

ATTORNEY GENERAL OF THE STATE OF NEW YORK

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In the Matter of

The Johns Hopkins University,

Respondent.

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AGREEMENT ON CODE OF CONDUCT

WHEREAS, the Office of the Attorney General of the State of New York (the “OAG”) has commenced an investigation pursuant to Executive Law § 63(12) and General Business Law §§ 349 and 350 into practices related to higher education loans offered to students and parents (the “Investigation”);

WHEREAS in the course of the Investigation the OAG reviewed extensive evidence;

WHEREAS The Johns Hopkins University (the “University”) has cooperated in the Investigation by voluntarily producing evidence and answering questions relevant to the Investigation;

WHEREAS, as set forth in the Findings of the Attorney General, Section I (the “Findings”) below, the OAG asserts that its Investigation has revealed that many institutions of higher education and lenders that provide loans to or on behalf of students of those institutions have engaged in certain acts, practices and omissions that violated Executive Law § 63(12) and General Business Law §§ 349 and 350;

WHEREAS, as set forth below in Section I(B), the OAG alleges that the University has engaged in certain of the practices that violate these statutes;

WHEREAS the University does not admit, and expressly denies, that its conduct constituted any violation of law;

WHEREAS the University immediately suspended the employment of the employee primarily responsible for engaging in certain conduct that created potential conflicts of interest and the employee subsequently resigned in lieu of discharge;

WHEREAS the University, promptly upon learning of the facts that gave rise to the individual's conflict of interest but prior to being requested by the OAG to take any action, began the process of reviewing and modifying its student lending practices, including working to institute best practices in the University's student lending program, adopting the OAG's College Loan Code of Conduct, declining lenders' provision of any services for the University's lending program, causing its lending officers to withdraw from lenders' advisory boards, and discontinuing use of any preferred lender lists until the national debate moves towards a consensus on best practices and the University is satisfied that its own processes and criteria meet the highest standards of conduct and are free of any possible conflict of interest; and

WHEREAS the University has advised the OAG of its desire to resolve the Investigation through this Agreement on Code of Conduct (the "Agreement");

WHEREAS the University, without admitting the OAG's Findings and assertions made below, as a part of this settlement agreement has agreed to make payments as more fully described in paragraph II.B., below and to adopt a Code of Conduct for education loan practices, all as set forth specifically below;

NOW THEREFORE, the OAG, based upon the Investigation, asserts the following Findings, although not necessarily applicable to the University:

I. FINDINGS OF THE ATTORNEY GENERAL

A. Industry-Wide Findings

The Investigation has covered many lenders and institutions of higher education. Based on the Investigation, the OAG makes the following findings as to common practices found throughout the higher education loan industry.

1. Many students and their families are unable to pay all of the expenses appurtenant to higher education. In addition to grants, scholarships and work-study programs, significant numbers of students and their parents turn to loans to cover what they cannot otherwise afford to pay. Higher education loans constitute an \$85 billion per year industry.

2. Higher education loans take several forms. By dollar amount, most loans are borrowed by students themselves and are federally regulated and guaranteed. The federal government has created a program for providing loans, known as “Stafford Loans,” to students. The interest rate for Stafford Loans is set by the federal government. Lenders, however, have wide latitude in offering benefits to borrowers, including discounts off of that interest rate.

3. Other federal loans, known as “PLUS Loans” are offered to students’ parents to cover higher education expenses incurred by their children and to graduate students. Like Stafford Loans, the federal government sets the interest rates for PLUS Loans and lenders have wide latitude in offering borrower benefits.

4. In addition to the federal loans described above, parents or students can obtain private “alternative loans” to cover educational expenses not covered by other financial aid. The federal government does not sponsor, subsidize or guarantee alternative loans. Accordingly, the interest rate and other terms of the loans are determined by the borrower’s creditworthiness and market forces.

i. “Preferred Lender” Lists

5. In response to the staggering array of lenders that offer each of the various types of education loans, some institutions of higher education have created lists of recommended lenders. Institutions of higher education that use such lists usually have separate lists for each of the several types of education loans available. In some instances, such lender lists contain dozens of potential lenders that meet certain minimal requirements. In other cases, institutions of higher education use the lists to recommend a handful of lenders, or even a single lender, as “preferred.”

