

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:)
)
ESI SERVICE CORP.,) Case No. 16-07208-JMC-7A
)
Debtor.)

TRUSTEE’S MOTION TO ESTABLISH CERTAIN NOTICE, CASE MANAGEMENT AND ADMINISTRATIVE PROCEDURES AND APPROVE PROPOSED FORM 309D

Deborah J. Caruso, the chapter 7 trustee in this case (the “Trustee”), by counsel, pursuant to 11 U.S.C. §§ 102(1), 105(a) and Rules 1015(c), 2002 and 9007 of the Federal Rules of Bankruptcy Procedure, requests the Court enter an order (a) approving and implementing certain notice, case management and administrative procedures (collectively, the “Case Management Procedures”) and (b) approving the proposed Form 309D (Notice of Chapter 7 Bankruptcy Case – Proof of Claim Deadline Set) (the “341 Notice”), on the following grounds:

I. JURISDICTION

1. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).
2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for relief requested are sections 102(1) and 105(a) of Title 11 of the United States Code (the “Bankruptcy Code”) and Rules 1015(c), 2002 and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

II. BACKGROUND

4. On September 16, 2016 (the “Petition Date”), ESI Service Corp. (“ESI”) filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code.

5. ESI is one of three related entities. The related entities are ITT Educational Services, Inc. (“ITT”) and Daniel Webster College, Inc. (“Webster College,” and together with ESI and ITT, the “Affiliated Debtors.”). Each of the Affiliated Debtors filed chapter 7 petitions on the Petition Date, and the cases are pending in this district.¹ The Trustee was appointed as chapter 7 trustee in each of the Affiliated Debtors’ bankruptcy cases on the Petition Date pursuant to section 701(a)(1) of the Bankruptcy Code.

6. Prior to the Petition Date, the Affiliated Debtors as a whole were engaged in the for-profit enterprise of providing postsecondary degree programs in 137 campus locations in 39 states and through online services.

7. There are over 200,000 potential creditors and other parties in interest involved in the Affiliated Debtors’ bankruptcy cases. Many of these creditors and other parties in interest will file requests for service in the Affiliated Debtors’ bankruptcy cases. The Trustee also expects that numerous motions and applications will be filed in these bankruptcy cases in pursuit of various forms of relief. By scheduling regular bi-monthly omnibus hearings in advance, parties in interest, and certainly the Trustee, will be better able to plan for and schedule attendance at hearings, thus reducing the need for emergency hearings and/or expedited relief and fostering consensual resolution of important matters. Moreover, by establishing certain notice and service procedures, all parties in interest will be assured of receiving appropriate notice of matters affecting their interests and ample opportunity to prepare for and respond to such matters.

¹ The case numbers for the Affiliated Debtors are as follows: ITT Educational Services, Inc., Case No. 16-07207-JMC-7A; ESI Service Corp., Case No. 16-07208-JMC-7A; and Daniel Webster College, Inc., Case No. 16-07209-JMC-7A.

8. The Trustee believes that all creditors and parties in interest will benefit from the establishment of the procedures set forth in the Case Management Procedures, attached hereto as Exhibit “1.”

9. Further, the Trustee is currently seeking the employment and retention of Rust Consulting/Omni Bankruptcy, a division of Rust Consulting, Inc. (“Rust Omni”) to serve as the claims and noticing agent in the Affiliated Debtors’ bankruptcy cases. In anticipation of the Court’s approval of Rust Omni’s employment, the Trustee seeks Court approval of the 341 Notice, attached hereto as Exhibit “2.” The proposed 341 Notice has been modified to include information about the case website maintained by Rust Omni, a separate toll free number to contact Rust Omni, applicable deadlines for filings proofs of claim in the Affiliated Debtors’ bankruptcy cases (the “Bar Dates”) and where to send proofs of claim for filing.

III. RELIEF REQUESTED

10. The Trustee requests the Court enter an order, pursuant to sections 102(1) and 105(a) of the Bankruptcy Code and Bankruptcy Rules 1015(c), 2002 and 9007, approving the Case Management Procedures and the proposed 341 Notice.

A. Case Management Procedures.

11. The Trustee requests that, to the extent the Case Management Procedures conflict with either the Bankruptcy Rules or the Local Rules, the Case Management Procedures govern and supersede such rules for the Affiliated Debtors’ bankruptcy cases.

12. The Case Management Procedures will be distributed to all entities that file a request for service pursuant to Bankruptcy Rule 2002 and to all entities filing an appearance and/or request to intervene pursuant to the Local Rules.

(i) **Omnibus Hearing Process.**

13. Given the number of creditors and parties in interest and the size and complexity of the Affiliated Debtors' bankruptcy cases, the Trustee request entry of an order scheduling regular, bi-monthly omnibus hearings (the "Omnibus Hearings") in accordance with Section A of the Case Management Procedures.

14. In order to facilitate participation in the Omnibus Hearings by the numerous creditors and parties in interest, the Trustee requests entry of an order approving telephonic participation in the Omnibus Hearings as provided by Section B of the Case Management Procedures.

(ii) **Notice Procedures.**

15. The Trustee proposes that documents filed in the Affiliated Debtors' bankruptcy cases shall be subject to the notice procedures (collectively, the "Notice Procedures") set forth in Section C of the Case Management Procedures, and that notice given in accordance with such Notice Procedures be deemed adequate pursuant to the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

16. Many of the Affiliated Debtors' numerous creditors and parties in interest will request notice of documents filed in these bankruptcy cases. In addition, the Trustee expects that she will have to serve numerous parties in interest with various motions and other documents that she files. The potential costs associated with copying and serving all documents that the Trustee files with the Court pursuant to applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules will impose an undue administrative and economic burden on the Trustee and the Affiliated Debtors' bankruptcy estates.

