

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

In re:	§	
	§	Chapter 11
CORINTHIAN COLLEGES, INC., <i>et al.</i> <sup>1</sup>	§	
	§	Case No. 15-10952 (KJC)
	§	
	§	Jointly Administered
Debtors.	§	
	§	
	§	<b>Obj. Deadline: May 22, 2015 @ 12:00 p.m. (EDT)</b>

-----

**NOTICE OF PROPOSED SALE PURSUANT TO DEBTORS' MOTION FOR AN  
ORDER (I) AUTHORIZING THE DEBTORS TO CONDUCT  
AND CONSUMMATE ASSET SALES EXCEEDING THRESHOLDS  
SET FORTH IN THE *DE MINIMIS* ASSET SALE ORDER;  
(II) APPROVING SUCH SALES; AND (III) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that, on May 6, 2015, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) filed the *Debtors’ Motion for an Order (I) Authorizing the Debtors to Conduct and Consummate Asset Sales Exceeding Thresholds Set Forth in the De Minimis Asset Sale Order; (II) Approving Such Sales; and (III) Granting Related Relief* [Docket No. 41] (the “**Sale Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, on May 12, 2015, San Joaquin Valley College, Inc. (the “**Purchaser**”) offered to purchase the assets described on the schedule attached hereto as Exhibit A (collectively, the “**Purchased Assets**”) from Debtor Rhodes College, Inc. A

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

copy of the bid submitted by the Purchaser for the Purchased Assets is attached hereto as Exhibit B.

PLEASE TAKE FURTHER NOTICE that Purchaser's offer was obtained as a result of a process during which the Debtors or their advisors contacted over 275 potential buyers, including liquidators, other educational institutions, medical facilities, and any other interested parties.

PLEASE TAKE FURTHER NOTICE that, the proposed transaction is the product of good faith, arm's-length negotiations between the Debtors and Purchaser; and that Purchaser is not an "insider" of the Debtors, as such term is defined in section 101(31) of the United States Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that, pursuant to the proposed bill of sale, substantially in the form attached hereto as Exhibit C (the "**Bill of Sale**"), the aggregate purchase price for the Purchased Assets is \$200,000.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Sale Motion, attached hereto as Exhibit D is a listing identifying the Debtor which owns the Purchased Assets and any parties known to the Debtors to hold liens on or other interests in the Purchased Assets. All such liens or other interests in the Purchased Assets shall attach to the proceeds of such sale in the same validity and priority.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Sale Motion, the Debtors are serving this Sale Notice on: (i) the Office of the United States Trustee for the District of Delaware; (ii) the holders of the 30 largest unsecured claims against the Debtors on a consolidated basis; (iii) the Department of Education; and (iv) all known parties holding or asserting liens on or other interests in the Purchased Assets and their respective counsel,

including, without limitation, counsel to Bank of America, N.A., as administrative agent for the prepetition lenders (the “**Interested Parties**”).

PLEASE TAKE FURTHER NOTICE that any objections or other responses to this Sale Notice must be in writing, filed with the Court and served on all Interested Parties, the Debtors and the Debtors’ proposed counsel so as to be received by all such parties no later than **May 22, 2015 at 12:00 p.m. (ET)** (the “**Objection Deadline**”)

PLEASE TAKE FURTHER NOTICE that the Debtors intend to seek Court approval of the proposed sale to the Purchaser at the hearing scheduled for **May 27, 2015 at 2:00 p.m. (ET)**.

