf. Consultant shall prepare all reporting forms, certificates, reports and other documentation required in connection with the payment of all applicable sales taxes to the appropriate taxing authorities, and the Company shall process all of the foregoing. The Company shall pay the same to the appropriate taxing authorities in accordance with applicable law.

8.3 The Company shall and hereby agrees to defend, indemnify, and hold harmless Consultant and its agents, employees, principals and Supervisors from any and all known or unknown losses, damages (including without limitation, any personal injury, death or property damage), liabilities, claims, actions (including removal of toxic waste), judgments, penalties and fines, court costs and legal or other expenses which the Consultant may incur as a direct or indirect consequence in whole or in part of: (i) the environmental condition of the real property on which the Facilities are located, and/or any asserted damage, if any, to adjacent land owners; (ii) any defect or failure not caused by the negligent and/or intentional misconduct of Consultant in product design or materials or storage, manufacture, distribution, sale or use by any person or entity of any product or goods; (iii) the Company's failure to pay over to the appropriate taxing authority any taxes required to be paid by the Company during the Sale term in accordance with applicable law or to pay any liability referred to in Section 8.2 hereof; (iv) negligent or intentional acts or omissions of the Company or its agents, employees, and representatives in connection with the Sale; (v) liens, claims, interests and encumbrances asserted against the Assets; and/or (vi) the breach by the Company of any of its representations, warranties or other obligations under this Agreement; provided, however, the Company's obligations under this Section shall not extend to any liabilities which are determined to have been caused by the fraud, gross negligence or willful misconduct of the Consultant.

8.4 The Company shall use reasonable efforts to obtain the entry of the Approval Order on or before June 30, 2015.

9. CONDITIONS PRECEDENT

9.1 The willingness of Consultant and the Company to enter into the transactions contemplated under this Agreement is directly conditioned upon the satisfaction of the following conditions at the time or during the time periods indicated, unless specifically waived in writing by the applicable party:

- (a) All representations and warranties of Consultant and the Company hereunder shall be true and correct in all material respects, and no Event of Default (as defined below) shall have occurred as of the date hereof and as of the date of entry of the Approval Order;
- (b) The Court shall have entered an order(s) authorizing the Company to retain Consultant upon the terms set forth herein authorizing the Sale of the Assets free and clear of any liens, claims or encumbrances and authorizing the payment of Consultant's fee and the reimbursement of expenses without further order of Court as provided above (the "Approval Order") by no later than June 30, 2015.

10. DEFAULTS

10.1 The following shall constitute "Events of Default" hereunder:

- (a) The failure by Consultant or the Company to perform any of the respective material obligations hereunder, which failure shall continue uncured 7 days after receipt of written notice thereof to the defaulting party; or
- (b) Any representation or warranty made by the Company or Consultant proves untrue in any material respect as of the date made and through the Sale Termination Date; or
- (c) The Sale is terminated, materially interrupted or impaired at the Facilities for any reason other than (i) an Event of Default by Consultant, (ii) any other material breach or action by Consultant not authorized hereunder or (iii) circumstances outside of the Company's reasonable control.

10.2 In the event of an Event of Default, the non-defaulting party may, in its discretion, elect to terminate this Agreement upon 7 business day's written notice to the other party.

11. MISCELLANEOUS

11.1 Any notice or other communication under this Agreement shall be in writing and may be delivered personally or sent by facsimile or by prepaid registered or certified mail, addressed as follows:

- (i) in the case of Consultant:

Great American Global Partners, LLC
21860 Burbank Blvd, Suite 300

Woodland Hills, CA 91367
Attn: Adam Alexander
Managing Partner – GA Global Partners
email: aalexander@gaglobl.com

(ii) in the case of Company:

Corinthian Colleges, Inc.
6 Hutton Centre Dr., Suite #400
Santa Ana, CA 92707-8762
Attn: William Nolan
Chief Restructuring Officer
email: William.Nolan@fticonsulting.com

with a copy to:

FTI Consulting
214 North Tryon Street
Suite 1900
Charlotte, North Carolina 28202
Attn: William J. Nolan
Senior Managing Director, Corporate Finance & Restructuring
email: William.Nolan@fticonsulting.com

with a copy to:

Richards, Layton & Finger, P.A.
920 N. King Street
Wilmington, Delaware 19801
Attn: Mark D. Collins, Esq.
Michael J. Merchant, Esq.
email: Collins@rlf.com
Merchant@rlf.com

11.2 This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of California, without reference to any conflict of laws provisions.

