

William P. Allen
Direct Dial Number: (602) 636-2013
E-mail: wallen@sah.com

January 18, 2005

Via Hand Delivery

Terry Goddard
Arizona Attorney General
1275 West Washington
Phoenix, Arizona 85007-2926

Re: *Notice of Claim / Arizona Board of Education*

Dear Mr. Goddard:

Capella University, by counsel, submits this Notice of Claims, pursuant to A.R.S. § 12-821.01. against **Arizona Board Of Education** and its members, Nadine Mathis Basha, Dr. Matthew A. Diethelm, Armida G. Bittner, Dr. Michael M. Crow, Joanne Hilde, Evangelina “Conkie” Hoover, Joanne Kramer, Dr. John J. Pedicone, Tom Horne, as Arizona Superintendent of Public Instruction, Arizona Department of Education. The facts and legal bases upon which **Capella University**’s claims are made are described in the attached Complaint incorporated by this reference. Service of this notice of claim is not an admission by **Capella University** that it is required to do so by law, but rather is for the purpose of allowing the named public entities and public officials an opportunity to assess liability and the possibility of settlement.

As of the date of service of this notice this claim may be settled by written agreement which provides for (i) the grant of conditional approval of **Capella University**’s postgraduate programs in Educational Administration and School Psychology by the Arizona State Board of Education (State Board) through December 2005; (ii) the recognition by the State Board that **Capella University** is an institution in Arizona pursuant to Arizona Administrative Code, Section R7-2-604 and (iii) the application of R7-2-604 (G)(2) to **Capella University** based solely on its program graduates residing in Arizona at the time of graduation, or at the time any applicable assessment test is completed by the graduate.

Yours truly,

William P. Allen

WPA:drg
Enclosures