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

Dated: May 12, 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)  
RICHARDS, LAYTON & FINGER, P.A.  
920 N. King Street  
Wilmington, Delaware 19801  
Telephone: 302-651-7700  
Facsimile: 302-651-7701  
Email: collins@rlf.com  
merchant@rlf.com  
terranova@rlf.com  
steele@rlf.com

Proposed Counsel for the Debtors and Debtors  
in Possession

**EXHIBIT A**

Description of Assets

**The assets located at 1819 S Excise Ave, Ontario Metro CA, including, but not limited to,**

- Nursing Lab
  - 8 manikins (syntek equipment and software that comes with the high tech adult male manikin and the infant manikin)
  - Wheelchair
  - Hospital new-born crib
  - 12 microscopes
  - 8 patient beds
  - 6 nightstands next to patient beds
  - 6 guest visitor chairs
  - Incubator
  - Adult scale, infant scale
  - Large storage room (random supplies) – stethoscopes, gloves
  - Crash cart – portable life saver
  - Medication cart – mobile
  - Skeletons – 6 half body
  - Cart with 32” TV and projector
  - 7 patient tables
  - Study room – 3 tables with 16 basic chairs, smartboard with a projector, 4 tables on wheels, 20 leather roller chairs
  - 1 Dell Computer (17” monitor with keyboard)
  - Refrigerator in supply room
  - Vacuum
  - Brain model – for student training
  - 2 gerney beds (for EMT training)
  - 1 accessible porter potty
  - 2 examination lamps
  - A lot of medical supplies (crutches, walker, cane)
  - 6 patient curtains with dividers
- 10 Regular Lecture Rooms
  - Cart with flatscreen TV
  - 10 smartboards with projector (1-2 boards per room)
  - Many folding tables (15 per room) and stackable chairs (6 per table)
- Business Simulation Lab (renovated 2 years ago)
  - 6 spaces (set up like cubicles) with roller chairs, 2 business cabinets, monitor for each
- 4 Computer Labs
  - 40 monitors (underneath each desk) per lab
  - One smartboard per lab
  - Many chairs

- Library
  - Computers, shelves, tables, chairs (130 stackable chairs)
  - 3 offices with office furniture
  - Staff lounge – refrigerator, microwave, tables and chairs
- One Lecture Room
  - 130 stackable chairs
  - 2 37" inch flat-screen tvs
- 4 Business Rooms
  - Similar to lecture rooms, but has nicer chairs and tables
- Events Room (2 lecture rooms combined)
  - Many stackable chairs, room divider

**EXHIBIT B**

Copy of Bid by Purchaser



## Corinthian Colleges – Supply / Equipment Bid Form

Interested Party Information

Buyer Party Name:	San Joaquin Valley College, Inc. (SJVC)
Contact Name:	Russ Lebo / Michael S. Abril (alternate)
Contact Phone Number (Business Hours):	(559) 302-1115 / (559) 302-1108
Contact Phone Number (Non-Business Hours):	(559) 799-0234 / (661) 333-5042
Contact Email:	Russl@sjvc.edu / Mike.Abril@sjvc.edu
Have you submitted other bids for CCI/ supplies / equipment?	Yes. Submitted bids for furniture, fixtures, equipment, supplies and training aids with respect to following locations: Modesto and San Bernardino
Note any existing relationships with CCI or its personnel (these will not disqualify offers, but need to be disclosed)	SJVC and CCI entered into a Non-Disclosure Agreement dated June 24, 2014 to permit the parties to negotiate a potential purchase of CCI schools. SJVC was given access to CCI's virtual data room.

Campus Information

Campus Contact Name:	Diane Villa
Campus Contact Phone Number:	(909) 518-0581
Campus Contact Email:	N/A
Campus Location:	1819 S. Excise Avenue, Ontario Metro, CA 91761

Bid Information

Purchase Price Amount:	\$200,000 (for all furniture, fixtures, equipment, supplies and training aids located at this site)
Time Required to Remove Purchased Items:	Within five (5) days from acceptance of the bid.