11.3 In the event any term or provision contained within this Agreement shall be deemed illegal or unenforceable, then such offending term or provision shall be considered deleted from this Agreement and the remaining terms shall continue to be in full force and effect.

11.4 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations and understandings, and can only be modified by a writing signed by the Company and Consultant.

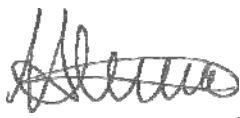
11.5 Neither the Company nor Consultant shall assign this Agreement without the express written consent of the other. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns.

11.6 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts, together, shall constitute one and the same instrument. Delivery by facsimile of this Agreement or an executed counterpart hereof shall be deemed a good and valid execution and delivery hereof or thereof.

11.7 Nothing contained hereof shall be deemed to create any relationship between Consultant and the Company other than the consulting relationship provided herein. It is stipulated that the parties are not partners or joint venturers.

11.8 In the event of a dispute under this Agreement, the non-breaching party shall be entitled to reimbursement from the breaching party of all costs and expenses incurred in enforcing this Agreement, including without limitation all reasonable legal fees and court costs.

GREAT AMERICAN GLOBAL PARTNERS, LLC

By :  _____
Adam F. Alexander
Its: _____ Managing Member _____

CORINTHIAN COLLEGES, INC.

By: _____
Its: _____

CORINTHIAN SCHOOLS, INC.

By: _____
Its: _____

RHODES COLLEGES, INC.

By: _____
Its: _____

EVEREST COLLEGE PHOENIX, INC.

By: _____
Its: _____

SEQUOIA EDUCATION, INC.

By: _____
Its: _____

11.8 In the event of a dispute under this Agreement, the non-breaching party shall be entitled to reimbursement from the breaching party of all costs and expenses incurred in enforcing this Agreement, including without limitation all reasonable legal fees and court costs.

GREAT AMERICAN GLOBAL PARTNERS, LLC

By : _____

Its: _____

CORINTHIAN COLLEGES, INC.

By: William J. Nolan

Its: Chief Restructuring Officer

CORINTHIAN SCHOOLS, INC.

By: William J. Nolan

Its: Chief Restructuring Officer

RHODES COLLEGES, INC.

By: William J. Nolan

Its: Chief Restructuring Officer

EVEREST COLLEGE PHOENIX, INC.

By: William J. Nolan

Its: Chief Restructuring Officer

SEQUOIA EDUCATION, INC.

By: William J. Nolan

Its: Chief Restructuring Officer

EXHIBIT B

Approval Order

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

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

**ORDER (I) AUTHORIZING DEBTORS TO ENTER INTO
CONSULTING/AUCTION AGREEMENT WITH GREAT AMERICAN
GLOBAL PARTNERS, LLC AND APPROVING THE TERMS THEREOF,
(II) AUTHORIZING SALE OF ASSETS IN ACCORDANCE WITH
AGREEMENT AND (III) GRANTING CERTAIN RELATED RELIEF**

Upon the motion (the “**Motion**”)² of Corinthian Colleges, Inc. (“**Corinthian**”) and its affiliated debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Approval Order**”) (i) authorizing the Debtors to enter into that certain Consulting/Auction Agreement, dated as of June 9, 2015 (the “**Consulting Agreement**”), with Great American Global Partners, LLC (“**GAGP**” or the “**Consultant**”) relating to the sale assets identified on Exhibit A to the Consulting Agreement (the “**Assets**”) and approving the terms thereof, (ii) authorizing the sale of the Assets in accordance with the terms of the Consulting Agreement, and (iii) granting certain related relief, as more fully set forth in the Motion; and upon due and sufficient notice of the Motion having been provided under the particular

¹ 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.