6. The lenders listed on an institution of higher education’s list of preferred lenders typically receive up to 90% of the loans taken out by the institution’s students and their parents. Despite the significant role that these lists play in determining the lenders from which students and parents borrow, many institutions did not inform their student and parent borrowers about the process and criteria used to formulate the lists of recommended or preferred lenders. Nor did they disclose the potential conflicts of interest on the part of their financial aid offices, which typically compile the preferred lender lists. These conflicts of interest may arise from: lender-funded travel expenses for institutions’ financial aid officials to attend meetings and seminars in attractive locations; the appointment of the institutions financial aid officials to “Boards” or “Committees”

sponsored by the lenders; the lenders' provision of staff and services to the institutions; the lenders' provision of "Opportunity Loans;" and revenue sharing. These practices are described below.

ii. Revenue Sharing.

7. In the context of the education loan business, revenue sharing refers to an arrangement whereby a lender pays an institution of higher education a percentage of the principal of each loan directed toward the lender from a borrower at the institution, often in exchange for the institution of higher education placing the given lender on the institution of higher education's preferred lender lists. This type of arrangement is prohibited by federal regulation in the context of Stafford Loans, PLUS Loans and other federal loan programs; it occurs only in the alternative loan segment of the industry.

8. The practice of revenue sharing creates a conflict of interest on the part of the institutions of higher education. When and if the institutions direct students to lenders, they should do so based solely on the best interests of the student and parents who may take out loans from the lenders; yet, the institutions have a financial interest in the selection of the lenders by the student and parents. If the student and parents select a lender with which the institution has a revenue sharing contract – even if another lender or other financial aid resource would be more suitable for the student or parents – the institution receives a financial benefit.

iii. Denial of Choice of Lender

9. Some institutions of higher education have neglected to make clear that borrowers have a right to select the Stafford Loan and PLUS Loan lender of their choice, irrespective of whether the lender appears on any preferred lender lists. In the most

egregious case, institutions have gone so far as to abrogate this right, by stating or strongly implying that the student and parents were limited to the lenders on the list, or even to a single lender.

iv. Exclusive Consolidation Loan Marketing Agreements

10. Former students may wish to combine their various education loans into a single package, called a “consolidation loan.” Some institutions of higher education have entered into agreements with the providers of such consolidation loans pursuant to which the institution agrees to encourage its former students to consolidate the former students’ loans with a particular lender and no other. In exchange, the institution secures revenue sharing or other benefits that inure directly or indirectly to the institution rather than the borrower. Once again, the institution is in a conflicted position because its advice and encouragement may be influenced by its financial self-interest.

v. Undisclosed Sales of Loans to Another Lender

11. In many instances, institutions of higher education place several lenders on the institutions’ lists for preferred lenders causing the potential borrower to think that the lender list represents a real choice of options. But, the choice is illusory when, as sometimes occurs, all or a number of the lenders on a lender list have arranged with each other to sell any loans to one of the lenders immediately after one of the other complicit lenders disburses a loan.

vi. Opportunity Loans

12. Lenders have entered into undisclosed agreements with institutions of higher education to provide what are referred to as “Opportunity Loans.” These agreements provide that the lender will make loans up to a specified aggregate amount to

students with poor or no credit history, or international students, who the lender claims would otherwise not be eligible for the lender's alternative loan program. In exchange for the lender's commitment to make such loans, the institution may provide concessions or promises to the lender that may prejudice other borrowers.

B. Findings as to the University

13. The University is an institution of higher learning principally located in the State of Maryland. The University is a non-profit educational corporation organized and chartered under the laws of Maryland.