<b>Program 1:</b>	<b>Nursing</b>
<b>Detailed Description of Items Included:</b>	<p>All Nursing Program furniture, fixtures, equipment, supplies, and training aids, including, but not limited to:</p> <ul style="list-style-type: none"> <li>• High fidelity manikin with computerized accessories, wall unit (oxygen, etc.)</li> <li>• Maternity manikin with bed and side or over bed table</li> <li>• Toddler manikin with bed and side or over bed table</li> <li>• Infant with crib</li> <li>• Suction equipment</li> <li>• Crash cart</li> <li>• Biohazard disposal and cabinet</li> <li>• Medication Cart</li> <li>• Skeleton with Anatomical manikin (half body)</li> <li>• Scale</li> <li>• Gurney</li> <li>• IV Pull</li> <li>• Lamp for examination</li> <li>• Female manikin</li> <li>• Smart Boards</li> <li>• Directors and Presidents Office Furniture</li> <li>• Instructor desks and chairs</li> <li>• Cubicle units with desk and chair</li> <li>• Rolling chairs</li> <li>• Supplies (including graduated cylinders, test tubes, Erlenmeyer flasks, beakers, incubator, autoclave, microscope, dissecting microscope, refrigerator, blankets, bath towels, cane, crutches, eggcrate mattress, bed spreads, BP cuff (adult and child), wall mount BP cuff (aneroid and mercury), Pleuravac chest tube collector &amp; set up, BP arm simulator, birthing model, testicle exam model, wound care model, percussion hammer, fetal heart tone Doppler, practi-meds (oral, inj sets), blood w/d and administration supplies, pulse oximeter, glucometer, oral and nasal airways, ELMO projector, trash cans, office supplies, microwave ovens</li> </ul>
<b>Program 2:</b>	<b>Business</b>
<b>Detailed Description of Items Included:</b>	<p>All Business Program furniture, fixtures, equipment, supplies, and all training aids.</p>

<b>Program 3:</b>	<b>Criminal Justice</b>
<b>Detailed Description of Items Included:</b>	All Criminal Justice Program furniture, fixtures, equipment, supplies, and all training aids.
<b>Program 4:</b>	<b>Paralegal</b>
<b>Detailed Description of Items Included:</b>	All Paralegal Program furniture, fixtures, equipment, supplies, and all training aids.

I have prepared this bid form and I certify the following:

1. I have the authority on behalf of myself or my organization to submit this bid.
2. I understand that this bid is a binding offer to purchase assets which, if selected, will be submitted for approval through CCI's asset sale approval process. If selected and approved, I or my organization will execute this purchase. If not selected or not approved, CCI will notify me

as soon as those decisions are made and this bid will no longer be effective. In any event, CCI will notify me of the status of this bid within two weeks of its submission.

3. If selected and approved, I, or another authorized individual employed by the entity that submitted this bid will deliver a cashier's check in the amount of the purchase price by the following day to the individual designated by CCI.
4. If selected and approved, I or my organization will remove all purchased items within the timeframe indicated above with no damage to the facility in which they are located or other items.
5. I understand that all items being purchased are purchased on an as-is where-is basis and without any warranties or representations as to their useability or condition. This bid is submitted based on my own inspection of these items.
6. The information submitted above is true and correct.

Executed: Michael S. Abril

Date: 05/08/15

Name: Michael S. Abril

Title: Vice President of Legal and Regulatory Affairs

Organization: San Joaquin Valley College, Inc.

**EXHIBIT C**

Bill of Sale

## BILL OF SALE

---

This **BILL OF SALE**, dated as of May \_\_, 2015, is executed and delivered by the undersigned Rhodes Colleges, Inc. (the “**Seller**”), in favor of San Joaquin Valley College, Inc. (the “**Purchaser**”).

WHEREAS, on May 4, 2015, the Seller filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

WHEREAS, the May 6, 2015, the Seller and its affiliates filed the *Debtors’ Motion for an Order (I) Authorizing the Debtors to Conduct and Consummate Asset Sales Exceeding Thresholds Set Forth in the De Minimis Asset Sale Order; (II) Approving Such Sales; and (III) Granting Related Relief* [Docket No. 41] (the “**Sale Motion**”).