17. E-mail will be the fastest, most convenient and most economical way to serve notice on those who may be entitled to notice pursuant to the Bankruptcy Code, the Bankruptcy Rules and the Local Rules. Moreover, the Trustee can monitor the status of e-mail delivery easily and inexpensively, something the Trustee cannot do as easily when service is by U.S. mail or as economically when service is by overnight or hand delivery. The use of e-mail will result in substantial cost savings with respect to copying and postage and allow for instantaneous transmission of documents. Electronic filing ensures that all attorneys appearing in the Affiliated Debtors' bankruptcy cases provide an electronic address. Effecting service by electronic mail is a natural complement to electronic filing.

18. In light of the foregoing, the Trustee proposes the Court authorize the Trustee to provide notice by e-mail as set forth in Section D of the Case Management Procedures.

19. The Notice Procedures, among other things, (a) define the parties who are to receive notice of each document that is filed with the Court, (b) describe what information must be included in notices of requests for relief from the Court, (c) set forth the deadlines for objections to be filed to requests for relief and the date of the hearing at which such requests for relief will be heard, and (d) explain the procedures for service of documents filed with the Court.

B. Use of Proposed 341 Notice.

20. The Trustee has conferred with the Office of the United States Trustee regarding specially formatting the 341 Notice for use in the Affiliated Debtors' bankruptcy cases. The Trustee proposes that the 341 Notice include information about the case website (which includes necessary information regarding the Affiliated Debtors' bankruptcy cases), a separate toll-free number to contact Rust Omni, the Bar Dates for filings proofs of claim and where to send proofs of claim for filing.

21. The Office of the United States Trustee and the Trustee have agreed to the proposed 341 Notice, attached hereto as Exhibit “2.” Accordingly, the Trustee requests the Court order that the proposed 341 Notice be used in the Affiliated Debtors’ bankruptcy cases and that it be served by Rust Omni in accordance with the Case Management Procedures.

IV. GROUNDS FOR GRANTING RELIEF

22. The Bankruptcy Code and the Bankruptcy Rules permit the Court to establish notice, case management and administrative procedures. In particular, Bankruptcy Rule 2002(a) provides that, unless otherwise ordered by the Court, notice of certain matters must be given to, among others, all of the Affiliated Debtors’ creditors, equity holders and other parties in interest. The Bankruptcy Rules further provide that “[t]he court may from time to time enter orders designating the matters in respect to which, the entity to whom, and the form and manner in which notices shall be sent except as otherwise provided by these rules.” *See* Fed. R. Bankr. P. 2002(m); *see also* Fed. R. Bankr. P. 9007 (“[w]hen notice is to be given under these rules, the court shall designate, if not otherwise specified herein, . . . the form and manner in which the notice shall be given.”).

23. In addition, section 105(a) of the Bankruptcy Code grants bankruptcy courts broad authority and discretion to enforce the provisions of the Bankruptcy Code. Specifically, section 105(a) of the Bankruptcy Code provides that:

The court may issue any Order, process, or judgment that is necessary or appropriate to carry out the provisions of this Title. No provision of this Title providing for the raising of an issue by any party in interest shall be construed to preclude the court from, sua sponte, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent the abuse of process.

11 U.S.C. § 105(a).

24. Section 102(1) of the Bankruptcy Code states that, where the Bankruptcy Code provides for an action to occur “after notice and a hearing,” such action may occur “after such notice as is appropriate in the particular circumstances, and such opportunity for a hearing as is appropriate in the particular circumstances” 11 U.S.C. § 102(1)(A).

25. As explained above, the Affiliated Debtors’ bankruptcy cases are large and complex, will be fast-paced and will involve over 200,000 potential creditors and other parties in interests. Many of these parties in interest will have multiple concerns. The Trustee anticipates that the notice lists will contain numerous entities. The costs and burdens associated with the possibility of frequent and fragmented hearings, plus the costs associated with copying and mailing or otherwise serving all documents filed with the Court to all such entities, will impose an extraordinary and expensive administrative and economic burden on the Trustee, the Affiliated Debtors’ bankruptcy estates, the Court and the parties in interests.

26. Indeed, constant mass mailings will be extraordinarily costly to the Affiliated Debtors’ estates and will require the Trustee to divert limited resources to comply with all administrative requirements. For example, the continual drafting and filing of motions to limit notice for each use, sale or lease of the Affiliated Debtors’ property outside of the ordinary course of business and for various compromises and settlements will increase the administrative and economic burden on the Affiliated Debtors’ bankruptcy estates.

27. The Trustee believes that adopting the Omnibus Hearing process and the Notice Procedures will substantially reduce administrative burdens and result in substantial cost savings to the Affiliated Debtors’ bankruptcy estates because of the reduction of time and money the Trustee will have to expend on the many hearings and documents that otherwise will be filed in these bankruptcy cases.

28. Pursuant to the terms of the Omnibus Hearing process and the Notice Procedures, all parties in interest that may be directly affected by the relief sought by a particular filing with the Court, response or objection, or adversary proceeding will receive notice directly from the entity submitting such documents to the Court well in advance of the hearing. Thus, no party in interest will be adversely affected.