² Capitalized terms used but not defined in this Order shall have the meanings used in the Motion.

circumstances, and it appearing that no other or further notice need be provided; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and venue being proper before this Court under 28 U.S.C. §§ 1408 and 1409; and a hearing having been scheduled and, to the extent necessary, held to consider the relief requested in the Motion (the “**Hearing**”); and upon the record of the Hearing (if any was held) and all the proceedings had before the Court; and the Court having found and determined that the relief requested is in the best interests of the Debtors, their estates and creditors, and any parties in interest; and that the legal and factual bases set forth in the Motion and at the Hearing (if any was held) establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is IT IS HEREBY FURTHER FOUND AND DETERMINED, AS FOLLOWS:

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. Notice of the Motion, and of the hearing to consider approval of the Motion was given as otherwise required by applicable law, as evidenced by the affidavits of service on file with the Clerk of the Court.

D. The notice provided of the Motion and of the hearing to consider approval of the Motion was adequate and sufficient under the circumstances and the Court hereby finds that no further notice of the relief requested in the Motion is required.

E. GAGP acted in good faith, as that term is used in the Bankruptcy Code and the decisions thereunder, and is entitled to the protections of sections 363(m) and (n) of the Bankruptcy Code in connection with all of the transactions contemplated by the Consulting Agreement. The Consulting Agreement was negotiated and entered into in good faith, based upon arm's length bargaining, and without collusion or fraud. Neither the Debtors nor GAGP have engaged in any conduct that would prevent the application of section 363(m) of the Bankruptcy Code or cause the application of or implicate section 363(n) of the Bankruptcy Code to the Consulting Agreement or to the consummation of the transactions contemplated thereby. GAGP is entitled to all the protections of section 363(m) of the Bankruptcy Code.

F. The offer of GAGP, upon the terms and conditions set forth in the Consulting Agreement, including the form and total consideration to be realized by the Debtors pursuant to the Consulting Agreement, (i) is the highest and best offer received by the Debtors; (ii) is fair and reasonable; and (iii) is in the best interests of the Debtors' creditors and estates.

G. The conduct of the Sale will provide an efficient means for the Debtors to dispose of the Assets in accordance with the terms of the Consulting Agreement.

H. GAGP's advancement of the Guaranteed Amount constitutes an extension of credit, which, pursuant to the terms of the Consulting Agreement, shall be repaid from the first \$1.535 million in proceeds received from the Sale (but shall not constitute a separate repayment obligation of the Debtors or their estates). As such, pursuant to Section 4.4 of the Consulting Agreement, the Debtors have consented to providing GAGP with a security interest in the Assets

to secure payment of the Guaranteed Amount. The Court hereby finds that the advancement of the Guaranteed Amount constitutes a good faith extension of credit under section 364(e) of the Bankruptcy Code and, as such, the reversal or modification on appeal of the Court's authorization to consummate the transactions contemplated by the Consulting Agreement and the security interest thereunder should not affect the validity of such transactions unless such authorization has been stayed pending appeal.

it is HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent set forth herein.
2. The Debtors are hereby authorized and empowered to enter into the Consulting Agreement, and the Consulting Agreement is hereby approved in its entirety and is incorporated herein by reference, and it is further ordered that all amounts payable to GAGP under the Consulting Agreement shall be payable to GAGP without the need for further order of the Court and without the need to file formal applications for approval of compensation and reimbursement of expenses; provided, however, within thirty (30) days of the Sale Termination Date, the Debtors shall file on GAGP's behalf, with assistance from GAGP, a summary of proceeds realized and amounts paid, which summary shall be in full satisfaction of any Bankruptcy Code requirements including, but not limited to, sections 327, 328, 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016.
3. GAGP is hereby authorized, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, to conduct the Sale at the Wyotech Locations on behalf of the Debtors in accordance with the Consulting Agreement.
4. GAGP shall have a security interest in the Assets to secure payment of the Guaranteed Amount; provided, however, that the repayment of the Guaranteed Amount shall

come from the first \$1.535 million in proceeds received from the sale of the Assets and shall not constitute a repayment obligation of the Debtors or their estates.