14. In or about 2002-2006, Student Loan Xpress, Inc, a lender that was on a lender list for the Homewood Student Affairs and other financial aid offices, paid about \$65,000 in consulting fees and tuition payments to or on behalf of Dr. Ellen Frishberg, who was then Director of the Homewood office. The office serves the Krieger School of Arts and Sciences and the Whiting School of Engineering. Frishberg provided certain marketing, promotion and other support for SLX. Frishberg did not disclose or submit reports disclosing these payments and activities. This non-disclosure, along with her acceptance of tuition payments, violated the university's ethics and conflict of interest policies.

15. Prior to 2002, Frishberg also performed paid consulting work for another lender, American Express, at a time when the office recommended American Express as a lender. Frishberg did not disclose this relationship in a manner required by the University's conflict of interest policy.

16. From at least the mid-1990s, until her suspension in 2007, Frishberg performed paid and unpaid consulting and other services for various other entities, including lenders. At various times certain of these entities had business relationships with the University. She also served on certain advisory boards for lenders while they were on a University lender list which provided for expense reimbursement, travel and/or honoraria. In one instance she gave a lender's \$500 stipend to the University.

17. Dr. Frishberg and other financial aid officers have provided consulting or other services to the federal government and to contractors working for the federal government.

18. During 2001-2007, and earlier as well, various divisions of the university maintained preferred or recommended lender lists, provided information about consolidation loans, made arrangements for entrance and exit interviews, and otherwise provided information about lenders and educational lending to students and their families.

19. The University has had contracts that relate to preferred lenders, including a 2002 contract with Citibank that ended in 2004 that referred to a preferred private loan program and a 2006 contract with Global Student Loan Corp. that involved an understanding that the lender, Wachovia, would be on certain lender lists.

20. Financial aid officers have attended functions at meetings and conferences sponsored and paid for by lenders. Lenders have paid for travel expenses, including in connection with advisory committee meetings. Lenders have paid for entertainment, meals, holiday luncheons and the like, and they have made office and individual gifts. Lenders have also provided goods, services, or payments to the University related to the lending program, including certain office supplies, brochures, information in hard copy and available to students electronically, support for job fairs, workshops for students and employees, awards and promotions, and printing and distribution of brochures.

21. The University has engaged in the various acts, practices and omissions set forth herein that the OAG has stated would support a claim against the University and its trustees, officers and employees under theories of negligent oversight and supervision, corporate responsibility and agency.

22. During the period 2001 – 2007, the University had in place a broad University-wide Conflict of Interest Policy as well as ethics policies. It did not have in place a code of conduct relating to student lending that specifically prohibited the conduct described in the Attorney General's industry-wide findings set forth in section I.A of this Agreement or the activities described in Section 1.B.

C. Violations

23. The OAG alleges that the acts, practices, and omissions set forth in section I(B) on the part of the University created a conflict of interest and violated Executive Law § 63(12) and General Business Law §§ 349 and 350.

II. AGREEMENTS

IT NOW APPEARING THAT the University, while it denies any conflict of interest or violation of the laws cited in this Agreement, desires to settle and resolve the Investigation without admitting the OAG's Findings;

AND IT FURTHER APPEARING THAT the University agrees to accept a Code of Conduct promulgated by the OAG for institutions of higher education involved in providing and servicing education loans or advising students or their parents with respect to education loans;

NOW, THEREFORE, the OAG and the University hereby enter into the Agreement, pursuant to Executive Law § 63(15), as follows:

A. Code of Conduct

24. As used in the subsequent paragraph and throughout the Agreement, a Lending Institution is defined as:

- (a) Any entity that itself or through an affiliate engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans;
or
- (b) Any entity, or association of entities, that guarantees education loans; or
- (c) Any industry, trade or professional association that receives money from any entity described above in subsections a and b.

i. Prohibition of Certain Remuneration to University Employees

25. The University shall inquire and ensure that no officer, trustee, director, employee, or agent of the University accepts anything of more than nominal value on his or her own behalf or on behalf of another during any 12 month period from or on behalf of a Lending Institution, except that this provision shall not be construed to prohibit any officer, trustee, director, employee, or agent of the University from conducting non-University business with any Lending Institution. Nothing in this provision or throughout the Agreement shall prevent the University from holding membership in any nonprofit professional association.

26. The prohibition set forth in the previous paragraph shall include, but not be limited to, any ban on any payment or reimbursement by a Lending Institution to a University employee for lodging, meals, or travel to conferences or training seminars.

ii. Prohibition Against Stock Ownership

27. A person employed as a financial aid officer of the University shall not own stock or hold any another financial interest in a Lending Institution, other than through ownership of shares in a publicly traded mutual fund or similar investment vehicle in which the person does not exercise any discretion regarding the investment of the assets of the investment vehicle.

iii. Limitations on University Employees Participating on Lender Advisory Boards

28. The University shall prohibit any officer, trustee, director, employee, or agent of the University from receiving any remuneration for serving as a member or participant of an advisory board of a Lending Institution, or receiving any reimbursement

of expenses for so serving, provided, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited by the Agreement. Notwithstanding the above, neither this paragraph nor paragraph 25 shall prohibit any officer, trustee, director, employee, or agent of the University, who is uninvolved in the affairs of the University's financial aid office, from serving on a Board of Directors of a publicly traded or privately held company.

iv. Prohibition of Certain Remuneration to the University

29. The University may not accept on its own behalf anything of value from any Lending Institution in exchange for any advantage or consideration provided to the Lending Institution related to its education loan activity. This prohibition shall include, but not be limited to, (i) "revenue sharing" by a Lending Institution with the University, (ii) the University's receipt from any Lending Institution of any computer hardware for which the University pays below-market prices and (iii) printing costs or services. Notwithstanding anything else in this paragraph, the University may accept assistance as contemplated in 34 CFR 682.200(b) (definition of "Lender") (5)(i).

v. Preferred Lender Lists

30. In the event that the University promulgates a list of preferred or recommended lenders or similar ranking or designation ("Preferred Lender List") (*see infra* Section x for additional provisions related to Preferred Lender Lists), then:

- (a) Every brochure, web page or other document that sets forth a Preferred Lender List must clearly disclose the process by which the University selected lenders for said Preferred Lender List,

including but not limited to the criteria used in compiling said list and the relative importance of those criteria; and

- (b) Every brochure, web page or other document that sets forth a Preferred Lender List or identifies any lender as being on said Preferred Lender List shall state in the same font and same manner as the predominant text on the document that students and their parents have the right and ability to select the education loan provider of their choice, are not required to use any of the lenders on said Preferred Lender List, and will suffer no penalty for choosing a lender that is not on said Preferred Lender List.

31. The University's decision to include a Lending Institution on any such list and the University's decision as to where on the list the Lending Institution's name appears shall be determined solely by consideration of the best interests of the students or parents who may use said list without regard to the pecuniary interests of the University;

32. The constitution of any Preferred Lender List shall be reviewed no less than annually;

33. No Lending Institution shall be placed on any Preferred Lender List unless the said lender provides assurance to the University and to student and parent borrowers who take out loans from said Lending Institution that the advertised benefits upon repayment will continue to inure to the benefit of student and parent borrowers regardless of whether the Lending Institution's loans are sold;

34. No Lending Institution that has an agreement to sell its loans to another unaffiliated Lending Institution shall be included on any Preferred Lender List unless

such agreement is disclosed therein in the same font and same manner as the predominant text on the document in which the Preferred Lender List appears;

35. No Lending Institution shall be placed on any one of the University's Preferred Lender Lists or in favored placement on any one of the University's Preferred Lender Lists for a particular type of loan, in exchange for benefits provided to the University or to the University's students in connection with a different type of loan;

vi. *Prohibition of Lending Institution's Staffing of University Financial Aid Offices.*

36. The University shall ensure that the University does not identify any employee or other agent of a Lending Institution to students or prospective students of the University or their parents as an employee or agent of the University. No employee or other agent of a Lending Institution may staff the University financial aid offices at any time.

vii. *Proper Execution of Master Promissory Notes*

37. The University shall not link or otherwise direct potential borrowers to any electronic Master Promissory Notes or other loan agreements that do not allow students to enter the lender code or name for any lender offering the relevant loan. The University's link or direction referred to in the prior sentence shall comply with paragraph 24 herein.

viii. *School as Lender*

38. If the University participates in the "School as Lender" program under 20 U.S.C. § 1085(d)(1)(E), the University may not treat School as Lender loans any differently than if the loans originated directly from another lender; all sections of the

Agreement apply equally to such School as Lender loans as if the loans were provided by another lender.

ix. Prohibition of Opportunity Loans

39. The University shall not arrange with a Lending Institution to provide any Opportunity Loans as defined above in Section I(A)(vi), if the provision of such Opportunity Loans prejudices any other borrower.

x. Student Lending Program Reforms

40. The University has indicated that it intends to centralize oversight of its student financial services functions as described below to promote enhanced compliance with best practices, legal requirements and this Agreement. In any restructuring, the University shall directly supervise its student lending officers as set forth in the following paragraphs.

41. The University shall require that all University financial aid officers perform the following annual practices:

- (a) Disclose any ownership interest in, financial relationship with, or offer or receipt of anything of value from any Lending Institution;
- (b) Sign and date an acknowledgment form that attests to the financial officer's review of and familiarity with this Agreement, the Code of Conduct herein and applicable University conflict of interest and ethics policies;
- (c) Attend a training session or seminar during which this Agreement, the Code of Conduct herein, and the applicable University conflict of interest and ethics policies are discussed and reviewed;

42. In the event that the University promulgates new Preferred Lender Lists, then:

- (a) Each Preferred Lender List must be created by a committee consisting of no fewer than three persons; if there is more than one Preferred Lender List (for different schools, for example), there may be (but need not be) multiple committees, but each one must have three members.
- (b) The criteria used to develop any preferred lender list, which criteria are required to be published, shall be reviewed prior to publication by a university employee who (a) works outside of the University's financial aid offices, and (b) is part of, or reports directly to the Office of the President;
- (c) A written report shall be created to memorialize the decisions and/or votes by which the list was created, including all factors considered, why certain Lending Institutions were chosen, and which financial aid officers voted for which lenders;

43. On an annual basis, after the close of the academic years 2008 through 2012, the University's President, the New York OAG and the Office of the Attorney General of the State of Maryland shall receive a report certified by the University's General Counsel that describes the policies and procedures of the University's student lending practices and declares that the Code of Conduct herein has been complied with; the report shall detail any infractions of the Code of Conduct and highlight any material

issues concerning conflicts of interest related to the University's student lending practices that have arisen over the course of the preceding year.

B. Respondent's Payment

44. In recognition of its commitment to improving the circumstances under which education financing is made available to college students and to educating the public about the financial aid process, the University shall pay within 30 days of the effective date of the Agreement, a \$562,500 contribution to the New York Attorney General's national fund for educating and assisting high school students and their parents with respect to the financial aid process. In addition, in recognition of the same commitment, the University will expend an additional sum of \$562,500, to implement a similar program to be approved by the Maryland Attorney General to educate, assist, and benefit Maryland high school students and their parents with respect to financial aid. These funds will be expended in accordance with a plan and timetable to be submitted by the University to the Maryland Attorney General for his approval on or before October 15, 2007. However, in any event, the funds will be fully expended within 60 months of the signing of this agreement. These expenditures shall be in addition to any current expenditures for any similar initiatives by the University.

C. Scope of the Agreement

45. Except as provided below, the Agreement precludes any action that the OAG could commence against the University and its respective current and former officers, trustees and employees *other than* Ellen Frishberg for the acts, practices, and omissions listed in Section 1(B) of the Agreement; provided however, that nothing contained in the Agreement shall be construed to cover claims of any type by any other

state agency or any claims that may be brought by the OAG to enforce the University's obligations arising from or relating to the provisions contained in the Agreement. The Agreement shall not prejudice, waive or affect any claims, rights or remedies of the OAG with respect to any person, other than the University and its current and former officers, trustees and employees *other than* Ellen Frishberg, all of which claims, rights, and remedies are expressly preserved, nor shall the Agreement create any rights on behalf of persons not parties to the Agreement. The Agreement does not preclude any action that the OAG may take for acts, practices, or omissions not listed in the Findings section of the Agreement, even if such acts, practices, or omissions constitute a part of the Investigation.

D. Cooperation

46. The University shall continue to cooperate fully and promptly with the OAG with regard to the Investigation and any related proceedings and actions. The University shall use its best efforts to ensure that all of its officers, directors, employees and agents also fully and promptly cooperate with the OAG in the Investigation and any related proceedings and actions, subject to their individual rights and privileges. This duty to cooperate does not apply to any new claim outside the scope of this Agreement.

47. Cooperation shall include without limitation:

- (a) Production, voluntarily and without service of subpoena, by the University of any information and all documents or other tangible evidence related to education loan practices reasonably requested by the OAG, and any compilations or summaries of information or

- data that the OAG reasonably requests be prepared, subject to recognized privileges and protections for confidential information;
- (b) Using the University's best efforts to cause the University's officers, directors, employees and agents to attend any proceedings at which the presence of any such persons is requested by the OAG and having such persons answer any and all inquiries that may be put by the OAG to any of them at any proceedings or otherwise ("proceedings" include but are not limited to any meetings, interviews, depositions, hearings, grand jury hearing, trial or other proceedings) voluntarily, and without service of a subpoena, subject to their individual rights and privileges; and
 - (c) Fully, fairly and truthfully disclosing all information and producing all records and other evidence in its possession relevant to all inquiries made by the OAG in connection with this Investigation concerning any alleged fraudulent or criminal conduct by anyone whatsoever about which the University, its officers, trustees, directors, employees and agents may have any knowledge or information, subject to recognized privileges and protections for confidential information.

48. In the event any document otherwise required to be provided under the terms of the Agreement is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by the University

indicating: the type of document; the date of the document; the author and recipient of the document; the general subject matter of the document; the reason for withholding the document; and the Bates number or range of the withheld document. The OAG may challenge such claim in any forum of its choice and may, without limitation, rely on all documents or communications theretofore produced or the contents of which have been described by the University, its officers, directors, employees, or agents.

49. The University shall not jeopardize the confidentiality of any aspect of the Investigation, including sharing or disclosing non-public evidence, documents, or other information with others during the course of the Investigation without the consent of the OAG. Nothing herein shall prevent the University conferring with counsel or consultants, issuing public statements, providing such evidence or information to other regulators or government authorities, in defense or prosecution of any actual or threatened legal proceeding or as otherwise required by law.

E. Miscellaneous Provisions

50. Pursuant to Executive Law § 63(15), the Agreement serves as an assurance of discontinuance. As such, evidence of a violation of the Agreement by the University shall constitute prima facie proof of a violation of Executive Law § 63(12) and General Business Law §§ 349 and 350 in any civil action or proceeding subsequently commenced by the OAG.

51. If the University commits a material breach of any of the obligations described herein, the OAG may in its sole discretion terminate the Agreement upon written notice to the University, after notice to the University providing the University with an opportunity to present to the OAG reasons why the University does not believe

that a violation has occurred, with the OAG giving due consideration to whether the University knew or should have known of the breach. In the event of a material violation, any statute of limitations or other time-related defense applicable to the subject of the Agreement and any claims arising from or relating thereto are tolled from and after the last execution date of the Agreement, and the Agreement shall in no way bar or otherwise preclude the OAG from commencing, conducting or prosecuting any investigation, action or proceeding, however denominated, related to the Investigation, against the University or from using in any way statements, documents or other materials produced or provided by the University after commencement of the Investigation, including, without limitation, any statements, documents or other materials provided for purposes of settlement negotiations.

52. The Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.

53. No failure or delay by the OAG in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative.

54. The University enters into the Agreement voluntarily and represents that no threats, offers, promises or inducements of any kind have been made by the OAG or any member, officer, employee, agent or representative of the OAG to induce the University to enter into the Agreement other than as described herein.

55. The Agreement may be changed, amended or modified only by a writing signed by all parties hereto.

56. The Agreement constitutes the entire agreement between the OAG and the University and supersedes any prior communication, understanding or agreement, whether written or oral, concerning the subject matter of the Agreement.

57. The Agreement shall be binding upon the University and its successors, assigns, and/or purchasers of all or substantially all of its assets.

58. The Agreement and its provisions shall be effective on the date that it is signed by an authorized representative of the OAG and a copy of the executed Agreement is transmitted to the University. The University will have until November 1, 2007 to implement the provisions of this Agreement, except that the University will have until February 15, 2008 to implement Section II (A)(v). The University may petition the OAG for additional time to implement the provisions under this Agreement. The OAG shall grant that relief for a reasonable time on a showing of good cause for the delay in implementation.

59. The Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one instrument.

60. Nothing contained herein shall be construed as relieving the University of its obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of the Agreement be deemed permission to engage in any act or practice prohibited by such laws, regulations or rules.

61. In the event of any inconsistency between the terms of this Agreement and federal, state or local statute, rules, regulations, or guidelines ("Authorities"), the provisions of the Authorities shall prevail.

62. The acceptance of the Agreement by the OAG shall not be deemed approval by the Attorney General of any of the University's business practices, and the University shall make no representation to the contrary. The University's execution of the Agreement is not an admission of jurisdiction, liability, or any claimed remedy.

63. Unless otherwise provided, all notices as required by the Agreement shall be provided as follows:

To the OAG:

Melvin Goldberg, Assistant Attorney General
Office of the New York State Attorney General
Bureau of Consumer Frauds & Protection
120 Broadway, 3rd Floor
New York, New York 10271
tel. (212) 416-8296
fax. (212) 416-6003

To the University:

Stephen S. Dunham, Vice President and General Counsel
Johns Hopkins University
Office of the Vice President and General Counsel
3400 N Charles Street – Garland 113
Baltimore, MD 21218
Tele (410) 516-8128
Fax (410) 516-5448

64. Nothing in the Agreement shall be construed to prevent any individual from pursuing any right or remedy at law which any consumer may have against the University.

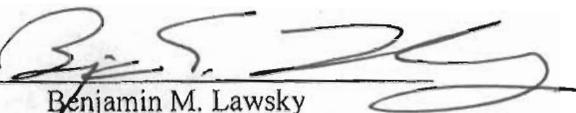
65. The University shall submit to the Attorney General, on or before November 1, 2007, an affidavit, subscribed to by an officer of the University authorized to bind the University, setting forth its compliance with the provisions of the Agreement.

WHEREFORE, the signatures evidencing assent to this Agreement have been affixed hereto on the dates set forth below.

Dated: June 14, 2007

ANDREW M. CUOMO
Attorney General of the State of New York

By:



Benjamin M. Lawsky
Deputy Counselor and
Special Assistant to the Attorney General

THE JOHNS HOPKINS UNIVERSITY

Dated: June 14th, 2007

By: James T. McGill
James. T. McGill
Senior Vice President for
Finance and Administration

ACKNOWLEDGMENT

STATE OF Maryland)
CITY OF Baltimore) :s.s.

On this 14th day of June, 2007, before me personally came James T. McGill, known to me, who, being duly sworn by me, did depose and say that he is Senior Vice President for Finance and Administration of The Johns Hopkins University and is duly authorized to execute this document on behalf of The Johns Hopkins University, and that he signed his name by like authorization.

Elizabeth E. Weber
Notary Public

ELIZABETH E. WEBER
Notary Public
Baltimore City
MARYLAND
My Commission Expires January 07, 2009