29. Limited notice procedures are routinely granted by bankruptcy courts in large bankruptcy cases to reduce the expense of the administration of the estate. *See In re MF Global Inc.*, Case No. 11-2790 (MG) (Bankr. S.D. N.Y. Nov. 22, 2011); *In re American Commercial Lines LLC et al.*, Case No. 03-90305 (BHL) (Bankr. S.D. Ind. March 26, 2004); *In re ATA Holdings Corp.*, Case No. 04-19866 (BHL) (Bankr. S.D. Ind. Oct. 29, 2004); *U.S. Airways, Inc. et al.*, Case No. 04-13819 (SSM) (Bankr. E.D. Va. Sept. 12, 2004); *In re UAL, et al.*, Case No. 02-48191 (ERW) (Bankr. N.D. Ill. Dec. 19, 2002); *In re Kmart Corporation, et al.*, Case No. 02-02474 (SPS) (Bankr. N.D. Ill. Jan. 25, 2002); *In re Comdisco, Inc.*, Case No. 01-24795 (RB) (Bankr. N.D. Ill. July 18, 2001). For the reasons set forth herein, the Trustee believes the Case Management Procedures are appropriate and should be approved and implemented in the Affiliated Debtors' bankruptcy cases.

30. The establishment of the Case Management Procedures will promote the efficient and orderly administration of the Affiliated Debtors' bankruptcy cases. Early notice to all parties in interest of regular bi-monthly Omnibus Hearings will enable entities to plan efficiently for the use of hearing time, will avoid the need for numerous hearings within each month, and will lessen the burden on the Court, the Trustee and on the Affiliated Debtors' bankruptcy estates. Moreover, parties in interest will still have the opportunity to bring true emergency matters before the Court on an expedited basis. Finally, authorizing the Trustee to serve documents by e-

mail will ease the administrative and economic burdens on the Court and the Affiliated Debtors' bankruptcy estates. For these, reasons the Trustee believes the relief requested herein is in the best interests of the Affiliated Debtors' bankruptcy estates and should be approved.

V. NOTICE

31. The Trustee is contemporaneously filing herewith the following motions: (i) *Motion to Shorten Notice on the Trustee's Motion to Establish Certain Notice, Case Management and Administrative Procedures and Approve Proposed Form 309D*, requesting the notice period for this motion be shortened to seven (7) days; and (ii) *Motion to Limit Notice on the Trustee's Motion to Establish Certain Notice, Case Management and Administrative Procedures and Approve Proposed Form 309D* (the "Limit Motion"), requesting that notice of this motion be limited to (a) the Office of the United States Trustee, (b) the Affiliated Debtors' counsel, and (c) those parties who have appeared pursuant to Bankruptcy Rule 9010 or who have requested notice pursuant to Bankruptcy Rule 2002.

WHEREFORE, the Trustee respectfully requests entry of an Order, pursuant to sections 102(a)(1), 105(a), Bankruptcy Rules 1015(c), 2002 and 9007: (i) approving and implementing the Case Management Procedures; (ii) approving the proposed 341 Notice; and (iii) granting all other just and proper relief.

Respectfully submitted,

Proposed counsel to the Trustee
RUBIN & LEVIN, P.C.

By: /s/ Meredith R. Theisen
Meredith R. Theisen

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CERTIFICATE OF SERVICE

I hereby certify that on September 26, 2016, a copy of the foregoing *Trustee's Motion to Establish Certain Notice, Case Management and Administrative Procedures and Approve Proposed Form 309D* was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:)
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ESI SERVICE CORP.,) Case No. 16-07208-JMC-7A
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Debtor.)

NOTICE, CASE MANAGEMENT AND ADMINISTRATIVE PROCEDURES

To the extent the case management procedures set forth below (the “Case Management Procedures”) conflict with the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), the Local Rules of the United States Bankruptcy Court for the Southern District of Indiana (the “Local Rules”) or the accompanying Procedures Manual, the Case Management Procedures shall govern and supersede such rules. The Case Management Procedures are as follows:

CASE MANAGEMENT PROCEDURES

A. Omnibus Hearings.

1. **All Matters to be Heard at Omnibus Hearings.** The following will be considered and/or heard only at semi-monthly omnibus hearings scheduled in advance by the Court (each an “Omnibus Hearing”), unless the Court orders otherwise: all motions, pleadings, applications and other requests of relief, all objections and responses and replies thereto and all other matters. All motions, pleadings, requests for relief or other matters that purport to set a hearing on a date and/or time at which no Omnibus Hearing is set shall automatically and without court order be scheduled to be heard at the next Omnibus Hearing that is at least twenty (20) days after the date such motion, pleading, or request for relief was actually filed with the Court.

2. **Emergency Hearings.** Notwithstanding any procedure herein, in the event that, in the reasoned determination of a movant or applicant, a motion or application of a party or entity other than the Trustee requests emergency or expedited relief:

- (a) Such movant or applicant shall contact counsel for the Trustee requesting that such motion or application be considered on an expedited basis.
- (b) In the event that counsel for the Trustee disagrees with the movant's or applicant's determination regarding the emergency or expedited nature of the relief requested, such movant or applicant, as the case may be, shall (i) inform the Court of such disagreement via telephone, and thereafter (ii) arrange for a chambers conference, telephonic or in-person, to be held among the Court, counsel for the Trustee, and such movant or applicant to

discuss such disagreement. In the event that, following such chambers conference, the Court agrees with the position of such movant or applicant regarding the necessity for expedited consideration, such movant or applicant may, by order to show cause, request a hearing to be held on a hearing day prior to the next applicable Omnibus Hearing. Any such motion or application must state with specificity the reason why an emergency exists or why there is a need for expedited treatment, indicate in the caption thereof that it is an emergency motion and certify the fact that a chambers conference, telephonic or in-person, was held and the concurrence of the Court as to the necessity for expedited consideration. In the event that the Court grants such emergency treatment, the Court shall direct the requisite notice and shall set a hearing date and time. On the hearing day on which the matter is scheduled (the "Hearing Day"), the Court shall first consider the propriety of emergency treatment, whether adequate notice has been given and whether there has been adequate opportunity for parties to be heard. In the event that the Trustee seeks emergency or expedited relief, such request for emergency or expedited consideration shall be upon prior notice to counsel for any statutory committee and an opportunity to be heard.

- (c) In the event that counsel for the Trustee does not disagree with the movant or applicant's determination regarding the emergency or expedited nature of the relief requested, such movant or applicant may, by proposed scheduling order, request a hearing to be held on a Hearing Day prior to the next applicable Omnibus Hearing. Any such motion or application must certify the agreement of expedited treatment by counsel for the Trustee, state with specificity the reason why an emergency exists or why there is a need for expedited treatment and indicate in the caption thereof that it is an emergency motion. In the event that the Court grants such emergency treatment, the Court shall direct the requisite notice and shall set a hearing date and time. On the Hearing Day on which the matter is scheduled, the Court shall first consider the propriety of emergency treatment, whether adequate notice has been given, and whether there has been adequate opportunity for parties to be heard.

3. **First Five Omnibus Hearings.** The Court has set the following dates and times as the first five Omnibus Hearings:

- (a) ____:____ ____.m. on the ____ day of _____, 201____.
- (b) ____:____ ____.m. on the ____ day of _____, 201____.
- (c) ____:____ ____.m. on the ____ day of _____, 201____.
- (d) ____:____ ____.m. on the ____ day of _____, 201____.
- (e) ____:____ ____.m. on the ____ day of _____, 201____.

4. **Future Hearings.** At or before the last Omnibus Hearing scheduled in Section A.3.e. above or scheduled in any subsequent notice, the Trustee shall request that additional Omnibus Hearings be scheduled. All future Omnibus Hearings scheduled by the Court shall be posted in a filing entered on the Court's CM/ECF docket.

B. Participation in Omnibus Hearings by Telephone.

1. The Trustee shall arrange with a service, to be determined by the Trustee in her sole and absolute discretion, for the participation in the Omnibus Hearings in the Affiliated Debtors'¹ bankruptcy cases by telephone conference. Any party filing a motion, application or other pleading, including, without limitation, an objection or response thereto, may participate in an Omnibus Hearing by telephone conference. Any party not submitting a pleading, but interested in monitoring the Court's proceedings, may participate by telephone conference in "listen-only" mode. Under no circumstances, may any party record or broadcast the proceedings conducted by the Court. Any costs associated with setting up this system shall be borne by the Affiliated Debtors' bankruptcy estates as permitted by 28 U.S.C. § 156(c). If telephonic participation has been arranged by the Trustee, the Trustee shall file an agenda including the phone number and passcode to participate by telephone conference not later than 12:00 p.m. (prevailing Eastern Time) the day before any Omnibus Hearing or as soon as possible before an emergency hearing if requested by the Trustee. The Trustee is not responsible for arranging telephone conference participation for an emergency hearing not requested by the Trustee.

2. In the event witness testimony will be heard during any hearing, the witness(es) may *not* participate in the hearing by telephone, but rather must appear in the courtroom.

C. Requests for Service by E-mail and Facsimile.

1. **2002 Notice Request.** A request for notice pursuant to Bankruptcy Rule 2002 (a "2002 Notice Request") filed with the Court shall be deemed proper if and only if it: (a) provides an address at which documents filed with the Court by the Trustee may be served by e-mail by the Trustee unless accompanied by the certification described in Section C.4.; (b) provides an address at which all documents filed with the Court and served by all entities may be served by (i) U.S. mail, (ii) hand delivery, (iii) overnight delivery and/or (iv) facsimile; (c) provides the telephone number of each entity; and (d) specifies the entity's local counsel and the counsel, if any, primarily responsible for matters before the Court but not having an office within this District. A 2002 Notice Request need not be in the form of a motion accompanied by a draft order, nor must the 2002 Notice Request allege facts justifying the added expense to parties that is caused by expanding the notice list.

2. **Appearance Request.** Interested parties or their counsel who, pursuant to Local Rule B-9010-1(a), wish to receive copies of all documents (other than proofs of claim) filed in these cases shall file an appearance (an "Appearance Request"). An Appearance Request filed

¹ The Affiliated Debtors and their corresponding case numbers are as follows: ITT Educational Services, Inc. (Case No. 16-07207-JMC-7A); ESI Service Corp. (Case No. 16-07208-JMC-7A); and Daniel Webster College, Inc. (Case No. 16-07209-JMC-7A).

with the Court shall be deemed proper if and only if it: (a) provides an address at which documents filed with the Court by the Trustee may be served by e-mail by the Trustee unless accompanied by the certification described in Section C.4.; (b) provides an address at which all documents filed with the Court and served by all entities may be served by (i) U.S. mail, (ii) hand delivery, (iii) overnight delivery, and/or (iv) facsimile; (c) provides the telephone number of each entity; and (d) specifies the entity's local counsel and the counsel, if any, primarily responsible for matters before the Court but not having an office within this District.

3. **Filing Requests for Documents Requires E-mail Address.** All 2002 Notice Requests and Appearance Requests, whether already filed or filed in the future, shall automatically be deemed improper and of no effect, unless such 2002 Notice Requests and Appearance Requests comply with the procedures set forth herein (including without limitation the requirement that all 2002 Notice Requests and Appearance Requests must include an available e-mail address to receive notice), unless accompanied by the certification described in Section C.4.

4. **Certification Opting Out of E-mail Service.** Any individual or entity filing a 2002 Notice Request or Appearance Request who does not maintain (and cannot practicably obtain) an e-mail address and thereafter cannot receive service by e-mail must include on the 2002 Notice Request or Appearance Request a certification to that effect (the "Certification"). The Certification shall include a statement certifying that the individual or entity (a) does not maintain an e-mail address, and (b) cannot practicably obtain an e-mail address at which the individual or entity could receive service by e-mail.

5. **Email Address Required.** If a 2002 Notice Request or an Appearance Request fails to include an e-mail address or the Certification, the Trustee shall forward a copy of the Case Management Procedures to such party within five (5) business days requesting an e-mail address. If neither an e-mail address nor the Certification is provided in response to such request, such party shall not be added to the 2002 List or the Appearance List (as each term is defined below), as applicable, or served with copies of Court Filings unless such Court Filings directly affect such party.

6. **2002 Notice List and Appearance List.** The Trustee or a Court-appointed notice agent shall be responsible for maintaining an updated list of those who have submitted a 2002 Notice Request (the "2002 List") and an Appearance Request (the "Appearance List"). It is the responsibility of each entity submitting a 2002 Notice Request or Appearance Request to file an updated 2002 Notice Request or Appearance Request as necessary to reflect changes of e-mail address, contact person or otherwise. No person or entity will be removed from the 2002 List or Appearance List prior to the filing of a document by the person or entity requesting such removal or the Court entering an order directing such removal.

D. Filing and Notice Procedures.

1. **Procedures Established for All Court Filings.** All documents filed in the Affiliated Debtors' bankruptcy cases, including but not limited to all notices, motions, applications and other requests for relief, all briefs, memoranda, affidavits, declarations, and other documents filed in support of such papers seeking relief (collectively, the "Requests for

Relief”) and all objections and responses to such Requests for Relief (collectively, the “Objections,” and together with the Requests for Relief and all other filed documents, the “Court Filings”) shall be filed with the Court and served in accordance with the notice procedures set forth herein; provided, however, that the notice procedures set forth herein shall not apply to Court Filings listed in Section D.7 below.

2. **Definition of Entities Entitled to Service.** All Court Filings shall be served on the Core Group, the 2002 List, the Appearance List (each as defined herein, collectively, the “Service List”) and the Affected Entities (as defined herein), according to the notice procedures described herein. A Court Filing is deemed not to have been properly served until served on all of the parties on the Core Group.

- (a) **Core Group.** The following entities shall comprise the core group of entities in the Affiliated Debtor’s bankruptcy cases (collectively, the “Core Group”): (i) the Affiliated Debtors; (ii) the Affiliated Debtors’ counsel; (iii) the Office of the United States Trustee; (iv) the Trustee; and (v) the Trustee’s counsel.
- (b) **2002 List.** This group shall be comprised of all entities who have filed a 2002 Notice Request pursuant to Bankruptcy Rule 2002 and these Case Management Procedures.
- (c) **Appearance List.** This group shall be comprised of all entities who have filed an Appearance Request. An entity added to the Appearance List must serve a copy of the revised Appearance List on all parties appearing on the list.
- (d) **Affected Entity.** This group shall be comprised of all entities with a particularized interest in the subject matter of the particular Court Filing (each, an “Affected Entity”).
- (e) **Updating and Maintenance of the Service List.** The Trustee or a Court-appointed notice agent shall update the initial service list within fifteen (15) days of an order approving the Case Management Procedures; thereafter the Service List shall be updated every thirty days (30) for the six months following the petition date (September 16, 2016). Each updated Service List shall be filed with the Clerk and posted on the Court’s ECF system.

3. **Notice and Service of Filings for Relief, Objections thereto, Replies thereto and Orders.**

- (a) **Notice of Filing for Relief.** Any entity filing a Request for Relief shall file and serve a notice of such Request for Relief that complies with the procedures set forth herein.

(b) **Contents of Notice of Request for Relief.** Each notice of Request for Relief shall conspicuously state: (i) the title of the Request for Relief; (ii) the time and date of any deadline to object thereto (which deadline shall be in accordance with Section D.3.b.(i) below); (iii) the Omnibus Hearing (or other hearing as ordered by the Court) for which the Request for Relief (the “Applicable Hearing”) is set to be considered by the Court; and (iv) a statement that the relief requested in the Request for Relief may be granted by the Court without a hearing if no Response thereto is timely filed and served in accordance with these Case Management Procedures.

(i) **Deadline for Objections.**

- (1) The deadline to file Objections to Requests for Relief (the “Objection Deadline”) shall be (a) 4:00 p.m. (prevailing Eastern Time) on the seventh (7th) calendar day before the Applicable Hearing, or (b) such day otherwise ordered by the Court.
- (2) The Objection Deadline may be extended with the consent of the entity filing the Request for Relief to a date and time that is no later than three (3) days before the Applicable Hearing.

(ii) **Setting the Applicable Hearing.** Except as otherwise provided herein, in the Bankruptcy Code, or the Bankruptcy Rules, the relief requested in a Request for Relief shall not be considered by the Court unless the Request for Relief is filed and served in accordance with the Case Management Procedures at least twenty (20) calendar days prior to the Applicable Hearing, unless otherwise ordered by the Court; provided, however, that if the Request for Relief is served by U.S. Mail, the Request for Relief shall not be considered by the Court unless the Request for Relief is filed and served in accordance with the Case Management Procedures at least twenty-three (23) calendar days prior to the applicable hearing, unless otherwise ordered by the Court.

(c) **Manner of Service.**

(i) Standing Order No. 04-0005 entered September 9, 2004 (the “Electronic Filing Order”) approved the Administrative Procedures Concerning Electronic Case Files in this District (the “Electronic Case Files Procedures”). Paragraph II.B.4. of the Electronic Case Files Procedures states:

The "Notice of Electronic Filing" that is automatically generated by the Court's ECF system constitutes service or notice of the

filed documents on registrants. Parties who are not registrants must be provided notice or service of any pleading or other documents electronically filed in accordance with the Federal Rules of Bankruptcy Procedure and Local Rules of the Bankruptcy Court for the Southern District of Indiana.

Any entity required to serve a "registrant" as such is defined in the Electronic Case Files Procedures shall be deemed to have served such registrant upon filing the document with the Court.

- (ii) **Service by All Entities.** All entities are authorized to serve Court Filings by U.S. mail, hand or overnight delivery, or facsimile.
 - (1) **Service by All Entities to Core Group.** All entities (except for the Trustee) shall serve all Requests for Relief on the Core Group by hand or overnight delivery or facsimile, subject to the Electronic Filing Order.
 - (2) **Service by All Entities to 2002 List, Appearance List and Affected Entities.** All entities (except for the Trustee) shall serve all Requests for Relief on the 2002 List, Appearance List and Affected Entities (a) by U.S. Mail, hand, or overnight delivery if the Request for Relief is filed and served at least twenty three (23) days prior to the Applicable Hearing, and (b) by hand or overnight delivery if the Request for Relief is filed and served less than twenty three (23) days but at least twenty (20) days prior to the Applicable Hearing, subject to the Electronic Filing Order.
- (iii) **Service by E-mail.**
 - (1) Only the Trustee, her counsel, and the Court-appointed notice agent (at the direction of the Trustee) are authorized to serve documents by e-mail. Unless otherwise provided for in these Case Management Procedures, any Court Filings served by the Trustee via e-mail shall be deemed to constitute proper service for all parties who are sent such e-mail service.
 - (2) All documents served by e-mail shall include access to an attached computer file or weblink containing the entire document, including the proposed form(s) of order and any

exhibits, attachments or other materials in the following format: (i) in ".pdf" format, readable by Adobe Acrobat or other equivalent document reader program commonly available without cost, or (ii) in ASCII or "text only" format, readable by commonly used word processing programs.

- (d) **Service of Requests for Relief.** Except as described below or as authorized by the Court, all Requests for Relief shall be served upon the Service List and on each Affected Entity.
- (i) **Service of Requests for Relief for Which Particular Notices are Required by Bankruptcy Rules 2002(a)(3), 4001, 6004, 6006, 6007 or 9019.** All Court Filings for which particular notices are required by Bankruptcy Rules 2002(a)(2), 2002(a)(3), 4001, 6004, 6006, 6007 or 9019, shall be served on those entities on the Service List and each Affected Entity, except as modified herein and unless otherwise authorized by the Court.
- (ii) **Service of Requests for Relief Pursuant to 11 U.S.C. §§ 363(b), 554, and 725.** Notwithstanding Bankruptcy Rule 2002(a)(2) or 6007, Requests for Relief related to the use, sale, lease or abandonment of property other than in the ordinary course of business shall be served only on those entities on the Service List and each entity asserting an interest in such property; provided however, that if the Request for Relief relates to the sale of substantially all of the Affiliated Debtors' assets, the movant shall seek authority to limit notice from that which the Bankruptcy Code, the Bankruptcy Rules and the Local Rules require.
- (iii) **Service of Other Filings for Relief Described in Bankruptcy Rule 2002.** Except as set forth herein or as otherwise authorized by the Court, notice of contested matters and adversary proceedings described in Bankruptcy Rule 2002 shall be served in accordance thereof.
- (e) **Service of Objections.** All Objections shall be filed with the Court and served *so as to be actually received* prior to the Objection Deadline upon the entity filing the Request for Relief, those entities on the Service List, and each Affected Entity, with such Affected Entities to be determined based on the particular court filing being served.
- (f) **Service of Replies.** If a Court Filing is a reply (a "Reply") to an Objection or an Omnibus Reply to several Objections, such Reply shall be filed with the Court and served so as to actually be received by the Core Group and each Affected Entity, in all cases by 12:00 p.m. (prevailing Eastern Time) on the day prior to the Applicable Hearing Date.

- (g) **Service of Orders.** Entities drafting orders that are entered by the Court are not required to serve copies of such order upon receipt thereof.
- (h) **Granting the Request for Relief Without a Hearing.**
 - (i) Provided that the notice filed with a Request for Relief includes a statement that the Request for Relief may be granted and an order entered without a hearing unless a timely objection is made, after the Objection Deadline has passed and no Objection has been filed or served in accordance with the procedures set forth herein, counsel to the entity who has filed the Request for Relief may file a certification indicating that no Objection has been filed or served on the entity who has filed the Request for Relief (the “Certificate of No Objection”).
 - (ii) By filing a Certificate of No Objection, counsel for the movant represents to the Court that the movant is unaware of any objection to the Request for Relief and that counsel has reviewed the Court's docket and no Objection appears thereon.
 - (iii) Upon receipt of the Certificate of No Objection, the Court may grant the Request for Relief without further pleading, hearing or request, and once an order granting such Request for Relief is entered, no further hearing in the Request for Relief shall be held.
 - (iv) After a Certificate of No Objection has been filed, the Request for Relief may be heard at the next Omnibus Hearing if the Court does not grant the Request for Relief before such Omnibus Hearing.
- (i) **Filing Certificates of Service.** The Trustee shall file a certificate of service as soon as practicable, but in all events prior to the Applicable Hearing.