WHEREAS, on May 12, 2015, pursuant to the Sale Motion, the Seller offered the Purchaser to enter into an agreement for the sale of the assets described on Exhibit A hereto (collectively, the “**Purchased Assets**”).

WHEREAS, on May 12, 2015, pursuant to the Sale Motion, the Seller filed with the Bankruptcy Court and served a *Notice of Proposed Sale Pursuant to Debtors’ Motion for an Order (I) Authorizing the Debtors to Conduct and Consummate Asset Sales Exceeding Thresholds Set Forth in the De Minimis Asset Sale Order; (II) Approving Such Sales; and (III) Granting Related Relief* (the “**Sale Notice**”) on the Interested Parties (as defined in the Sale Motion).

WHEREAS, on May \_\_, 2015, the Bankruptcy Court entered the *Order (I) Authorizing the Debtors to Conduct and Consummate Asset Sales Exceeding Thresholds Set Forth in the De Minimis Asset Sale Order; (II) Approving Such Sales; and (III) Granting Related Relief* [Docket No. ] (the “**Sale Order**”), which approved the sale of the Purchased Assets to the Purchaser. A copy of the Sale Order is attached hereto as Exhibit B.

WHEREAS, the Seller and Purchaser agree that the proposed transaction is the product of a good faith arm’s-length negotiations between the Seller and the Purchaser.

WHEREAS, pursuant the Sale Order, the Purchaser shall take title to the Purchased Assets free and clear of all liens, claims, encumbrances and other interests, pursuant to section 363(f) of the United States Bankruptcy Code.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and the Purchaser hereby agree as follows:

1. Description of Assets. The assets included in this Bill of Sale consist only of the Purchased Assets.

2. Sale and Assignment of Assets. In consideration of the sum of \$200,000, the receipt of which is hereby acknowledged, the Seller hereby sells, assigns, transfers, conveys and delivers to Purchaser all of Seller's rights, title and interests in and to the Purchased Assets.

3. Terms of Transaction. Seller makes no representations or warranties whatsoever express or implied, with respect to any matter relating to the Purchased Assets, including income to be derived or expenses to be incurred in connection with the Purchased Assets, the physical condition of any tangible Purchased Assets, the value of the Purchased Assets (or any portion thereof), the transferability of the Purchased Assets (or any portion thereof), the merchantability or fitness of the Purchased Assets (or any portion thereof) for any particular purpose, the location or existences of the Purchased Assets, or any other matter or thing relating to the Purchased Assets. Without in any way limiting the forgoing **SELLER HEREBY DISCLAIMS ANY WARRANTY (EXPRESS OR IMPLIED) OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO ANY PORTION OF THE PURCHASED ASSETS.** On or prior to the date of the transfer of the Purchased Assets, the Purchaser has conducted an independent inspection and investigation of the physical condition of all portions of the Purchased Assets and all such other matters relating to or affecting or comprising the Purchased Assets and all such other matters relating to or affecting or comprising the Purchased Assets as Purchaser deemed necessary or appropriate and that in proceeding with the contemplated sale of the Purchased Assets, Purchaser is doing so based solely upon such independent inspections and investigations. **Accordingly, Purchaser accepts the Purchased Assets "AS IS," "WHERE IS," and "WITH ALL FAULTS."**

4. IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed as of the date first written above.

**SELLER:**

Rhodes Colleges, Inc.

By: \_\_\_\_\_

William J. Nolan

Chief Restructuring Officer

**PURCHASER:**

San Joaquin Valley College, Inc.

By: \_\_\_\_\_

**EXHIBIT D**

Debtor Which Owns the Purchased Assets and  
Potential Holders of Liens and/or Other Interest

<b>Debtor Which Owns the Purchased Assets</b>	<b>Known Parties Holding Liens or Other Interest in the Asset</b>
Rhodes Colleges, Inc.	Bank of America, N.A.