

**NOTICE TO INTERESTED PARTIES OF A SUBMISSION UNDER THE EXPEDITED PROCEDURES OF PROHIBITED TRANSACTION EXEMPTION 96-62**

**To: The Owner of the John D. Mabie Individual Retirement Account (the "IRA")**

You are hereby notified that the United States Department of Labor (the "Department") is considering a submission on behalf of the above-referenced IRA pursuant to Prohibited Transaction Class Exemption ("PTE") 96-62 (61 FR 39988, July 31, 1996, as amended by 67 FR 44622, July 3, 2002), for final authorization that Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") is not applicable to the proposed transaction (the "Proposed Transaction"), as described below.

The submission has met the requirements for tentative authorization under PTE 96-62.

If the Proposed Transaction is authorized by the Department pursuant to PTE 96-62, the sanctions resulting from the application of Section 408(e)(2) or Section 4975 of the Code, by reason of Section 4975 (c)(1)(A) through (E) of the Code, shall not apply to the proposed sale by the IRA of shares of stock issued by Rasmussen College Inc. (the "Company") to the applicant.

The IRA is a self-directed IRA, whose owner is John D. Mabie. As of July 21, 2008 John Mabie's IRA had total assets of . The Custodian of the IRA is U.S. Trust (formerly LaSalle National Bank) 135 South LaSalle St., Chicago, IL 60601, c/o Diane Michely (312) 904-2254.

The applicant is not related to the Company. The applicant does not own individually, any Company stock.

The authorization is subject to the following conditions:

1. The terms and conditions of the Proposed Transaction are at least as favorable to the IRA as those obtainable in an arm's length transaction with an unrelated party.
2. The Proposed Transaction is a one-time transaction for cash.
3. The IRA will receive the fair market value of the stock as established by Duff & Phelps, LLC, a qualified, independent appraiser.
4. The IRA will pay no commissions, costs or other expenses in connection with the Proposed Transaction.
5. The Applicant is the only person who will be affected by the Proposed Transaction.
6. The IRA meets the requirements of Section 408(a) of the Code.

The Proposed Transaction is expected to take place as soon as possible following authorization of the Proposed Transaction by the Department, which is expected to be given on

approximately October 30, 2008. The purchase price paid by the applicant for the stock will be based on its appraised value as determined by Duff & Phelps, LLC (311 South Wacker Drive, Suite 4200, Chicago, IL 60606), a qualified, independent appraiser. In its valuation dated August 1, 2008, Duff & Phelps, LLC appraised the value of the Company stock at \$5.27 per share. As of the date of the sale, Duff & Phelps, LLC will update the appraisal and will take into account the same factors as those that were considered in the prior appraisal and any activities that occurred since the date of the prior appraisal.

John D. Mabie's IRA currently owns 100,000 shares of Company stock, which constitutes approximately .7% of the issued and outstanding shares of the Company. The IRA acquired the stock on June 11, 2004 in a private placement, for a price of \$2.85 per share (\$285,000.00 for all shares). The purchase price paid by the IRA for the stock was determined by the offering price at the time of the sale. The payment method used by the IRA to acquire the stock was cash. During the holding of the stock, the IRA received no cash or stock dividends and incurred no expenses. As of August 1, 2008, the aggregate fair market value of the Company stock held by the IRA was \$527,000, based on Duff & Phelps, LLC's appraisal of \$5.27 per share for such stock. As a result of the acquisition, holding and proposed sale of the stock, the IRA will experience a net gain of \$2.42 per share, or \$242,000.00 in the aggregate, based on the appraised value of \$5.27. The Company stock represents approximately 2.7% of the total assets of the IRA (based on the current fair market value of the assets in the IRA after including the appraised value of \$5.27 per share of Company stock).

The Applicant proposes that his IRA sell the stock to him to facilitate a restructuring (the "Restructuring") of the Company which would enable the Company to elect to be treated as a Subchapter S Corporation under Section 1362(a) of the Code for federal income tax purposes. This election has been determined to be in the best interest of the Company's shareholders by the Company's board of directors. However, under the Code, the IRA is not eligible to hold stock in an S Corporation. The Applicant notes that the Restructuring is conditioned upon the receipt by the IRA of final authorization from the Department pursuant to PTE 96-62. Further, the Applicant desires to purchase the Company stock from his IRA. The proposed Restructuring will not result in a loss to the IRA because the sale of stock will be at the appraised value that it would receive in an arm's length transaction. In addition, because the sale will result in the exchange of an illiquid, non-marketable asset for cash, the sale will enhance the liquidity of, and ability to diversify the assets of, the IRA. The Applicant, as a shareholder of the Company, may have interests in the Proposed Transaction which may affect his best judgment as a fiduciary of his IRA. Consequently, the Applicant notes that the Department will extend no relief with respect to the acquisition and holding of Company stock by the IRA, to the extent such transactions may have violated Sections 4975(c)(1)(D) and/or (E) of the Code.

As a person who may be affected by this submission, you have the right to comment on the Proposed Transactions by [October 25, 2008]. The comment period remains tentative subject to final authorization by the Department. The Department will make no final decision on the submission until it reviews all comments received in response to this notice.

The final authorization application is being filed under the Department's expedited application program as outlined in PTE 96-62. This option is available because the Proposed Transactions is substantially similar to those described in one individual exemption

granted by the Department within the past 120 months and one transaction that received final authorization under the expedited prohibited transaction class exemption rules (EXPRO) within the last 60 months. The Federal Register citation for the individual exemption and the final authorization number for these cases are as follows:

**Prohibited Transaction Exemption**  
IRAs for Roark Young, et al. (98-38)

**Federal Register Citation**  
63 FR 42079 (August 6, 1998)

In PTE 98-38, the applicants' IRAs were shareholders in a closely held company. Business and income tax considerations caused the closely held company to elect to become an S Corporation. Because the IRAs were not eligible shareholders of an S Corporation, the owners of the IRAs requested an exemption from the prohibited transaction provisions of the Code so that they could purchase the company's stock from their IRAs, thereby (a) divesting the IRAs of the company's stock and allowing the company to become an S Corporation and (b) allowing the applicants to retain ownership in the company. The terms and conditions of the sales were at least as favorable to each IRA as those obtainable in an arm's length transaction with an unrelated party, the sale of stock by each IRA was a one-time transaction for cash, each IRA received the fair market value of the stock, as established by a qualified, independent appraiser, and the IRAs were not required to pay any commissions, costs or other expenses in connection with each sale.

**EXPRO Case**  
IRA for Alan D. Douglas

**Final Authorization Number**  
FAN 04-57E (December 31, 2004)

In FAN 04-57E, the applicant's IRA was a shareholder in a closely held company. For business considerations, the company elected to be reclassified from a C Corporation to an S Corporation. The IRA was not an eligible shareholder under an S Corporation under the Code, so the applicant sought to purchase the company's stock from his IRA. The terms and conditions of the sale were at least as favorable to the IRA as those obtainable in an arm's length transaction with an unrelated party, the sale of stock by the IRA was a one-time transaction for cash, the IRA received the fair market value of the stock, as established by a qualified, independent appraiser, and the IRA was not required to pay any commissions, costs or other expenses in connection with the sale.

Comments by mail should be addressed to:

Employee Benefits Security Administration  
Office of Exemption Determinations  
Room N-5700  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Washington, D.C. 20210  
Attn: Mr. Gary Lefkowitz

Comments may also be submitted by fax or e-mail to:

Fax: (202) 219-0204

Email: [Lefkowitz.gary@dol.gov](mailto:Lefkowitz.gary@dol.gov)

Attention: Submission Number E-00600