4. **Requests for Relief to Modify the Automatic Stay under Section 362 or for a Determination That the Automatic Stay is Inapplicable.** Unless the Court orders otherwise, (a) if a motion filed to lift the automatic stay of Section 362 of the Bankruptcy Code or seeking a determination that the automatic stay does not apply (a “Lift Stay Motion”) is filed more than twenty (20) days before the next Omnibus Hearing, the date of the "request" to modify the stay (or determine it to be inapplicable) with respect to such Lift Stay Motion shall be the next Omnibus Hearing, and (b) if a Lift Stay Motion is filed twenty (20) or fewer days before the next Omnibus Hearing, the date of “request” to modify the stay (or determine it to be inapplicable) with respect to such Lift Stay Motion shall be the Omnibus Hearing following the next Omnibus Hearing. Unless the Court orders otherwise, the objection deadline shall be seven (7) days prior to the date of the Applicable Hearing. If a duly scheduled Lift Stay Motion is adjourned, on the consent of the Trustee and the moving party, to a date at least thirty (30) days after the Request for Relief was made, the moving party shall be deemed to have consented to the continuation of the automatic stay pending a final hearing and determination under section 362(d) of the

Bankruptcy Code, and shall be deemed to have waived its right to assert the termination of the automatic stay under section 362(e) of the Bankruptcy Code. If a hearing in connection with a Lift Stay Motion requires the presenting of evidence, the movant shall inform, in writing, the Court, counsel for the Trustee of any such intention, the manner of presentation, the number of potential witnesses and the expected length of such presentation, no later than three (3) business days prior to the date of the Applicable Hearing.

5. **Motions to Compromise and Settle Claims, Disputes and Causes of Action Pursuant to Bankruptcy Rule 9019 and Motions to Confirm the Proposed Use, Sale or Lease of Property in an Ordinary Course of Business Transaction.** Unless the Court orders otherwise, (a) if such motions are filed more than ten (10) days before the next Omnibus Hearing, the motion will be heard at the next Omnibus Hearing, or (b) if such motions are filed ten (10) or fewer days before the next Omnibus Hearing, the motion will be heard at the Omnibus Hearing that follows the next Omnibus Hearing. Unless otherwise ordered by the Court, the Objection Deadline shall be three (3) business days prior to the date of the Applicable Hearing.

6. **Serving Adversary Pleadings.** All initial pleadings or other Court Filings in any adversary proceeding commenced in the Affiliated Debtors' bankruptcy cases shall be served upon the Core Group, each Affected Entity, and any entities required to be served under any applicable Bankruptcy Rule or Local Rule.

7. **Filings for Relief Not Affected by These Notice Procedures.** Unless otherwise ordered by the Court, the Case Management Procedures specifically described herein shall not supersede the requirements for notice of the matters or proceedings described in the following Bankruptcy Rules:

- (a) Bankruptcy Rule 2002(a)(1), (3), (4); and
- (b) Bankruptcy Rule 2002(f)(1), (2), (3), (6), (8).

8. **Right to Request Special Notice Procedures.** Nothing herein shall prejudice: (a) the right of any entity to move the Court to further limit or expand notice of contested matters and adversary proceedings upon a showing of good cause, including without limitation the right to file a motion seeking emergency *ex parte* relief or relief upon shortened notice; or (b) the right of any entity to request an enlargement or reduction of any time period under Bankruptcy Rules 9006(b) or 9006(c).

E. Computation of Time.

1. Except as otherwise set forth in these Case Management Procedures, Bankruptcy Rule 9006 shall be used to compute any period of time prescribed or allowed by these Case Management Procedures.

F. Proposed Hearing Agendas.

1. **Proposed Hearings.** No later than 12:00 p.m. (prevailing Eastern Time) the day before each Omnibus Hearing and as soon as practicable for all other hearings, the Trustee shall submit to the Court a Proposed Hearing Agenda setting forth each matter to be heard at such hearing and the order in which such matters will be heard (the “Proposed Hearing Agenda”). The Trustee shall transmit by e-mail or facsimile or overnight delivery the Proposed Hearing Agenda to the Core Group and each entity who has filed and served a Court Filing set to be heard on the Applicable Hearing Date.

- (a) The Proposed Hearing Agenda, whether or not served on parties or published on the Internet, shall constitute merely a proposal for the convenience of the Court and counsel and is **NOT** determinative of the matters to be heard on that day or whether there will be a settlement or continuance.
- (b) The Proposed Hearing Agenda is expected to include:
 - (i) The docket number and title of each matter to be scheduled for hearing on the next Hearing Day;
 - (ii) Whether the matter has been adjourned;
 - (iii) Whether the matter is contested or uncontested;
 - (iv) The Trustee’s estimate of the time required for the Applicable Hearing;
 - (v) Other comments that will assist the Court in organizing its docket for the day (for example, if a request for continuance or withdrawal of the matter is expected);
 - (vi) A suggestion for the order in which the matters should be addressed; and
 - (vii) The phone number and passcode for telephonic participation for the Applicable Hearing, and the telephone number and passcode for the next scheduled Omnibus Hearing.
- (c) On the Hearing Day, the Court may, or may not, accept the Proposed Hearing Agenda.

G. Automatic Extension of Certain Periods.

If a Request for Relief to extend the time to take any action is filed prior to expiration of the period described by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules or an order of the Court, the time to so act shall automatically be extended until the Court considers and rules upon the Request for Relief, without the necessity for the entry of an “interim” order

extending such period until such time as the Court can consider and rule upon such Request for Relief.

Information to identify the case:		36-2061311 (ITT Educational Services, Inc.) 35-2062117 (ESI Service Corp.) 26-4555980 (Daniel Webster College, Inc.)
Debtor Name	ITT Educational Services, Inc., ESI Service Corp. & Daniel Webster College, Inc.	EIN
United States Bankruptcy Court for the:	Southern District of Indiana	[Date case filed for chapter 7] 09/16/2016 MM / DD / YYYY
Case number:	16-07207-JMC-7A (ITT Educational Services, Inc.) 16-07208-JMC-7A (ESI Service Corp.) 16-07209-JMC-7A (Daniel Webster College, Inc.)	

Official Form 309D (For Corporations or Partnerships)

Notice of Chapter 7 Bankruptcy Case — Proof of Claim Deadline Set 12/15

For the debtor listed above, a case has been filed under chapter 7 of the Bankruptcy Code. An order for relief has been entered.

This notice has important information about the case for creditors, debtors, and trustees, including information about the meeting of creditors and deadlines. Read both pages carefully.

The filing of the case imposed an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the debtor or the debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the debtor. Creditors cannot demand repayment from debtors by mail, phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney's fees.

To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records at www.pacer.gov).

The staff of the bankruptcy clerk's office cannot give legal advice.

Do not file this notice with any proof of claim or other filing in the case.

1. Debtor's full name	ITT Educational Services, Inc.; ESI Service Corp. & Daniel Webster College, Inc.		
2. All other names used in the last 8 years	DBA Center for Professional Development, Breckinridge School of Nursing and Health Sciences, Benchmark Learning, Early Career Academy, Daniel Webster College		
3. Address	ITT Educational Services, Inc. 13000 N. Meridian Street Carmel, IN 46032	ESI Service Corp. 13000 N. Meridian Street Carmel, IN 46032	Daniel Webster College, Inc. 20 University Drive Nashua, NH 03063 
4. Debtor's attorney Name and address	Jay Jaffe Faegre Baker Daniels LLC 600 E. 96th Street, Suite 600 Indianapolis, IN 46240	Contact phone	317-569-9600
		Email	jay.jaffe@faegrebd.com
5. Bankruptcy trustee Name and address	Deborah J. Caruso Office of Deborah J. Caruso 135 N. Pennsylvania Street, Suite 1400 Indianapolis, IN 46240	Contact phone	317-634-0300
		Email	trusteecaruso@rubin-levin.net
6. Bankruptcy clerk's office Documents in this case may be filed at this address. You may inspect all records filed in this case at this office or online at www.pacer.gov .	United States Bankruptcy Court Southern District of Indiana 46 E. Ohio Street, Room 116 Indianapolis, IN 46204	Hours open	Weekdays 8:30 a.m. - 4:30 p.m. (Eastern)
		Contact phone	317-229-3800
7. Meeting of creditors The debtor's representative must attend the meeting to be questioned under oath. Creditors may attend, but are not required to do so.	November 1, 2016 at 1:30 p.m. EDT Date Time	Location:	The meeting will be held at the auditorium of the Indiana Government Center South, 302 W. Washington Street, Indianapolis, Indiana.
	The meeting may be continued or adjourned to a later date. If so, the date will be on the court docket.		

For more information, see page 2 ►

Debtor
 ITT Educational Services, Inc. (Case No. 16-07207-JMC-7A)
 ESI Service Corp. (Case No. 16-07208-JMC-7A)
 Daniel Webster College, Inc. (Case No. 16-07209-JMC-7A)
 Name

<p>8. Deadlines</p> <p>Proofs of claim must be sent to the following address:</p> <p>Rust Consulting/Omni Bankruptcy Attn: Claims Processing 5955 DeSoto Ave., Suite 100 Woodland Hills, CA 91367</p> <p>Do not file proofs of claim with the bankruptcy clerk's office.</p>	<p>Deadline for all creditors to file a proof of claim (except governmental units):</p> <p>Deadline for governmental units to file a proof of claim:</p> <p>A proof of claim is a signed statement describing a creditor's claim. A proof of claim form may be obtained at www.uscourts.gov or any bankruptcy clerk's office. If you do not file a proof of claim by the deadline, you might not be paid on your claim. To be paid, you must file a proof of claim even if your claim is listed in the schedules that the debtor filed.</p> <p>Secured creditors retain rights in their collateral regardless of whether they file a proof of claim. Filing a proof of claim submits the creditor to the jurisdiction of the bankruptcy court, with consequences a lawyer can explain. For example, a secured creditor who files a proof of claim may surrender important nonmonetary rights, including the right to a jury trial.</p>	<p>Filing deadline: <u>January 30, 2017</u></p> <p>Filing deadline: <u>March 15, 2017</u></p>
<p>9. Creditors with a foreign address</p>	<p>If you are a creditor receiving a notice mailed to a foreign address, you may file a motion asking the court to extend the deadlines in this notice. Consult an attorney familiar with United States bankruptcy law if you have any questions about your rights in this case.</p>	
<p>10. Liquidation of the debtor's property and payment of creditors' claims</p>	<p>The bankruptcy trustee listed on the front of this notice will collect and sell the debtor's property. If the trustee can collect enough money, creditors may be paid some or all of the debts owed to them, in the order specified by the Bankruptcy Code. To ensure you receive any share of that money, you must file a proof of claim, as described above.</p>	
<p>11. Website Address and Toll-Free Number for Public Access to Case Information and Information for Creditors and Former Students</p>	<p>https://www.ittchapter7.com</p> <p>1-888-857-4008</p>	