5. Pursuant to section 363(f) of the Bankruptcy Code, the assets being auctioned by GAGP on behalf of the Debtors pursuant to the Consulting Agreement shall be sold free and clear of any and all mortgages, security interests, conditional sales or title retention agreements, pledges, hypothecations, liens, judgments, encumbrances or claims of any kind or nature (including, without limitation, any and all “claims” as defined in section 101(5) of the Bankruptcy Code), whether arising by agreement, any statute or otherwise and whether arising before, on or after the date on which these chapter 11 cases were commenced (collectively, the “**Liens**”), with such Liens, if any, to attach to the Guaranteed Amount and any other amounts payable to the Debtors under the Consulting Agreement with the same validity, force and effect as the same had with respect to the assets at issue, subject to any and all defenses, claims and/or counterclaims or setoffs that may exist.

6. All of the transactions contemplated by the Consulting Agreement shall be protected by section 363(m) of the Bankruptcy Code in the event that this Approval Order is reversed or modified on appeal.

7. The Sale at the Wyotech Locations shall be conducted by the Debtors and GAGP notwithstanding any restrictive provision of any lease, sublease or other agreement relative to occupancy affecting or purporting to restrict the conduct of the Sale, provided, however, that nothing in this Approval Order shall impact any objection that any of the Debtors’ landlords may have to assumption, assignment or rejection of their respective lease or to any proposed cure amount or rejection damages claim in association with such assumption, assignment or rejection.

8. This Court shall retain exclusive jurisdiction with regard to all issues or disputes in connection with the Approval Order and the relief provided for herein, including, without limitation, to protect the Debtors, the landlords and/or GAGP from interference with the Sale, and to resolve any disputes related to the Sale or arising under the Consulting Agreement or the implementation thereof.

9. The Debtors, GAGP and each of their respective officers, employees and agents be, and they hereby are, authorized to execute such documents and to do such acts as are necessary or desirable to carry out the Sale and effectuate the Consulting Agreement and the related actions set forth therein.

10. GAGP shall have the right to use the Wyotech Locations and all related Wyotech Location services, furniture, fixtures, equipment and other assets of the Debtors as designated hereunder for the purpose of conducting the Sale, in accordance with the provisions of the Consulting Agreement through the Sale Termination Date.

11. The Debtors and/or GAGP (acting on the Debtors' behalf) may abandon at the Wyotech Locations any Assets that have not been sold by the Sale Termination Date pursuant to section 554 of the Bankruptcy Code.

12. To the extent, if any, anything contained in this Approval Order conflicts with a provision in the Consulting Agreement, this Approval Order shall govern and control. The Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation of this Approval Order.

13. The transactions contemplated by the Consulting Agreement are not subject to avoidance pursuant to section 363(n) of the Bankruptcy Code.

14. Notwithstanding Bankruptcy Rules 6004, and 6006, this Approval Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any person or entity obtaining a stay pending appeal, the Debtors and GAGP are free to perform under the Consulting Agreement at any time, subject to the terms of the Consulting Agreement and GAGP shall be afforded the protections of section 363(m) of the Bankruptcy Code as to all aspects of the transactions under and pursuant to the Consulting Agreement if this Approval Order or any authorization contained herein is reversed or modified on appeal.

15. GAGP is a party in interest and shall have the ability to appear and be heard on all issues related to or otherwise connected to this Consulting Agreement and the conduct of the Sale.

Dated: _____, 2015
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE