

CHARLESTON SCHOOL OF LAW (CSOL)  
INFORMATION FOR STUDENTS and OTHER INTERESTED PARTIES INQUIRING  
ABOUT A POTENTIAL CHANGE OF OWNERSHIP AND IMPACT ON LICENSING

Update September 4, 2013, Prepared by S.C. Commission on Higher Education Staff

The following updates initial information prepared by South Carolina Commission on Higher Education (CHE) staff concerning the Commission, its licensing of nonpublic postsecondary institutions function, and licensing information pertaining to CSOL and concerning a potential change in ownership of CSOL. The initial report, dated August 14, 2013, and supporting materials are available online at [http://www.che.sc.gov/New\\_Web/ForInstitutions/csol.htm](http://www.che.sc.gov/New_Web/ForInstitutions/csol.htm).

August 19, 2013

CHE staff provided materials in response to a request under the South Carolina Freedom of Information Act for correspondence and records since January 1, 2012, with CSOL owners or related and concerning or related to InfiLaw or its agents.

August 21, 2013

Charleston County Legislative Delegation, Courts, Laws and Rules Committee Meeting

The Charleston County Legislative Delegation asked CHE staff to appear before the Committee at its special called meeting to discuss the Charleston School of Law and potential change in ownership. CHE staff provided members with copies of the materials made available online on August 14, 2013. The delegation heard from CHE, Mr. Bob Wells, Executive Director of the South Carolina Bar, Mr. John Robinson, President of the CSOL Alumni Association, and Mr. Daniel Cooper, President of the CSOL student body. Dr. Richard Sutton reviewed with the Committee the summary information prepared by staff that was made available online August 14. He and Ms. Renea Eshleman, CHE Acting Director of Academic Affairs and Licensing, responded to questions concerning licensing provisions and CSOL. It was questioned whether the internal ownership change at CSOL required approval of the Commission. The Committee voted to seek an Attorney General's opinion to clarify CHE's authority concerning this point.

August 22, 2013

In follow up to the Delegation Committee meeting inquiries and earlier requests of CHE, CHE again requested CSOL provide the Management Services Agreement with InfiLaw and Membership Interest Redemption Agreements by August 26. **See Attachment 1.**

August 26, 2013

CSOL provided to CHE copies of the Management Services Agreement between CSOL and InfiLaw and Membership Interest Redemption Agreements where Alexander M. Sanders, Jr., and Ralph C. McCullough, II, sold their membership interests in CSOL to the purchaser, CSOL. **See Attachment 2 (as redacted by CSOL prior to delivery).**

August 28, 2013

CSOL announced having entered into an agreement of intent to transfer ownership to InfiLaw. A copy of the CSOL's press release concerning the announcement is available at <http://www.charlestonlaw.edu/General-Info/News/8-28-13-Charleston-School-of-Law-owners-announce-i.aspx>. CSOL officials apprised CHE staff of this announcement by email during late afternoon. **See Attachment 3.**

August 29, 2013

CHE staff (Dr. Richard Sutton, Ms. Renea Eshleman, and Ms. Julie Carullo) met with officials from CSOL (Director Bob Carr, and Dean Andy Abrams) as well as officials from InfiLaw (Mr. Peter Goplerud, President of InfiLaw Partners, and Mr. Jay Rossello). CSOL officials had requested the meeting on July 29.

CSOL provided previously requested fall 2013 enrollment data. **See Attachment 4.**

During the meeting, CHE staff discussed with the officials the materials that CSOL provided on August 26 (Attachment 2) concerning the management services agreement and the internal change in ownership. CSOL officials explained the internal change in ownership from the five original owners and affirmed that the remaining three owners retained equal ownership. In explaining the terms of the management services agreement with InfiLaw, the CSOL officials reiterated that the management and ownership of CSOL remained under the current directors.

The announcement of August 28 concerning CSOL's intention to sell CSOL to InfiLaw was discussed including a contingent asset purchase agreement that had been signed on July 23. CHE staff had not been made aware for this agreement prior to the email notification provided on August 28 and learned during the meeting that it had been agreed to on July 23. CHE staff requested that CSOL make a copy available, CSOL officials have agreed to do so, and CHE staff are in the process of following up with CSOL to review the documents. CSOL officials also agreed to make available the redacted proprietary information in the management services agreement and redemption of membership interests documents. Following the meeting, as requested, CSOL officials provided CHE staff a copy of the CSOL Board Minutes of July 23 to document action taken concerning the redemption of the shares and internal change in ownership, as well as the approval of the agreement with InfiLaw to provide consultation services, and approval of a proposal and resolution concerning a contingent asset purchase agreement. **See Attachment 5.**

CHE responded to questions concerning the procedures for licensing of a new owner. Also discussed by the CSOL and InfiLaw officials was the perception of the three schools owned by InfiLaw; the differences in culture between the three schools and CSOL; student outcomes; and concerns of students, alumni, and the community, along with possible advantages the support and collaboration a purchase by InfiLaw may bring to CSOL.<sup>1</sup>

#### August 30, 2013

CHE staff received from InfiLaw's president and CEO a letter of intent for InfiLaw to submit to the Commission an application for initial licensure for CSOL under the ownership of its subsidiary, CSOL Acquisition, LLC, subject to the conditions of an Asset Purchase Agreement dated July 23, 2013. **See Attachment 6.**

The letter indicates that InfiLaw plans to submit a formal application for initial license before October 1, 2013, for consideration of proposals by the Committee on Academic Affairs and Licensing (CAAL) at its January 2, 2014, meeting and consideration by the full Commission at its February 6, 2014 meeting. The stated schedule does not obligate CHE to consider the proposal on the anticipated meeting dates if an application is received by October 1. All application materials will be subject to a full and complete review prior to a recommendation being brought forward to CAAL and subsequently the Commission. While a licensure request may be expedited if it is determined that such action would be critical to the protection of students, recent history suggests an extended timeline for approval based on resources to review the application and the responsiveness and timeliness of information requested of and provided by the entity seeking licensure.

Information concerning CHE's application and licensing approval process is available at [http://www.che.sc.gov/AcademicAffairs/License/Procedures\\_for\\_DegreeGranting\\_Institutions.pdf](http://www.che.sc.gov/AcademicAffairs/License/Procedures_for_DegreeGranting_Institutions.pdf).

**This information is provided as a general advisory. It does not obligate CHE or any party to pursue any particular course of action. For inquiries, please contact Julie Carullo, SC CHE Deputy Director and Director of Governmental Affairs and Special Projects, 803-737-2292 or [jcarullo@che.sc.gov](mailto:jcarullo@che.sc.gov).**

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<sup>1</sup> The American Bar Association provides a database of information on accredited law schools. Data are available for the InfiLaw Schools including Phoenix School of Law, Charlotte School of Law, and Florida Coastal School of Law. Data on admission, enrollment, finances, curriculum, faculty and employment after graduation are accessible at [https://officialguide.lsac.org/release/OfficialGuide\\_Default.aspx](https://officialguide.lsac.org/release/OfficialGuide_Default.aspx) for these and other law schools by state, including CSOL and USC School of Law.

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**From:** Renea Eshleman  
**Sent:** Thursday, August 22, 2013 3:45 PM  
**To:** rcarr@charlestonlaw.edu; gkosko@charlestonlaw.edu; 'ewestbrook@charlestonlaw.edu'  
**Cc:** Richard Sutton; Julie Carullo  
**Subject:** CSOL Documentation

TO: Bob Carr, George Kosko, and Ed Westbrook

My colleagues, Richard Sutton and Julie Carullo, and I are looking forward to our meeting on August 29 at 11:00 a.m. in the CHE office in Columbia. Thank you for requesting this opportunity to review CHE's policies and procedures as they may apply to recent and future actions at CSOL.

As you know, the three of us met with members of the Charleston County Legislative Delegation on Wednesday (August 21). Several questions emerged about the recent reconfiguration of the original ownership of CSOL and what may or may not constitute a change of ownership and require approval of the Commission. In order for the Commission to understand accurately and fully the recent ownership and management changes at CSOL and to determine any appropriate action that may be required by the Commission, please provide the following by next Monday, August 26, so that we may review them in advance of our August 29 meeting:

1. A copy of the redemption/partnership change of ownership agreement(s) among the partners of CSOL where, as you informed me by telephone on July 23, 2013, CSOL redeemed the shares of Alex Sanders and Ralph McCullough.
2. A copy of the Management Services Agreement between InfiLaw and CSOL that was announced in your press release of July 25.

As you are aware, I requested the partnership document in a telephone conversation and the Management Services Agreement by email on August 12. Thank you in advance for complying with my renewed request.

Also, please respond to the following questions that emerged during Wednesday's meeting with the Charleston County Legislative Delegation:

3. Are the former and/or current owners of CSOL or any owners or agents of InfiLaw or its affiliated companies connected, either directly or indirectly, to the company registered as CSOL Acquisitions, LLC, which was incorporated in the State of Delaware on June 26, 2013?
4. Did InfiLaw play any role in providing payment or guarantees in the redemption of CSOL shares previously held by Alex Sanders and Ralph McCullough? If so, please describe.
5. Please describe any arrangements for consulting services or other arrangements that have or may result in the payment of fees, honoraria, or other remuneration to the current and/or former owners.

While we understand and share your concerns for protecting proprietary information, it is of paramount importance that you provide adequate information for the Commission to consider the impact of ownership and management changes at CSOL and any appropriate action of the Commission in context of those changes.

Thank you for your cooperation as we move forward in this process. Please let me know if you have any questions. We look forward to seeing you next week.

Renea H. Eshleman, Acting Director  
Academic Affairs and Licensing

SC Commission on Higher Education  
1122 Lady Street, Suite 300  
Columbia, SC 29201  
Email: [reshleman@che.sc.gov](mailto:reshleman@che.sc.gov)  
Telephone: 803.737.2281

Correspondence to and from this address may be subject to disclosure under the South Carolina Freedom of Information Act (FOIA).

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**From:** Robert Carr <rcarr@charlestonlaw.edu>  
**Sent:** Monday, August 26, 2013 3:05 PM  
**To:** Renea Eshleman  
**Cc:** Richard Sutton; Julie Carullo  
**Subject:** RE: CSOL Documentation  
**Attachments:** CHE Cover.pdf; Services Agreement.pdf; Sanders Redemption.pdf; McCullough Redemption.pdf

Renea,  
Please find attached a cover letter and copies of the documents you requested.  
Regards,  
Bob

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**From:** Renea Eshleman [<mailto:reshleman@che.sc.gov>]  
**Sent:** Thursday, August 22, 2013 3:45 PM  
**To:** Robert Carr; George Kosko; 'ewestbrook@charlestonlaw.edu'  
**Cc:** Richard Sutton; Julie Carullo  
**Subject:** CSOL Documentation

TO: Bob Carr, George Kosko, and Ed Westbrook

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Renea H. Eshleman, Acting Director  
Academic Affairs and Licensing  
SC Commission on Higher Education  
1122 Lady Street, Suite 300  
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**ADMINISTRATIVE  
AND CONSULTING SERVICES AGREEMENT**

This Administrative and Consulting Services Agreement (this "*Agreement*") is made and entered into effective as of July 23, 2013 (the "*Effective Date*"), by and between Charleston School of Law, LLC, a South Carolina limited liability company (the "*School*"), and InfiLaw Corporation, a Delaware corporation ("*InfiLaw*"). Hereinafter, School and InfiLaw are sometimes individually referred to herein as a "*Party*" and are sometimes collectively referred to herein as the "*Parties*".

WHEREAS, School is a law school with its campus located in Charleston, South Carolina, and which is accredited by the American Bar Association ("*ABA*") and authorized by the South Carolina Commission on Higher Education (the "*SCCHE*") to offer certain programs and award certain academic credentials;

WHEREAS, InfiLaw owns and operates a consortium of law schools unaffiliated with the School and has developed valuable expertise in the administrative and operational aspects of managing accredited law schools;

WHEREAS, the School wishes to obtain the benefit of InfiLaw's expertise; and

WHEREAS, School and InfiLaw desire to enter into this Agreement in order to evidence their mutual agreement regarding the engagement and compensation of InfiLaw with respect to the administrative and consulting services and related expertise to be provided hereunder and to evidence the other terms and conditions of InfiLaw's engagement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending legally to be bound, hereby agree as follows:

**ARTICLE 1  
Administrative and Consulting Services**

1.1 Engagement; Limitations. Commencing upon the Effective Date and continuing through the Term (as defined herein), InfiLaw is hereby engaged as an independent contractor by the School to provide, and is expressly granted the authority by School to provide, such non-academic, administrative and consulting services and related expertise (collectively, the "*Services*") as are more fully set forth herein, or as the School may reasonably request, from time to time, in accordance with the procedures set forth in Section 1.4 hereof. Such Services shall be performed in a manner consistent with the School's Operating Plan (as defined herein) in order to assist the School with the achievement of its mission and shall be subject to such limitations as are expressly set forth herein.

1.2. Continued School Oversight and Control. Nothing in this Agreement shall be construed to provide InfiLaw with the ability, directly or indirectly, to possess the power to direct or cause the direction or the management or policies of the School. The Services provided hereunder shall at all times be subject to the oversight and control of the School in accordance with the following principles:

(a) Ultimate and Complete Decision Authority over All Academic and Operational Matters. Notwithstanding any other provision of this Agreement, nothing in this Agreement will alter control over the academic or operational functions of the School, which shall remain under the sole control and authority of the School. InfiLaw shall not control the affairs of the School in any respect. Oversight responsibility for the institution and its programs shall remain vested in the governing board of the School and its authorized officers consistent with the requirements of the ABA and SCCHE.

(b) Regulatory Compliance. Notwithstanding any other provision of this Agreement, School shall remain fully responsible and accountable for the compliance with the standards of the U.S. Department of Education ("*ED*"), the SCCHE, the ABA and each other agency or accrediting body that has jurisdiction over the School (collectively, the "*Educational Agencies*"). The School represents that there are no regulatory approvals

and/or consents required with respect to the entering into this Agreement, but if there are any, the School will be responsible for obtaining such required approvals and consents in a timely manner.

1.3 Services to be provided by InfiLaw. InfiLaw will advise and assist the School with the following functional areas and activities, all as more particularly described on Exhibit A, provided, however, that decision making authority will continue to remain under the sole control and authority of the School. The services to be provided by InfiLaw hereunder shall *only* include advising the School with respect to the matters identified on Exhibit A, and InfiLaw shall not control the affairs of the School in any respect. Oversight responsibility for the institution and its programs and the matters set forth on Exhibit A shall remain vested in the governing board of the School and its authorized officers consistent with the requirements of the ABA and SCCHE.

1.4 Additional Services Request Procedure. In the event that School desires to obtain from InfiLaw the performance of any additional Services, then School shall provide written notice to InfiLaw of its request for such additional Services at least thirty (30) days (or such shorter period as InfiLaw may allow, in its sole discretion) prior to the date that School requests such Services to commence (the "*Commencement Date*"). Such notice shall set forth in reasonable detail the type of Service(s) requested (the "*Requested Service*") and any additional terms and conditions applicable to such Requested Service, including any limitations thereon and the proposed Commencement Date. Upon receipt of such notice, InfiLaw may at any time before the Commencement Date decline to provide the Requested Service or negotiate the additional terms and conditions of the Requested Service.

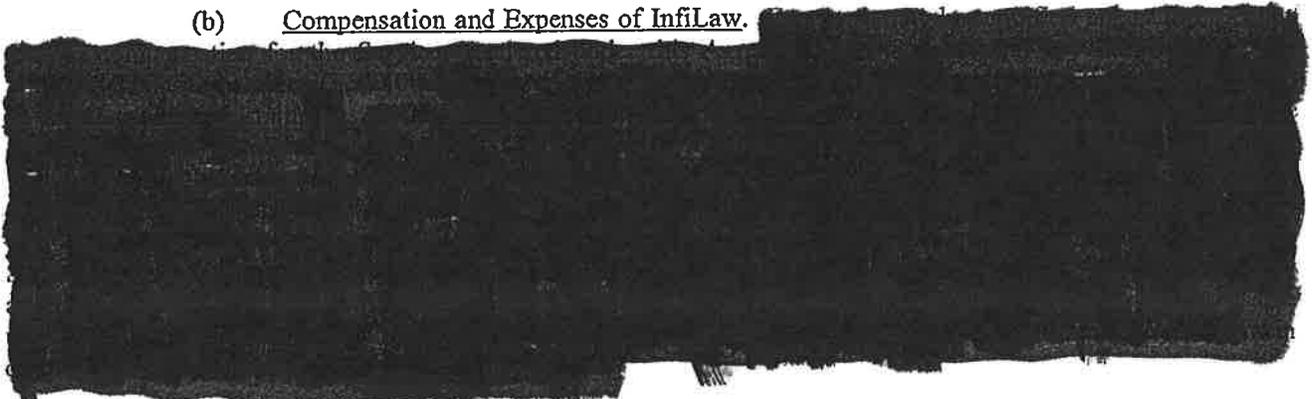
1.5 School Operating Plan. The School will develop a new business operating plan (the "*School Operating Plan*"), which shall also be consistent with the School's mission, and may be amended as appropriate by the School from time to time. A new School Operating Plan will be developed by the School as of the third (3rd) anniversary of the Effective Date and every three years thereafter.

1.6 Independent Contractor Relationship. The School and InfiLaw acknowledge and agree that this Agreement shall establish solely an independent contractor relationship between them, and all of the terms and conditions of this Agreement shall be interpreted in light of that intention and relationship. InfiLaw shall only advise and assist the School in accordance with Section 1.3, and shall perform such Services as an independent contractor of School. InfiLaw shall not be authorized to manage the affairs of, act in the name of, or bind the School. Control and oversight responsibility for the School shall remain vested solely in the governing board of the School and the School's authorized officers in accordance with Section 1.2.

1.7 Expenses and Compensation.

(a) Expenses of School. All expenses associated with operating the School shall continue to be the sole responsibility of the School and shall be paid directly by the School. All revenues received in connection with the operation of the School shall continue to be the property of the School. InfiLaw shall not assume any responsibility under this Agreement for any debts or liabilities of the School.

(b) Compensation and Expenses of InfiLaw.



(c) Annual Fee Review. Within thirty (30) days before the end of each year anniversary of this Agreement, the Parties will meet to review InfiLaw's performance hereunder. The Parties will negotiate in good faith to determine an increase in the annual Service Fees for the upcoming year, which increase shall be no

less than the CPI increase for the Charleston, South Carolina area during the past year. In no event will the Service Fees be decreased. If the Parties are unable to agree on the annual increase, InfiLaw may terminate this Agreement upon thirty (30) days' written notice to the School.

(d) Transaction Expenses. Each Party shall bear its own legal and professional expenses in connection with the negotiation and implementation of this Agreement.

1.8 Exclusivity; Right of First Refusal. During the Term of this Agreement, and for a period of ninety (90) days after the termination of this Agreement for any reason, the School shall not, without the prior written consent of InfiLaw, engage any other third party provider to provide to the School, or otherwise to perform on behalf of the School, the Services or any services similar to the Services. In the event that School determines that it desires to seek a third party provider to provide any of the Services-or any services similar to the Services to the School, or to otherwise perform any of the Services or any services similar to the Services on behalf of or for the School, the School shall grant InfiLaw a right of first refusal to provide or perform such services. In the event that InfiLaw determines not to provide or perform such services, then the School shall have the right to engage a third party provider to provide such services; provided, however, that such engagement shall not be on terms that are more favorable to such third party provider than those that were offered to InfiLaw.

## **ARTICLE 2**

### **Covenants and Additional Agreements**

2.1 Agreement Not Constituting a Change of Control. It is understood that this Agreement is solely and exclusively for the Services set forth herein, and does not constitute any relinquishment on the part of School of any of its rights with respect to ownership and control of the School. The Parties agree to work cooperatively to identify and cure any asserted or identified infirmity and to take such measures as may be reasonably necessary to preserve the aforementioned rights and status of the School. If any Educational Agency inquires as to the effect of this Agreement upon the ongoing ownership and control of the School, the Parties shall cooperate in communicating with such Educational Agency regarding the terms and effect of this Agreement, and the need for any revisions thereto.

2.2 Agreement Not Constituting a Third Party Servicer Agreement. It is understood that this Agreement is solely and exclusively for the Services set forth herein, and does not and shall not constitute the appointment of InfiLaw as a "third party servicer" of financial aid under the Federal regulations codified at 34 C.F.R. § 668.2.

#### 2.3 Indemnification.

(a) The School hereby agrees to indemnify and hold harmless InfiLaw, and each of its subsidiaries and affiliates and their respective officers, directors, employees, agents and controlling persons (each, an "*InfiLaw Indemnified Person*") from and against any and all losses, claims, damages, liabilities and expenses ("*Losses*") to which any such InfiLaw Indemnified Person may become subject arising out of or in connection with the entering into this Agreement or any breach of this Agreement by the School, or any claim, litigation, investigation or proceedings relating to such breach regardless of whether any of such InfiLaw Indemnified Persons is a party thereto, and to immediately reimburse such InfiLaw Indemnified Persons for any reasonable legal or other expenses as they are incurred in connection with investigating or defending any of the foregoing, including any Losses relating to a proceeding before any of the Educational Agencies; provided, however, that the foregoing indemnification will not, as to any InfiLaw Indemnified Person, apply to losses, claims, damages, liabilities or expenses to the extent that they are finally judicially determined to have resulted from the gross negligence of InfiLaw or such InfiLaw Indemnified Person. All fees and expenses incurred by any InfiLaw Indemnified Person in defending a proceeding shall be paid by the School in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such InfiLaw Indemnified Persons to repay such amount if it shall ultimately be determined that such InfiLaw Indemnified Persons is not entitled to be indemnified by the School pursuant to this Section 2.3(a).

(b) InfiLaw hereby agrees to indemnify and hold harmless each of the School and its respective officers, trustees, directors, employees, agents and controlling persons (each, a "*School Indemnified*

*Person*”) from and against any and all Losses, to which any such School Indemnified Person may become subject arising out of or in connection with any breach of this Agreement by InfiLaw, or any claim, litigation, investigation or proceedings relating to such breach regardless of whether any of such School Indemnified Persons is a party thereto, and to reimburse such School Indemnified Persons for any reasonable legal or other expenses as they are incurred in connection with investigating or defending any of the foregoing; provided, however, that the foregoing indemnification will not, as to any School Indemnified Person, apply to losses, claims, damages, liabilities or expenses to the extent that they are finally judicially determined to have resulted from the gross negligence or willful misconduct of the School or such School Indemnified Person. All fees and expenses incurred by any School Indemnified Person in defending a proceeding shall be paid by the School in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such InfiLaw Indemnified Persons to repay such amount if it shall ultimately be determined that such School Indemnified Person is not entitled to be indemnified by InfiLaw pursuant to this Section 2.3(b).

### ARTICLE 3

#### Certain Representations and Warranties

3.1 Representations and Warranties. Each of the School and InfiLaw hereby represents and warrants to the other, as of the date hereof, that:

(a) in the case of the School, such Party is a limited liability company duly organized, validly existing and in good standing under the laws of the State of South Carolina; and in the case of InfiLaw, such Party is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware;

(b) such Party has taken all necessary corporate action to authorize the execution, delivery and performance of its obligations under this Agreement, which action has not been superseded or modified, and this Agreement constitutes the legal, valid and binding obligation of such Party, enforceable in accordance with its terms;

(c) the execution, delivery and performance of this Agreement by such Party do not violate: (i) its articles of incorporation, operating agreement, bylaws or any resolution of its board of trustees, board of directors or other comparable body charged with the governance of its affairs; (ii) any contract to which it is a party; or (iii) any law, rule, regulation, order, writ, judgment, injunction, decree or determination affecting it or any of its properties;

(d) no litigation is pending or, to such Party’s knowledge, threatened, which seeks to restrain it from performing its obligations hereunder or the adverse outcome of which would materially affect its business or its ability to perform its obligations hereunder; and

(e) no authorization or approval or other action by, and no notice to, or filing with, any governmental authority or regulatory body is required on or before the date hereof for the due execution, delivery and performance by such Party of this Agreement which has not been obtained.

### ARTICLE 4

#### Periodic Review; Dispute Resolution; Limitation of Liability

4.1 Quarterly Review of Services Provided. The School shall review the performance of InfiLaw under this Agreement each calendar quarter. If the School concludes in good faith that InfiLaw is not in material compliance with the terms of this Agreement, it shall give written notice thereof to InfiLaw detailing the specific reasons for such material non-compliance. If InfiLaw has not remedied or developed a plan to remedy such material non-compliance to School’s good faith and reasonable satisfaction within thirty (30) days of such notice, School shall have the right to terminate this Agreement upon ninety (90) days further written notice to InfiLaw, which notice shall be accompanied by all Service Fees through the termination date.

4.2 Dispute Resolution.

(a) Mediation.

(i) The Parties agree to submit (the "*Submission*") any dispute, claim, or controversy arising out of or relating to this Agreement, including, but not limited to, its creation, validity, interpretation or enforcement to J.A.M.S. for non-binding mediation ("*Non-Binding Mediation*"). The Submission shall be in writing and set forth with reasonable particularity the grounds for the Submission. The Submission shall be filed with J.A.M.S. and sent to the other Party simultaneously. The other Party shall serve a written Response to the Submission within fifteen (15) business days to both the originating Party and J.A.M.S. The Parties will cooperate with J.A.M.S. and with one another in selecting a mediator from a panel of neutrals and in promptly scheduling the mediation proceedings. Any mediation conducted pursuant to this Agreement shall be held in Florida. If the Parties cannot agree on a mediator, J.A.M.S. will appoint one. The Parties covenant that they will participate in the mediation in good faith and that they will (i) bear their own attorneys' fees, costs, and expenses in connection with the mediation, and (ii) share equally in the fees and expenses charged by the mediator. All offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by either Party, their agents, employees, experts, and attorneys, and by the mediator or any J.A.M.S. employee are confidential, privileged, and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

(ii) If the Submission of the dispute, claim or controversy is not resolved within 60 days from the date of the Submission of the dispute to mediation (or such other date as the Parties may agree to in writing), any Party may proceed forthwith with the initiation and administration of an arbitration in accordance with the terms hereof. The mediation may, however, continue, if the Parties so agree, after the commencement of the arbitration. Unless otherwise agreed by the Parties, the mediator shall be disqualified from serving as arbitrator in the case.

(b) Arbitration. The Parties agree that final and binding arbitration shall be conducted through J.A.M.S., before a single arbitrator and in accordance with the J.A.M.S. Streamlined Arbitration Rules & Procedures. Such arbitration shall be the sole and exclusive remedy for resolving any claims, disputes or controversies covered by, arising out of, or in any way related to this Agreement, including, but not limited to its creation, validity, interpretation, the performance, non-performance, breach or failure under this Agreement, instead of any court action, which is hereby expressly waived. The foregoing remedies shall be in addition to, and not in limitation of any rights or remedies to which the Parties are or may be entitled to at law or in equity under this Agreement. Any arbitration conducted pursuant to this Agreement shall be held in Miami, Florida. The Parties waive any argument that the selection of that venue is inconvenient or otherwise improper. The non-prevailing Party agrees to pay all expenses and reasonable expenses and attorneys' fees incurred by the prevailing Party.

4.3 Limitation of Liability. Neither Party shall be liable or responsible to the other Party for any indirect, special, punitive, incidental or consequential damages in connection with or arising out of this Agreement, even if they are foreseeable or the other Party has been advised of the possibility of such damages. The School acknowledges and agrees that only InfiLaw and none of its parents, subsidiaries, affiliates, investors, officers, directors, shareholders, members, employees, agents, representatives, equity or debt holders shall have any obligation or liability for any amounts due or that may become due, for any reason, under or in any way related to this Agreement. The School further acknowledges and agrees that the preceding sentence is intended to and shall preclude the School from alleging or pursuing any claim that depends on or is based in the doctrine of "alter ego", "piercing the corporate veil" or any other argument or law seeking to hold any person or entity other than InfiLaw responsible for any obligation that may arise as a result of this Agreement.

## ARTICLE 5

### Term and Termination

5.1 Term. Subject to the termination provisions of Section 5.2 hereof, InfiLaw's engagement by School under this Agreement shall commence on the Effective Date and shall continue until the first anniversary thereof (the "*Initial Term*"). The Initial Term shall automatically renew on the same terms and conditions contained herein for consecutive one (1) year terms (the Initial Term and any extension(s) thereof being referred to

herein, collectively, as the “*Term*”), unless either Party shall have provided written notice to the other Party of School’s or InfiLaw’s, as the case may be, intent not to renew this Agreement, which notice shall be given, if at all, not less than ninety (90) days prior to the expiration of the then-current Term. To the extent the performance of any Service(s) to be provided by InfiLaw then in process extends beyond the Initial Term or any renewal thereof, InfiLaw may at its election deem such Initial Term or any renewal thereof to have been extended until the date of completion of the performance of such Service(s) then in progress but not more than ninety (90) days.

5.2 Termination. This Agreement shall terminate upon the expiration of the Term or the earlier termination by:

(a) InfiLaw, at its option, if (i) School fails to make any payment due under the terms of this Agreement, and such failure continues for ten (10) days after receipt of written notice of nonpayment; (ii) School fails to comply in any material respect with any term or condition of this Agreement; (iii) School becomes insolvent, files or has filed against it a petition under any chapter of the U.S. Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (or any similar petition under any insolvency law of any jurisdiction, provided, in case of an involuntary petition, such petition is not stayed or dismissed within ninety(90) days), proposes any dissolution, liquidation or composition, makes a general assignment for the benefit of creditors or if a receiver, trustee, custodian or similar agent is appointed or takes possession with respect to any property or business of School in connection with any of the foregoing.

(b) The School, at its option, if InfiLaw fails to comply in any material respect with any material term or condition of this Agreement and fails to cure the same as provided in Section 4.1; or

(c) The mutual agreement of School and InfiLaw to terminate this Agreement as set forth in a written agreement executed by both of the Parties; or

(d) The School, at its option, immediately upon the acquisition by InfiLaw or an affiliate thereof of the School.

5.3. Effect of Termination. In the event this Agreement terminates in accordance with Section 5.2 hereof, each Party shall have no further rights or obligations hereunder except (i) those set forth in this Article 5 and Section 2.3 hereof, (ii) those set forth in Section 1.7 hereof to the extent they relate to amounts owing for periods through the expiration of the Term or the termination of this Agreement, and (iii) each Party shall have all rights and obligations arising out of any breach of this Agreement prior to such expiration or termination.

## **ARTICLE 6** **Miscellaneous**

6.1 Confidentiality. Each Party agrees that it shall not use or disclose to any third party, except for the purpose of performing this Agreement, any business and technical information of the other Party which, in the exercise of reasonable judgment, should be recognized by such Party as confidential (“*Confidential Information*”). The obligation of confidentiality shall not apply to information which: (a) is or becomes part of the public domain through no fault of the receiving Party; (b) is furnished by the disclosing Party to others without restrictions on use and disclosure; (c) becomes known or available to the receiving Party without restriction from a source other than the disclosing Party without breach of any Agreement with the disclosing Party; (d) is disclosed with prior written approval of the disclosing Party; (e) is independently developed by the receiving Party without the use of any Confidential Information; (f) is previously known to the receiving Party on a non-confidential basis; or (g) is required by court order or government agency to be disclosed, in which case, the receiving Party shall give the disclosing Party as much notice as is reasonably practical so that the disclosing Party may seek a protective order or other confidential protection as the disclosing Party, in its sole discretion, may elect and the receiving Party shall reasonably cooperate with the disclosing Party in disclosing Party’s efforts to obtain such order or protection.

6.2 Student Information; Privacy. The School has informed InfiLaw that student specific information may be protected from disclosure pursuant to the provisions of the Family Educational Rights and Privacy Act (FERPA), (20 U.S.C. § 123g; 34 CFR Part 99). InfiLaw expressly agrees that it shall (i) not disclose any such

information to any third parties and (ii) take such measures as are reasonable and prudent to protect such information from inadvertent disclosure.

6.3 Intellectual Property. This Agreement grants no rights whatsoever to either Party in any all patents and patent applications, all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports and all similar or related information (in each case whether or not patentable), all copyrights and copyrightable works, all trade secrets, confidential information and know-how, and all other intellectual property rights, whether created prior to, during or after the performance of this Agreement (collectively, the "*Intellectual Property*"). No Party shall use any of the other Party's Intellectual Property without obtaining the prior written consent of the other Party. Without limiting the foregoing, the Parties acknowledge and agree that InfiLaw shall retain all right, title and interest to all Intellectual Property that is conceived, reduced to practice, developed or made by InfiLaw, regardless of whether (a) created prior to, during or after the Term, (b) such Intellectual Property relates to the School or the actual or anticipated Services, or (c) such Intellectual Property is conceived, reduced to practice, developed or made using any of the equipment, supplies, facilities, assets or resources of the School.

6.4 Right of First Refusal to Purchase the School. If at any time during the Term or the five (5)-year period after the Term, the School or any direct or indirect owner of any equity interest in the School proposes to enter into a transaction or series of related transactions (including by way of merger, consolidation, recapitalization, reorganization or sale, transfer, conveyance or other disposition of securities or assets) (a "*Proposed Sale*") pursuant to which any person or group of persons acting in concert would acquire either (a) a material portion of the assets of the School (the "*Assets*") or (b) more than 50% of the voting power of the outstanding voting securities of the School (the "*Equity*"), the School shall notify InfiLaw of such Proposed Sale (which notice shall be in writing and include a description of the material terms of such Proposed Sale) and InfiLaw shall have a right (but not an obligation) to match the offering person's offer in such Proposed Sale by delivering a written offer to the School within sixty (60) days after receiving notification from the School of the Proposed Sale.

6.5 Public Announcements. Neither Party shall issue or cause the publication of any press release or other public announcement about this Agreement, nor distribute or cause to be distributed any marketing or other advertising materials with respect to this Agreement or the relationship between the Parties without the prior consent of the other Party.

6.5 Capitalized Terms; Construction. As used herein, unless the context otherwise requires: references to "Article," "Section," "Schedule" or "Exhibit" are to an article or section of this Agreement or to a schedule or exhibit attached hereto (and which shall be deemed to be a part hereof); "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular article, section or other subdivision hereof or attachment hereto; references to an agreement or other instrument or law, statute or regulation are referred to as amended, supplemented, revised or modified from time to time (and, in the case of a statute or regulation, to any successor provision) and all regulations, rulings and interpretations promulgated pursuant thereto; and the headings of the various articles, sections and other subdivisions hereof are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof; defined terms in the singular include the plural and vice versa, and the masculine, feminine and neuter gender include all genders. The Parties acknowledge and agree that this Agreement is the result of extensive negotiations between the Parties and their respective counsel, and that this Agreement shall not be construed against any Party by virtue of its role or its counsel's role in the drafting hereof.

6.6 Notices. All notices, and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given or made the second day after mailing, if sent by registered or certified mail, return receipt requested, upon delivery, if sent by hand delivery, when received, if sent by prepaid overnight carrier, with a record of receipt, or the first day after dispatch, if sent by cable, telegram, facsimile or telecopy (with a copy simultaneously sent by registered or certified mail, return receipt requested), to the Parties at the following addresses set forth on the signature page hereto.

Any Party hereto may change the address to which notice to it, or copies thereof, shall be addressed, by giving notice thereof to the other Parties hereto in conformity with the foregoing.

6.7 Assignment. This Agreement and all the rights and powers granted hereby shall bind and inure to the benefit of the Parties and their respective permitted heirs, successors and assigns. School may not assign this Agreement or any of its rights, interests and obligations hereunder to any other person or entity, without the prior written consent of InfiLaw. InfiLaw will not assign this Agreement or any of its rights, interests and obligations hereunder to any other person or entity, without the prior written consent of School, which consent shall not be unreasonably withheld or delayed; provided, however, that InfiLaw may assign this Agreement or any of its rights, interests and obligations hereunder to any subsidiary or affiliate of InfiLaw without the prior consent of School, subject to compliance with any applicable regulatory requirements relating to such assignment. InfiLaw shall provide timely notice to School of any such assignment, and such assignment shall obligate the assignee to perform any then remaining obligations of InfiLaw under this Agreement. Upon such assignment, InfiLaw shall be automatically relieved of any obligation or liability hereunder.

6.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to its conflict of law doctrines.

6.9 Amendment and Waiver; Cumulative Effect. Upon the agreement of all of the Parties hereto, this Agreement may be amended in any respect, and any Party, as to such Party, may (i) extend the time for the performance of any of the obligations of any other Party, (ii) waive any inaccuracies in representations by any other Party, (iii) waive compliance by any other Party with any of the agreements contained herein and performance of any obligations by such other Party, and (iv) waive the fulfillment of any condition that is precedent to the performance by such Party of any of its obligations under this Agreement. To be effective, any such amendment or waiver must be in writing and be signed by the Party against whom enforcement of the same is sought. Neither the failure of any Party hereto to exercise any right, power or remedy provided under this Agreement where otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other Party with its obligations hereunder, nor any custom or practice of the Parties at variance with the terms hereof, shall constitute a waiver by such Party of its right to exercise any such right, power or remedy or to demand such compliance. The rights and remedies of the Parties hereto are cumulative and not exclusive of the rights and remedies that they otherwise might have now or hereafter, at law, in equity, by statute or otherwise.

6.10 Entire Agreement; No Third Party Beneficiaries. This Agreement (including the recitals hereto) and all exhibits attached hereto, set forth all of the promises, covenants, agreements, conditions and undertakings of the Parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, negotiations, inducements or conditions, express or implied, oral or written. This Agreement is not intended to confer upon any person other than the Parties any rights or remedies hereunder, except for the provisions of Section 2.3 relating to Indemnified Persons.

6.11 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

6.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall be deemed to be one and the same instrument. Each Party may rely on facsimile signature pages if such facsimile pages were originals.

6.13 Non-Solicitation of InfiLaw Employees and Consultants. The School acknowledges and agrees that InfiLaw will provide the Services through its employees and one or more persons retained by InfiLaw as consultants ("*Consultants*"). During the period that an InfiLaw employee or Consultant is employed or engaged by InfiLaw and, in the event that such employee's or Consultant's employment or engagement with InfiLaw is terminated, for a period of two (2) years after the date of such termination, the School agrees and covenants not to disrupt or interfere with the business of InfiLaw by directly or indirectly soliciting, recruiting, hiring or attempting to hire or recruit, or raiding any such InfiLaw employee or Consultant or otherwise inducing the termination of employment or engagement of any InfiLaw employee or Consultant. During the period that a School employee or

consultant is employed or engaged by the School and, in the event that such employee's or consultant's employment or engagement with the School is terminated, for a period of two (2) years after the date of such termination, InfiLaw agrees and covenants not to disrupt or interfere with the business of the School by directly or indirectly soliciting, recruiting, hiring or attempting to hire or recruit, or raiding any such School employee or consultant or otherwise inducing the termination of employment or engagement of any School employee or consultant. Each Party also agrees and covenants not to use the other Party's trade secret information and/or confidential information to directly or indirectly solicit the other Party's employees or consultants.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their duly authorized officers, as of the date first written above.

CHARLESTON SCHOOL OF LAW, LLC

By: Robert S. Carr  
Name: Robert S. Carr  
Title: Authorized Signatory

INFILAW CORPORATION

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

For Notices:  
InfiLaw Corporation  
1100 Fifth Avenue South, Suite 301  
Naples FL 34103  
Attention: Doug Chait

With a copy to:  
InfiLaw Corporation  
1100 Fifth Avenue South, Suite 301  
Naples FL 34103  
Attention: General Counsel

## Exhibit A

In furtherance of the Agreement, InfiLaw will provide the following consulting and business support services:

- a) Institutional effectiveness
    - Best practices within InfiLaw's consortium of law schools
      - Weekly or monthly forums with functional leaders of key areas of law school operations, including
        - Academic Administration
        - Academic Success
        - Admissions
        - Bar Pass Effectiveness
        - Career Services
        - Finance
        - Information Technology
        - Library services
        - Talent Selection and Optimization
    - Best practices objectives
      - Consistent measurement of results with metrics
      - Disciplined application of process improvement methodologies
      - Adoption of best practices that, through experience and research, have reliably led to an optimum result
    - Bar pass effectiveness
      - Mini-bar exam development
      - 3L mentoring programs
    - Interdependent management framework
      - Individual objective development and cascading
      - Commitment management
      - Weekly management meeting framework
      - Collaborative decisive leadership model workshops
      - Cultural development tools and workshops
      - EQ self-assessment
    - Human capital management
      - 360 degree reviews based on EQ assessments
      - EQ training
      - Leadership development workshops
      - Top-grading consulting
      - Accountability partnerships
      - Personal Performance Action Plan
    - Faculty support/management
      - Institutional needs assessment
      - Faculty recruitment, assessment, and development analysis
    - Accreditation Consulting
      - Accreditation site visits--preparation and best practices
    - Strategic Planning assistance for ABA Standards for Accreditation
    - Academic support programs
- b) Real estate management services
  - Building and space evaluations
  - ABA-compliant space programming
  - Financial analysis
  - Negotiation
  - Project management
    - Tenant improvement construction
    - Furniture and equipment
    - Telecom/Datacom
    - Move coordination
  - Ongoing cost-effective facilities management
  - Technology management
- c) Marketing and Promotion support
  - Student outreach strategies

- Lead generation, including grassroots marketing, corporate relationship development, and strategic advertising campaigns
- Cooperative strategic planning that leads to accurate short-term and long-term enrollment and tuition revenue forecasting
  - Training of skilled campus enrollment teams
  - Strategic market research
  - Campaign development
  - Results analysis and continuous improvement programs
  - Spring start and part-time scheduling
  - Market-driven certificate program development

## MEMBERSHIP INTEREST REDEMPTION AGREEMENT

THIS MEMBERSHIP INTEREST REDEMPTION AGREEMENT ("Agreement") is effective this 23 day of July, 2013 (the "Effective Date"), by and between Charleston School of Law, LLC, a South Carolina limited liability company ("CSOL"), and Alexander M. Sanders Jr. (the "Departing Member").

### BACKGROUND

The Departing Member owns twenty percent (20%) of the issued and outstanding Membership Interests (defined below) in and to CSOL. The Departing Member desires to sell all of his right, title and interest in and to CSOL under the South Carolina Limited Liability Company Act, CSOL's Articles of Organization and all of his indirect interest in and to CSOL's assets (the "Membership Interests") and CSOL is willing to purchase the Membership Interests from the Departing Member pursuant to the terms and conditions of this Agreement.

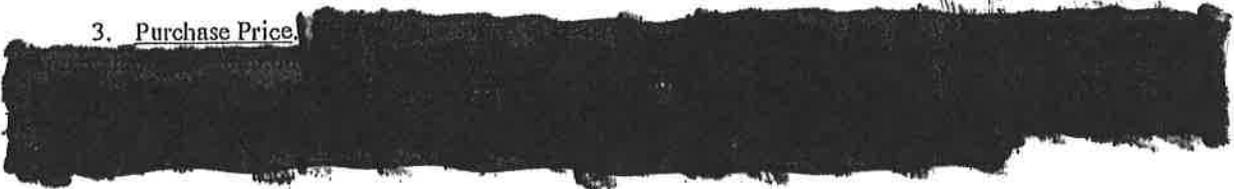
### OPERATIVE TERMS

The parties agree as follows:

1. Recitals. The recitals in the Background section of this Agreement are incorporated herein.

2. Redemption of Membership Interests. The Departing Member hereby sells, transfers and assigns to CSOL all the Departing Member's right, title and interest in and to his Membership Interests in CSOL, and CSOL hereby purchases the Membership Interests from the Departing Member (the "Redemption"). The Redemption shall be effected by execution of the assignment, in the form attached hereto as Exhibit A. CSOL shall make an election under Section 754 of the Internal Revenue Code of 1986, as amended, in connection with the Redemption, and the Departing Member shall cooperate with such election as requested by CSOL.

3. Purchase Price.



4. Covenant Not to Compete.

a. The Departing Member agrees that, from and after the Effective Date for a period of three (3) years (the "Restricted Period"), he will not and will not permit any of his Affiliates to, directly or indirectly:

(i) own an interest in, manage or operate (either alone or as a partner, joint venturer or otherwise) any law school anywhere in the United States that is not a Tier 1 or Tier 2 law school as determined by the most recent publication of U.S. News and World Report on such matter (including any start-up law school or any law school without American Bar Association ("ABA") accreditation or with ABA provisional accreditation), except that a passive equity interest of less than 5% of a publicly-held corporation that engages in any such activity shall be permitted;

(ii) engage in any business activity with any law school anywhere in the United States that is not a Tier 1 or Tier 2 law school as determined by the most recent publication of U.S. News and World Report on such matter (including any start-up law school or any law school without ABA accreditation or with ABA provisional accreditation), either as an officer, director, employee, member, consultant, agent or independent contractor, except that nothing contained herein or the Agreement shall prohibit the Departing Member's employment, or that of his spouse or other family member, as a professor or lecturer at any law school; or

(iii) hire or directly or indirectly induce or seek to induce any employee of the Business to leave employment with the Business or directly or indirectly solicit for employment or consulting any such employee of the Business.

b. From and after the Effective Date, the Departing Member agrees that he shall refrain from making any negative or derogatory statements concerning the Business (including the Business' products, services, customers, suppliers, employees and agents). The Departing Member will not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, employee, student or other business associate of CSOL from maintaining the same business relationships with the Business from and after the Effective Date as it maintained with CSOL prior to the Effective Date,

c. From and after the Effective Date, the Departing Member shall, and shall cause his Affiliates to, keep confidential and not, directly or indirectly, divulge to anyone or use or otherwise appropriate for such Person's own benefit, any Confidential Information. In the event that the Departing Member or any of his Affiliates are requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any information regarding the Business, such Person will notify the CSOL promptly of the request or requirement so that CSOL may seek an appropriate protective order or waive compliance with the provisions of this paragraph. If, in the absence of a protective order or the receipt of a waiver hereunder, such Person believes in good faith, after consulting with counsel, that he is compelled to disclose any such information to the tribunal or else stand liable for contempt, such Person may disclose such information to the tribunal; provided, however, that such Person shall use his best efforts to obtain, at the request of CSOL and at the cost of CSOL, an order or other assurance that confidential treatment will be accorded to such portion of such information required to be disclosed as CSOL shall reasonably designate. The Departing Member hereby acknowledges and agrees that the prohibitions against disclosure of Confidential Information recited herein are in addition to, and not in lieu of, any rights or remedies that CSOL may have available pursuant to the laws of any jurisdiction or at common law to prevent the disclosure of trade secrets or proprietary information, and the enforcement by CSOL of its rights and remedies pursuant to this Agreement shall not be construed as a waiver of any other rights or available remedies that it may possess in law or equity absent this Agreement.

d. The Departing Member acknowledges and agrees that (i) the restrictions contained herein are reasonable in scope and duration and are necessary to protect the Company and, from and after the Effective Date, the Business, (ii) the restrictions will not have a significant impact on the Departing Member's ability to earn a living in his chosen profession, and (iii) that any breach of this Section 4 will cause irreparable injury to the Business and, upon any breach or threatened breach of any provision of this Section 4, (A) CSOL shall be entitled, in addition to any other remedies it may have, to injunctive relief, specific performance or other equitable relief without the necessity of proving actual damage or posting bond, and (B) the Departing Member shall be liable to pay all costs including reasonable attorneys' fees which CSOL may incur in enforcing, to any extent, the provisions of this Section 4, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by CSOL in an action to enforce this Section 4. CSOL may elect to seek one or more of these remedies at its sole discretion on a case by case basis. Failure to seek any or all remedies in one case does not restrict CSOL from seeking any remedies in another situation. Such action by CSOL shall not constitute a waiver of any of its rights. If, for any reason any court determines that the restrictions contained herein are not reasonable or that the consideration is inadequate, such restrictions shall be interpreted, modified or rewritten to include as much of the duration, scope and geographic area as will render such restrictions valid and enforceable.

e. In the event of a breach of any restrictive covenant contained herein, the running of the Restricted Period, if applicable, shall be automatically tolled and suspended for the amount of time that such breach continues, and shall automatically recommence when the breach is remedied so that CSOL shall receive the benefit of the Departing Member's compliance with the restrictive covenants contained herein for the full term of the Restricted Period.

f. The restrictive covenants contained herein shall be enforced independently of any other obligations between the Departing Member and CSOL or any other party to the Agreement, and that the existence of any other claim or defense shall not affect the enforceability of this Agreement or the remedies hereunder.

g. For purposes of this Section 4:

(i) "Affiliates" mean (A) in the case of an individual, the members of the immediate family (including parents, siblings and children) of (x) the individual and (y) the individual's spouse, and (z) any Business Entity that directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with any of the foregoing individuals, or (B) in the case of a Business Entity, another Business Entity or a Person that directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with the Business Entity);

(ii) "Business" means the operation of the Charleston School of Law; and

(iii) "Confidential Information" means any confidential information or confidential documents of or relating to the Business, including the following this Agreement (or any of the terms and conditions of this Agreement); confidential records, computer software programs or any portions or logic comprising said programs; student lists; terms of contracts; pricing information, marketing information or sales techniques; and planning and financial information of the Business.

5. Representations and Warranties of the Departing Member. The Departing Member represents and warrants to CSOL as follows:

a. The Departing Member has full right, capacity and authority to enter into this Agreement and to perform his obligations under this Agreement, and no consents or approvals are required with respect to this Agreement or the consummation of the transactions contemplated hereby, other than consents that have been secured. This Agreement constitutes the valid and legally binding obligation of the Departing Member, enforceable against the Departing Member in accordance with its terms. The Departing Member has received independent tax and legal advice from advisors of his choice with respect to the advisability of executing this Agreement. The Departing Member has made such investigation of the facts pertaining to this Agreement and all of the matters pertaining hereto, as he deems necessary. Except as expressly provided in this Agreement, no Person (defined below) has made any statement or representation to the Departing Member regarding any fact relied upon by the Departing Member in entering into this Agreement and the Departing Member specifically does not rely upon any statement, representation or promise of any other Person in executing this Agreement. The Departing Member has not taken any action which would cause either the execution or delivery by the Departing Member of this Agreement or the consummation of the transaction contemplated hereby to violate or conflict any judgment, law, rule or regulation to which the Departing Member is subject or with respect to which his properties may be bound or affected. For purposes of this Agreement, "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

b. The Departing Member: (a) is the sole owner of the Membership Interests purchased by CSOL under this Agreement; and (b) neither the Membership Interests nor the Departing Member is subject to any pledge agreements, restriction agreements or other document or instrument which affects the title to the Membership Interests in any way or manner whatsoever. Upon the closing of the transactions described herein, the Membership Interests will be conveyed to CSOL free and clear of any liens, claims or encumbrances of any Person.

c. The Membership Interests being transferred represent all membership interests in CSOL owned by the Departing Member (whether individually, as beneficiary or as trustee), and upon consummation of the transaction described in this Agreement the Departing Member will not own, directly or indirectly, any

interests (membership or otherwise) in CSOL. The Departing Member's Membership Interests represent all of the membership interests and equity interests in CSOL owned by the Departing Member at any time.

d. The Departing Member (i) has not made an assignment for the benefit of creditors, (ii) has not admitted in writing his inability to pay his debts as they mature, (iii) has not been adjudicated as bankrupt, (iv) has not filed a petition in voluntary bankruptcy, or an arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any state, and (v) is not subject to an involuntary petition in bankruptcy or any similar proceeding.

e. Except as set forth on Schedule 4(e) hereto, the Departing Member has not caused CSOL to incur any liability, debt, charge, claim or obligation, whether accrued, absolute, contingent or otherwise, whether due or to become due, which is not reflected on CSOL's profit & loss statement as of the date hereof, including, without limitation, any charge on any credit card issued by CSOL to the Departing Member.

6. Survival of Representations and Warranties. The representations, warranties, covenants, and agreements of the Departing Member set forth in this Agreement shall survive the Effective Date for a period of two (2) years.

7. Resignation as Manager and Officer. The Departing Member hereby resigns as a member of the Board of Directors and as an officer of CSOL (as applicable).

8. Remedies for Breach. In the event of the breach of this Agreement, the non-breaching party shall be entitled to obtain the specific performance of this Agreement in addition to any other remedies the party may have at law or in equity.

9. Release.

a. Each party hereto hereby releases and discharges each other party hereto from any and all claims, demands, suits, actions, causes of action, contracts, debts, sums of money, commissions, damages and rights whatsoever at law or in equity that such party has or in the future may have, whether known or unknown, in connection with the Departing Member's employment with CSOL or ownership of an equity interest in CSOL. Notwithstanding anything to the contrary in the preceding sentence, no party is releasing his or its rights provided under this Agreement or his or its right to enforce this Agreement.

b. The parties understand that there is a risk that subsequent to the execution of this Agreement, a party may discover facts different from or in addition to the facts which it now knows or believes to be true with respect to the subject matter of this Agreement, or that certain debts, claims, expenses or liabilities presently known may be or become greater than a party now expects or anticipates. Each party intends this Agreement to apply to all unknown or unanticipated results, as well as those known and anticipated, and it is the intention of each party to hereby fully, finally, absolutely and forever resolve any and all claims and disputes which have existed, do exist, or may exist relating to CSOL or its activities, assets, liabilities, managers or members.

10. Indemnification. The Departing Member shall indemnify and hold CSOL harmless from and against any and all claims, damages, charges, losses, costs, fees and expenses incurred or sustained by CSOL (including attorneys' fees) arising out of, or related to, any breach by the Departing Member of any of his representations, warranties, covenants or agreements made in this Agreement. CSOL shall indemnify and hold the Departing Member harmless from and against any and all claims, damages, charges, losses, costs, fees and expenses incurred or sustained by the Departing Member (including attorneys' fees) arising out of, or related to, any breach by CSOL of any of its covenants or agreements made in this Agreement.

11. Termination. Notwithstanding anything to the contrary contained herein, in the event the Note has not been paid in full on or prior to the Maturity Date, CSOL will reissue to the Departing Member the Membership Interests and the obligations of CSOL under the Note shall terminate and shall thereupon be null and void.

12. Miscellaneous.

a. Effect on Certain Rights. Concurrent with the purchase of the Departing Member's Membership Interests by CSOL, the Departing Member will cease to be a member of CSOL, and will no longer have any rights as a member of CSOL.

b. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of the Agreement that are not fully set forth herein, except for the agreement among the parties that CSOL shall (i) fund on or prior to the Effective Date to the Departing Member all normal and customary tax distributions with respect to income of CSOL for the period January 1, 2013 to the Effective Date and (ii) fund tail D&O insurance coverage with respect to CSOL's existing D&O insurance policy covering the Departing Member, for a term of five (5) years from the Effective Date.

c. Amendment. No change, modification, amendment, addition or termination of this Agreement or any part thereof shall be valid unless in writing and signed by all of the parties to this Agreement.

d. Waiver. No waiver of the provisions hereof shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of similar or different nature, unless expressly so stated in writing.

e. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

f. Third Party Beneficiaries. No provision of this Agreement is intended to confer any rights, remedies or liabilities under or by reason of this Agreement upon any Person, other than the parties hereto each of their respective successors and permitted assigns.

g. Counterparts; Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same Agreement. Receipt of a signature page transmitted electronically shall be deemed an original signature page to this Agreement.

h. Costs. If any party shall maintain or commence any action, proceeding, or motion against any other party to enforce this Agreement or any provision, the prevailing party therein shall be entitled to recover its attorneys' fees and costs. Each party agrees that if a party commences, joins in or in any manner asserts against any other party any of the claims released in this Agreement, then it will pay to the other party, in addition to any other damages caused to the other party thereby, all attorneys' fees and costs incurred in defending or otherwise responding to such suit or claim.

i. Further Assurances. CSOL and the Departing Member agree to reasonably cooperate with each other for the expeditious filing of any and all documents and the fulfillment of the terms of this Agreement.

j. Notice. Every notice, demand, consent, or other communication required or permitted under this Agreement will be valid only if it is in writing (whether or not this Agreement expressly states that it must be in writing) and shall be deemed to have been given and received on the day when personally delivered, one business day after being deposited with a reputable overnight courier service or three business days after being mailed by first class mail, return receipt requested, to the party's address set forth below:

If to CSOL:

81 Mary Street  
Charleston, SC 29403

Attention: Andy Abrams

If to the Departing Member, the address set forth under the Departing Member's signature on the signature page hereto.

Either party may change its address for notice purposes by sending notice thereof to the other party in accordance with this Section 11.i.

k. Governing Law, Venue and Severability. This Agreement shall be governed, construed and enforced in accordance with laws of the State of South Carolina (without regard to conflicts of laws principles). CSOL and the Departing Member: (i) consent to the personal jurisdiction of the state and federal courts having jurisdiction over the City of Charleston, South Carolina, (ii) stipulate that the exclusive jurisdiction and venue for any legal proceeding arising out of this Agreement is the state and federal courts having jurisdiction over City of Charleston, South Carolina, and (iii) waive any defense, whether asserted by motion or pleading, that any such venue is an improper or inconvenient venue. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement which can be effected without such illegal clause, section or part shall nevertheless continue in full force and effect.

l. Headings. The headings or captions under sections of this Agreement are for convenience and reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Agreement.

[SIGNATURES APPEAR ON THE NEXT PAGE]

**SIGNATURE PAGE TO MEMBERSHIP INTEREST REDEMPTION AGREEMENT**

The parties have caused this Agreement to be signed on the date and year first above written.

**CHARLESTON SCHOOL OF LAW, LLC**

By: Robert S. Carr  
Name: Robert S. Carr  
Title: AUTHORIZED SIGNATORY

Alexander M. Sanders Jr.  
ALEXANDER M. SANDERS JR.

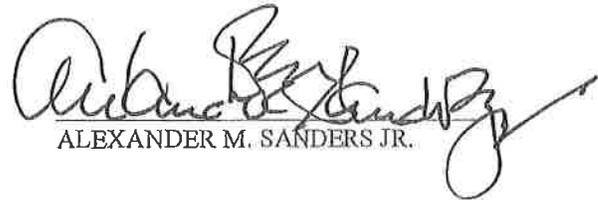
Address: 19 Water St.  
Charleston, SC 29401

EXHIBIT A

ASSIGNMENT OF INTEREST

*FOR VALUE RECEIVED*, the undersigned, ALEXANDER M. SANDERS JR., hereby sells, assigns and transfers unto CHARLESTON SCHOOL OF LAW, LLC, a South Carolina limited liability company (the "Company") the Membership Interests (as defined in that certain Redemption Agreement, dated as of the date hereof, by and between the Company and the undersigned) standing in the undersigned's name on the books of the Company, and does hereby irrevocably constitute and appoint ROBERT S. CARL attorney to transfer the said Membership Interests on the books of the Company with full power of substitution in the premises.

Date: 7 22 13

  
ALEXANDER M. SANDERS JR.

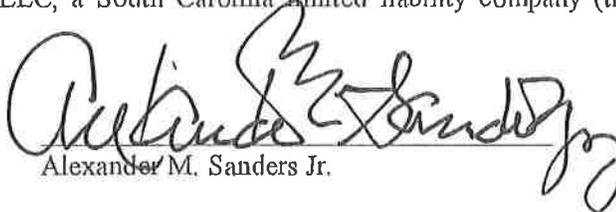
**RESIGNATION**

To the Board of Directors of  
Charleston School of Law, LLC:

I, Alexander M. Sanders Jr., hereby resign from all positions as an officer, manager and director of Charleston School of Law, LLC, a South Carolina limited liability company (the "Company"), effective immediately.

Date:

7 22 13



Alexander M. Sanders Jr.

## MEMBERSHIP INTEREST REDEMPTION AGREEMENT

THIS MEMBERSHIP INTEREST REDEMPTION AGREEMENT ("Agreement") is effective this 22 day of July, 2013 (the "Effective Date"), by and between Charleston School of Law, LLC, a South Carolina limited liability company ("CSOL"), and Ralph C. McCullough II (the "Departing Member").

### BACKGROUND

The Departing Member owns twenty percent (20%) of the issued and outstanding Membership Interests (defined below) in and to CSOL. The Departing Member desires to sell all of his right, title and interest in and to CSOL under the South Carolina Limited Liability Company Act, CSOL's Articles of Organization and all of his indirect interest in and to CSOL's assets (the "Membership Interests") and CSOL is willing to purchase the Membership Interests from the Departing Member pursuant to the terms and conditions of this Agreement.

### OPERATIVE TERMS

The parties agree as follows:

1. Recitals. The recitals in the Background section of this Agreement are incorporated herein.

2. Redemption of Membership Interests. The Departing Member hereby sells, transfers and assigns to CSOL all the Departing Member's right, title and interest in and to his Membership Interests in CSOL, and CSOL hereby purchases the Membership Interests from the Departing Member (the "Redemption"). The Redemption shall be effected by execution of the assignment, in the form attached hereto as Exhibit A. CSOL shall make an election under Section 754 of the Internal Revenue Code of 1986, as amended, in connection with the Redemption, and the Departing Member shall cooperate with such election as requested by CSOL.

3. Purchase Price.



4. Covenant Not to Compete.

a. The Departing Member agrees that, from and after the Effective Date for a period of three (3) years (the "Restricted Period"), he will not and will not permit any of his Affiliates to, directly or indirectly:

(i) own an interest in, manage or operate (either alone or as a partner, joint venturer or otherwise) any law school anywhere in the United States that is not a Tier 1 or Tier 2 law school as determined by the most recent publication of U.S. News and World Report on such matter (including any start-up law school or any law school without American Bar Association ("ABA") accreditation or with ABA provisional accreditation), except that a passive equity interest of less than 5% of a publicly-held corporation that engages in any such activity shall be permitted;

(ii) engage in any business activity with any law school anywhere in the United States that is not a Tier 1 or Tier 2 law school as determined by the most recent publication of U.S. News and World Report on such matter (including any start-up law school or any law school without ABA accreditation or with ABA provisional accreditation), either as an officer, director, employee, member, consultant, agent or independent contractor, except that nothing contained herein or the Agreement shall prohibit the Departing Member's employment, or that of his spouse or other family member, as a professor or lecturer at any law school; or

(iii) hire or directly or indirectly induce or seek to induce any employee of the Business to leave employment with the Business or directly or indirectly solicit for employment or consulting any such employee of the Business.

b. From and after the Effective Date, the Departing Member agrees that he shall refrain from making any negative or derogatory statements concerning the Business (including the Business' products, services, customers, suppliers, employees and agents). The Departing Member will not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, employee, student or other business associate of CSOL from maintaining the same business relationships with the Business from and after the Effective Date as it maintained with CSOL prior to the Effective Date,

c. From and after the Effective Date, the Departing Member shall, and shall cause his Affiliates to, keep confidential and not, directly or indirectly, divulge to anyone or use or otherwise appropriate for such Person's own benefit, any Confidential Information. In the event that the Departing Member or any of his Affiliates are requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any information regarding the Business, such Person will notify the CSOL promptly of the request or requirement so that CSOL may seek an appropriate protective order or waive compliance with the provisions of this paragraph. If, in the absence of a protective order or the receipt of a waiver hereunder, such Person believes in good faith, after consulting with counsel, that he is compelled to disclose any such information to the tribunal or else stand liable for contempt, such Person may disclose such information to the tribunal; provided, however, that such Person shall use his best efforts to obtain, at the request of CSOL and at the cost of CSOL, an order or other assurance that confidential treatment will be accorded to such portion of such information required to be disclosed as CSOL shall reasonably designate. The Departing Member hereby acknowledges and agrees that the prohibitions against disclosure of Confidential Information recited herein are in addition to, and not in lieu of, any rights or remedies that CSOL may have available pursuant to the laws of any jurisdiction or at common law to prevent the disclosure of trade secrets or proprietary information, and the enforcement by CSOL of its rights and remedies pursuant to this Agreement shall not be construed as a waiver of any other rights or available remedies that it may possess in law or equity absent this Agreement.

d. The Departing Member acknowledges and agrees that (i) the restrictions contained herein are reasonable in scope and duration and are necessary to protect the Company and, from and after the Effective Date, the Business, (ii) the restrictions will not have a significant impact on the Departing Member's ability to earn a living in his chosen profession, and (iii) that any breach of this Section 4 will cause irreparable injury to the Business and, upon any breach or threatened breach of any provision of this Section 4, (A) CSOL shall be entitled, in addition to any other remedies it may have, to injunctive relief, specific performance or other equitable relief without the necessity of proving actual damage or posting bond, and (B) the Departing Member shall be liable to pay all costs including reasonable attorneys' fees which CSOL may incur in enforcing, to any extent, the provisions of this Section 4, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by CSOL in an action to enforce this Section 4. CSOL may elect to seek one or more of these remedies at its sole discretion on a case by case basis. Failure to seek any or all remedies in one case does not restrict CSOL from seeking any remedies in another situation. Such action by CSOL shall not constitute a waiver of any of its rights. If, for any reason any court determines that the restrictions contained herein are not reasonable or that the consideration is inadequate, such restrictions shall be interpreted, modified or rewritten to include as much of the duration, scope and geographic area as will render such restrictions valid and enforceable.

e. In the event of a breach of any restrictive covenant contained herein, the running of the Restricted Period, if applicable, shall be automatically tolled and suspended for the amount of time that such breach continues, and shall automatically recommence when the breach is remedied so that CSOL shall receive the benefit of the Departing Member's compliance with the restrictive covenants contained herein for the full term of the Restricted Period.

f. The restrictive covenants contained herein shall be enforced independently of any other obligations between the Departing Member and CSOL or any other party to the Agreement, and that the existence of any other claim or defense shall not affect the enforceability of this Agreement or the remedies hereunder;

g. For purposes of this Section 4:

(i) "Affiliates" mean (A) in the case of an individual, the members of the immediate family (including parents, siblings and children) of (x) the individual and (y) the individual's spouse, and (z) any Business Entity that directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with any of the foregoing individuals, or (B) in the case of a Business Entity, another Business Entity or a Person that directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with the Business Entity);

(ii) "Business" means the operation of the Charleston School of Law; and

(iii) "Confidential Information" means any confidential information or confidential documents of or relating to the Business, including the following this Agreement (or any of the terms and conditions of this Agreement); confidential records, computer software programs or any portions or logic comprising said programs; student lists; terms of contracts; pricing information, marketing information or sales techniques; and planning and financial information of the Business.

5. Representations and Warranties of the Departing Member. The Departing Member represents and warrants to CSOL as follows:

a. The Departing Member has full right, capacity and authority to enter into this Agreement and to perform his obligations under this Agreement, and no consents or approvals are required with respect to this Agreement or the consummation of the transactions contemplated hereby, other than consents that have been secured. This Agreement constitutes the valid and legally binding obligation of the Departing Member, enforceable against the Departing Member in accordance with its terms. The Departing Member has received independent tax and legal advice from advisors of his choice with respect to the advisability of executing this Agreement. The Departing Member has made such investigation of the facts pertaining to this Agreement and all of the matters pertaining hereto, as he deems necessary. Except as expressly provided in this Agreement, no Person (defined below) has made any statement or representation to the Departing Member regarding any fact relied upon by the Departing Member in entering into this Agreement and the Departing Member specifically does not rely upon any statement, representation or promise of any other Person in executing this Agreement. The Departing Member has not taken any action which would cause either the execution or delivery by the Departing Member of this Agreement or the consummation of the transaction contemplated hereby to violate or conflict any judgment, law, rule or regulation to which the Departing Member is subject or with respect to which his properties may be bound or affected. For purposes of this Agreement, "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

b. The Departing Member: (a) is the sole owner of the Membership Interests purchased by CSOL under this Agreement; and (b) neither the Membership Interests nor the Departing Member is subject to any pledge agreements, restriction agreements or other document or instrument which affects the title to the Membership Interests in any way or manner whatsoever. Upon the closing of the transactions described herein, the Membership Interests will be conveyed to CSOL free and clear of any liens, claims or encumbrances of any Person.

c. The Membership Interests being transferred represent all membership interests in CSOL owned by the Departing Member (whether individually, as beneficiary or as trustee), and upon consummation of the transaction described in this Agreement the Departing Member will not own, directly or indirectly, any

interests (membership or otherwise) in CSOL. The Departing Member's Membership Interests represent all of the membership interests and equity interests in CSOL owned by the Departing Member at any time.

d. The Departing Member (i) has not made an assignment for the benefit of creditors, (ii) has not admitted in writing his inability to pay his debts as they mature, (iii) has not been adjudicated as bankrupt, (iv) has not filed a petition in voluntary bankruptcy, or an arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any state, and (v) is not subject to an involuntary petition in bankruptcy or any similar proceeding.

e. Except as set forth on Schedule 4(e) hereto, the Departing Member has not caused CSOL to incur any liability, debt, charge, claim or obligation, whether accrued, absolute, contingent or otherwise, whether due or to become due, which is not reflected on CSOL's profit & loss statement as of the date hereof, including, without limitation, any charge on any credit card issued by CSOL to the Departing Member.

6. Survival of Representations and Warranties. The representations, warranties, covenants, and agreements of the Departing Member set forth in this Agreement shall survive the Effective Date for a period of two (2) years.

7. Resignation as Manager and Officer. The Departing Member hereby resigns as a member of the Board of Directors and as an officer of CSOL (as applicable).

8. Remedies for Breach. In the event of the breach of this Agreement, the non-breaching party shall be entitled to obtain the specific performance of this Agreement in addition to any other remedies the party may have at law or in equity.

9. Release.

a. Each party hereto hereby releases and discharges each other party hereto from any and all claims, demands, suits, actions, causes of action, contracts, debts, sums of money, commissions, damages and rights whatsoever at law or in equity that such party has or in the future may have, whether known or unknown, in connection with the Departing Member's employment with CSOL or ownership of an equity interest in CSOL. Notwithstanding anything to the contrary in the preceding sentence, no party is releasing his or its rights provided under this Agreement or his or its right to enforce this Agreement.

b. The parties understand that there is a risk that subsequent to the execution of this Agreement, a party may discover facts different from or in addition to the facts which it now knows or believes to be true with respect to the subject matter of this Agreement, or that certain debts, claims, expenses or liabilities presently known may be or become greater than a party now expects or anticipates. Each party intends this Agreement to apply to all unknown or unanticipated results, as well as those known and anticipated, and it is the intention of each party to hereby fully, finally, absolutely and forever resolve any and all claims and disputes which have existed, do exist, or may exist relating to CSOL or its activities, assets, liabilities, managers or members.

10. Indemnification. The Departing Member shall indemnify and hold CSOL harmless from and against any and all claims, damages, charges, losses, costs, fees and expenses incurred or sustained by CSOL (including attorneys' fees) arising out of, or related to, any breach by the Departing Member of any of his representations, warranties, covenants or agreements made in this Agreement. CSOL shall indemnify and hold the Departing Member harmless from and against any and all claims, damages, charges, losses, costs, fees and expenses incurred or sustained by the Departing Member (including attorneys' fees) arising out of, or related to, any breach by CSOL of any of its covenants or agreements made in this Agreement.

11. Termination. Notwithstanding anything to the contrary contained herein, in the event the Note has not been paid in full on or prior to the Maturity Date, CSOL will reissue to the Departing Member the Membership Interests and the obligations of CSOL under the Note shall terminate and shall thereupon be null and void

12. Miscellaneous.

a. Effect on Certain Rights. Concurrent with the purchase of the Departing Member's Membership Interests by CSOL, the Departing Member will cease to be a member of CSOL, and will no longer have any rights as a member of CSOL.

b. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of the Agreement that are not fully set forth herein, except for the agreement among the parties that CSOL shall (i) fund on or prior to the Effective Date to the Departing Member all normal and customary tax distributions with respect to income of CSOL for the period January 1, 2013 to the Effective Date and (ii) fund tail D&O insurance coverage with respect to CSOL's existing D&O insurance policy covering the Departing Member, for a term of five (5) years from the Effective Date.

c. Amendment. No change, modification, amendment, addition or termination of this Agreement or any part thereof shall be valid unless in writing and signed by all of the parties to this Agreement.

d. Waiver. No waiver of the provisions hereof shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of similar or different nature, unless expressly so stated in writing.

e. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

f. Third Party Beneficiaries. No provision of this Agreement is intended to confer any rights, remedies or liabilities under or by reason of this Agreement upon any Person, other than the parties hereto each of their respective successors and permitted assigns.

g. Counterparts; Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same Agreement. Receipt of a signature page transmitted electronically shall be deemed an original signature page to this Agreement.

h. Costs. If any party shall maintain or commence any action, proceeding, or motion against any other party to enforce this Agreement or any provision, the prevailing party therein shall be entitled to recover its attorneys' fees and costs. Each party agrees that if a party commences, joins in or in any manner asserts against any other party any of the claims released in this Agreement, then it will pay to the other party, in addition to any other damages caused to the other party thereby, all attorneys' fees and costs incurred in defending or otherwise responding to such suit or claim.

i. Further Assurances. CSOL and the Departing Member agree to reasonably cooperate with each other for the expeditious filing of any and all documents and the fulfillment of the terms of this Agreement.

j. Notice. Every notice, demand, consent, or other communication required or permitted under this Agreement will be valid only if it is in writing (whether or not this Agreement expressly states that it must be in writing) and shall be deemed to have been given and received on the day when personally delivered, one business day after being deposited with a reputable overnight courier service or three business days after being mailed by first class mail, return receipt requested, to the party's address set forth below:

If to CSOL: 81 Mary Street  
Charleston, SC 29403

Attention: Andy Abrams

If to the Departing Member, the address set forth under the Departing Member's signature on the signature page hereto.

Either party may change its address for notice purposes by sending notice thereof to the other party in accordance with this Section 11.j.

k. Governing Law, Venue and Severability. This Agreement shall be governed, construed and enforced in accordance with laws of the State of South Carolina (without regard to conflicts of laws principles). CSOL and the Departing Member: (i) consent to the personal jurisdiction of the state and federal courts having jurisdiction over the City of Charleston, South Carolina, (ii) stipulate that the exclusive jurisdiction and venue for any legal proceeding arising out of this Agreement is the state and federal courts having jurisdiction over City of Charleston, South Carolina, and (iii) waive any defense, whether asserted by motion or pleading, that any such venue is an improper or inconvenient venue. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement which can be effected without such illegal clause, section or part shall nevertheless continue in full force and effect.

l. Headings. The headings or captions under sections of this Agreement are for convenience and reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Agreement.

[SIGNATURES APPEAR ON THE NEXT PAGE]

**SIGNATURE PAGE TO MEMBERSHIP INTEREST REDEMPTION AGREEMENT**

The parties have caused this Agreement to be signed on the date and year first above written.

**CHARLESTON SCHOOL OF LAW, LLC**

By: Robert S. Carr  
Name: Robert S. Carr  
Title: Authorized Signatory

Rm  
**RALPH C. MCCULLOUGH II**

Address: 66 Kenwood Blvd  
Charleston, SC  
29402

**ASSIGNMENT OF INTEREST**

*FOR VALUE RECEIVED*, the undersigned, RALPH C. MCCULLOUGH II, hereby sells, assigns and transfers unto CHARLESTON SCHOOL OF LAW, LLC, a South Carolina limited liability company (the "Company") the Membership Interests (as defined in that certain Redemption Agreement, dated as of the date hereof, by and between the Company and the undersigned) standing in the undersigned's name on the books of the Company, and does hereby irrevocably constitute and appoint ROBERT CARR attorney to transfer the said Membership Interests on the books of the Company with full power of substitution in the premises.

Date: JULY 23, 2013

RM  
RALPH C. MCCULLOUGH II

**RESIGNATION**

To the Board of Directors of  
Charleston School of Law, LLC:

I, Ralph C. McCullough II, hereby resign from all positions as an officer, manager and director of Charleston School of Law, LLC, a South Carolina limited liability company (the "Company"), effective immediately.

Date: JULY 23, 2013

RCM  
\_\_\_\_\_  
Ralph C. McCullough II

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**From:** Renea Eshleman  
**Sent:** Wednesday, August 28, 2013 3:09 PM  
**To:** Richard Sutton; Julie Carullo  
**Subject:** Letter from CSOL - Bob Carr  
**Attachments:** 8-28 CSOL Ltr.pdf

Advising of intent to sell CSOL to InfiLaw.

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**From:** Robert Carr [<mailto:rcarr@charlestonlaw.edu>]  
**Sent:** Wednesday, August 28, 2013 2:28 PM  
**To:** Renea Eshleman  
**Subject:** Letter from CSOL

Renea,  
Please find attached a letter from CSOL concerning the purchase of the school by InfiLaw.  
Thanks, see you tomorrow,  
Bob

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The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or legally privileged material. Any review, retransmission, dissemination or other use of this information, directly or indirectly, by persons or entities other than the intended recipient is prohibited. If you are not the intended recipient please contact the sender and delete the material from all computers in which it resides. Internet communications cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late, incomplete, or contain viruses. Therefore, we do not accept responsibility for any errors or omissions that are present in this message, or any attachment, that have arisen as a result of e-mail transmission. If verification is required, please request a hard-copy version or contact us by phone. Any views or opinions presented are solely those of the author and do not necessarily represent those of the Charleston School of Law.

CHARLESTON  
SCHOOL OF LAW

August 28, 2013

Renea H. Eshleman, Program Manager  
CHE – SC Commission for Higher Education  
Nonpublic Postsecondary Institution Licensing  
1122 Lady Street, Suite 300  
Columbia, SC 29201

Dear Renea:

In accordance our history of open lines of communication between the Commission on Higher Education (CHE) and the Charleston School of Law (CSOL) regarding CSOL's future plans, we are writing to advise you that the founders and owners of CSOL have signed an agreement expressing our intent to transfer ownership to InfiLaw Systems. We will be submitting a formal request for approval from CHE in due course. In addition to your approval, the transaction also requires approval by the American Bar Association (ABA).

In this communication, we wanted to provide you with some background on the transaction. We will also be in a position to discuss this with you at our meeting tomorrow.

As we have tried to be clear about all along, we made this decision because a majority of owners have expressed a desire to pull back and retire. We regret the delay in making this announcement, but we had held back based on advice we received from our lawyers and ABA consultants. We wish this whole situation had been handled differently and come to your attention more smoothly and for that we are sorry because we know that the future of the School means a great deal to the community, students and alumni. It means a great deal to us as well.

We have not reached this decision in haste and in fact, have been working for quite a while to come up with a viable succession plan. We know that there has been speculation that CSOL should be sold to a private or public institution. We have not been approached at all by any public institution interested in buying our interests and private institutions that we contacted elected not to engage in substantive discussions. We also looked at other options, such as becoming a non-profit institution and the sale to a current owner. None of these options, in the end, would have done as much to protect the interests of the School of Law for the foreseeable future as the InfiLaw transaction.

However, because we have CSOL's best interests at heart, we are willing to continue consideration of well thought out and financially responsible alternative proposals that would accomplish our objective, which is why we have set up a mechanism for considering serious proposals. We have given notice of this process to our students, faculty, staff and alumni and have asked that serious proposals be submitted to our lawyer by October 1, 2013.

We will keep you advised as the process moves ahead and look forward to seeing you tomorrow.

Sincerely,



Robert S. Carr  
Director

RSC/rwp

**Robert Carr**

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**From:** Rosanna W. Pearson  
**Sent:** Wednesday, August 28, 2013 8:22 AM  
**To:** 'Peter Goplerud'; Robert Carr  
**Cc:** Rosanna W. Pearson  
**Subject:** FW: UPDATE: Fall 20113 Enrolled Student Totals

Rosanna W. Pearson  
 Associate Director of The Charleston School of Law, LLC and  
 Special Assistant to the President

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**From:** Chivon Jenkins  
**Sent:** Tuesday, August 27, 2013 7:44 PM  
**To:** Andy Abrams; Abby Saunders; Betsy Marchant; Brett Barker; Deborah McGovern; Diane Rexroad; Janet Heaslip; Jennifer Summers; John Benfield; Karen Santos; Lisa Smith-Butler; Mark Moore; Melissa Strickland; Michelle Condon; Holly Finley; Paula Tejada; Pat Chisolm; Jacqueline Bell; Griffin Blackwelder; Anita Elliott; Travis Ebaugh; Wende Wood; Rosanna W. Pearson; George Kosko; Mark Hoch; Elizabeth Hamilton; Molly Blatt; Walker Spann; Tom Kascak; Jamie Hiers; Mary Lee  
**Cc:** Margaret Lawton; Missy Huff; Danielle Kaczenas  
**Subject:** UPDATE: Fall 20113 Enrolled Student Totals

Hi Everyone – Please find below an update on enrollment totals for fall 2013.

Thank you,  
 Chivon

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Full-Time	1L	2L	3L	4L	LLM	SubTotal
Female	75	43	74	0	0	192
Male	86	68	80	0	5	239
	161	111	154	0	5	431

Part-Time	1L	2L	3L	4L	LLM	SubTotal
Female	7	11	14	17	0	49
Male	18	12	18	23	0	71
	25	23	32	40	0	120

TOTAL	1L	2L	3L	4L	LLM	TOTAL
Female	82	54	88	17	0	241
Male	104	80	98	23	5	310
	186	134	186	40	5	551

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**From:** Renea Eshleman  
**Sent:** Thursday, August 29, 2013 4:06 PM  
**To:** Richard Sutton; Julie Carullo  
**Subject:** Minutes of CSOL Board Meeting 7/23/2013  
**Attachments:** 13--7--23--Final Board and Member Minutes.pdf

As we requested today.

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**From:** Robert Carr [<mailto:rcarr@charlestonlaw.edu>]  
**Sent:** Thursday, August 29, 2013 3:49 PM  
**To:** Renea Eshleman  
**Cc:** Andy Abrams; Peter Goplerud <[pgoplerud@fcsl.edu](mailto:pgoplerud@fcsl.edu)> ([pgoplerud@fcsl.edu](mailto:pgoplerud@fcsl.edu)); Rosanna W. Pearson  
**Subject:**

Renea,

It was good to see you, Julie and Dr. Sutton this morning. Thank you for your time. I truly apologize for my part in any confusion or lack of timely disclosure of all the information you need. I assure you it was purely a mistake on my part.

Pursuant to your request, I am forwarding herewith a copy of the minutes of the Board of Directors of the Charleston School of Law for July 23, 2013. This is the meeting at which Ralph's and Alex's interest in the school were redeemed by the school and the agreements with InfilLaw were finalized. You will note the minutes reflect that following the redemption, the three remaining owners continued to be equal in their ownership of the school.

I will look forward to meeting with you again at your convenience to discuss other issues and documents you are interested in.

Please let me know what else I can do to help facilitate the work of the Commission.

Thank you again for your help.

Bob

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MINUTES  
BOARD OF DIRECTORS AND MEMBERS  
OF THE CHARLESTON SCHOOL OF LAW, LLC  
JULY 23, 2013

A meeting of the Board of Directors and Members of The Charleston School of Law, LLC, convened at 10:00 A.M. on July 23, 2013, at 414 King Street, Charleston, South Carolina. Bob Carr, George Kosko and Ed Westbrook were present and Alex Sanders and Ralph McCullough were represented by proxies. Also present were Ed Hughes and David Hawkins, attorneys for the LLC, and Dawes Cooke, attorney for Ed Westbrook.

The original of all documents and agreements referenced herein and executed in accordance herewith are in the care and custody of Ed Hughes of Nexsen Pruet, LLC, the attorney for the Charleston School of Law, LLC,

Upon inquiry it was announced that Alex Sanders and Ralph McCullough would not be present in person or by phone and Bob Carr had their proxies. In the absence of Alex Sanders, George Kosko was appointed chairman of the meeting without objection. Upon inquiry there were no objections to the meeting.

Bob Carr was appointed secretary of the meeting without objection.

George Kosko indicated director's business would be handled first, with no objection. For the purposes of the director's meeting the secretary indicated that there was a quorum with all directors being present either personally or by proxy.

The first order of business was to consider the redemption of the interests in the LLC of Ralph McCullough and Alex Sanders. It was noted that the appropriate resolutions and proxies had been distributed in advance of the meeting and were received without objection.

Discussion followed during which Ed Westbrook indicated his desire that no members leave the LLC. He also asked for an explanation of the financing of the redemption. Attorney Ed Hughes explained the transaction and flow of funds, and Ed Westbrook objected to the borrowing of funds for the transaction.

Thereafter the question was called by George Kosko and seconded by Bob Carr. Ed Westbrook noted his view that the law school would suffer a loss from the departure of Alex Sanders and Ralph McCullough. The redemption was approved with Alex Sanders and Ralph McCullough voting by proxy for the redemption, Bob Carr and George Kosko voting for the redemption and Ed Westbrook voting against the redemption. Accordingly the redemption of the interests of Alex Sanders and Ralph McCullough was approved by a vote of four to one.

Thereafter the meeting was recessed for fifteen minutes to allow for the delivery of the documents to complete the redemption.

Subsequently the meeting was reconvened at the appointed time and member's business was addressed.

The Chair of the Meeting, George Kosko, announced that the redemption had been completed and that there were then remaining three owners of the LLC with the following interests:

Ed Westbrook 33.33%  
George Kosko 33.33%  
Bob Carr 33.33%

A quorum for the purpose of conducting members' business was noted.

The chair of the meeting also announced that resignations from the board of directors had been received from Alex Sanders and Ralph McCullough. A resolution approving the resignations of Alex Sanders and Ralph McCullough was accepted by a vote of two to one, with Ed Westbrook voting "no."

Next the chair called for discussion of the contingent sale of substantially all of the assets of the LLC as described in the previously circulated asset purchase agreement and resolutions.

Ed Westbrook spoke against the agreement stating his preference for the school to be owned by a local group, an eleemosynary entity or an established public or private educational institution.

Subsequently the question was called by George Kosko and seconded by Bob Carr. The proposal and a resolution approving the contingent asset purchase agreement were passed by a two thirds vote with George Kosko and Bob Carr voting for the agreement and Ed Westbrook voting against the agreement.

An agreement with Infilaw to provide consultation services and advice concerning the management and operation of the LLC was moved, seconded and approved without discussion by a vote of two to one subject to ratification of any changes to the agreement. Ed Westbrook voted against the agreement.

Ed Westbrook has asked that the minutes reflect he admonished Bob Carr and George Kosko to report truthfully the votes and the business conducted at the meeting, and particularly that Ed Westbrook did not agree with the decisions of the board.

There being no other business, the meeting was adjourned at 10:45 am.

Respectfully Submitted,

s/

Robert S. Carr

Secretary

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**From:** Jay Rossello <jrossello@infilaw.com>  
**Sent:** Friday, August 30, 2013 2:02 PM  
**To:** Renea Eshleman  
**Subject:** InfiLaw Letter of Intent  
**Attachments:** InfiLawSCCHELetterofIntent.8.30.13.pdf  
  
**Importance:** High

Dear Renea:

It was great to meet you in person yesterday during our meeting in Columbia. Thank you for your time and hospitality, and please thank your colleagues in attendance as well on my behalf. I believe our meeting was quite productive, and hopefully addressed some of the questions you had regarding the Charleston School of Law (CSOL). I know I gained much clarity in terms of the process going forward for seeking a license from the Commission.

Towards that end, and as per your request, attached please find a copy of our letter, stating our intent to acquire CSOL and to apply for a license from the Commission in connection therewith. We will begin, in short order, working on the next step in the process, with the goal of submitting the Application for Initial License on or before the October 1 deadline. In the meantime, if you should have any other questions or wish to discuss further, please do not hesitate to contact me. I would appreciate it if you could simply reply to this email, indicating receipt of the letter (a hard copy will follow via regular mail).

Best Regards,

Jay Rossello

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August 30, 2013

VIA EMAIL (reshleman@che.sc.gov) AND REGULAR US MAIL

Ms. Renea H. Eshleman, Acting Director  
Academic Affairs and Licensing  
SC Commission on Higher Education  
1122 Lady Street, Suite 300  
Columbia, SC 29201

RE: InfiLaw's Letter of Intent to Acquire the Charleston School of Law and to Apply for a License from the South Carolina Commission on Higher Education ("SCCHE")

Dear Ms. Eshleman:

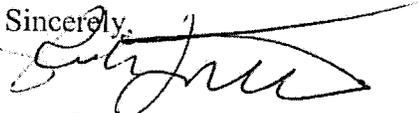
This letter is to notify you of InfiLaw Corporation's intent to acquire, through its subsidiary, CSOL Acquisition, LLC (together with InfiLaw Corporation, "InfiLaw"), the corporate entity that owns and holds the Charleston School of Law (e.g. the Charleston School of Law, LLC), pursuant to, and subject to the conditions set forth in, that certain Asset Purchase Agreement entered into, on July 23, 2013, by and amongst CSOL Acquisition, LLC, InfiLaw Corporation, Charleston School of Law, LLC and the members of the Charleston School of Law, LLC that are parties thereto ("APA").

Since such contemplated acquisition would involve and require a change of ownership of the Charleston School of Law, we hereby request that the SCCHE grant InfiLaw the appropriate license(s) needed under applicable state law and SCCHE regulations to own and operate the Charleston School of Law, effective upon the closing of the APA.

Towards that end, we would be most grateful if you would place this matter for SCCHE consideration during the upcoming cycle that begins on September 1, 2013. We will be sure to follow up with the next step in that cycle, by submitting to the SCCHE a formal Application for Initial License before the established deadline of October 1, 2013.

In the meantime, should you have any questions or require any further information, please do not hesitate to contact us.

Sincerely,

  
Rick Inatome  
President and CEO