

Contents

**NEW CAMPUS LOCATIONS,
PROGRAMS AND PERSONNEL**

NEW CAMPUS LOCATIONS

Rasmussen College will open a new campus in Brooklyn Park, Minnesota. p.1

San Antonio College of Medical and Dental Assistants has moved its San Antonio campus to a new 31,000-square-foot facility. p.1

Brown Mackie College (formerly AEC Southern Ohio College) has moved to a new location, changed its name and now offers additional programs. p.2

Corinthian Colleges has opened a **Bryman College** in Earth City, Missouri. This is the fifth new campus opened in fiscal 2005. p.4

DeVry University has announced plans to open a second Twin Cities location to offer both undergraduate and graduate degree programs. p.4

SIBT, Schuylkill Institute of Business & Technology, will relocate from its current rural setting to downtown Pottsville, Pennsylvania. p.5

NEW PROGRAMS

Webster College (Pasco County, Fla.) has been approved by the Florida Nursing Board to offer a **practical nursing** program. The program is in response to the estimated need for 8,000 new nurses by 2006. p.6

ITT Technical Institute is offering a **digital entertainment and game design** program to key in on the popularity of video gaming. p.7

DeVry University has developed a bachelor's degree program in **video game and computer simulation programming**. p.8

Game makers will focus on real life at their annual meeting, and expect to draw 10,000 game developers, publishers and software makers that service the \$11 billion gaming market. p.9

**Career
Education
REVIEW**

The Career College Information Source

Published by:
WORKFORCE COMMUNICATIONS
627 Bay Shore Drive, Suite 100, Oshkosh, WI 54901
920-231-9950 • 1-800-558-8250 • Fax 920-231-9977
Web site: www.workforce-com.com
Email: mcooney@workforce-com.com

Michael J. CooneyEditor
Terry L. StaerkelProduction Manager
Stacy L. WeinreisProduction Designer
Terri DoughertyStaff Writer
Barbara SchmitzStaff Writer
Sean P. JohnsonStaff Writer

© 2005 The Baxandall Co., Inc.

- ▶ Subscriber reference, referral and research inquiries and contributions are always welcome.
- ▶ The *Career Education Review* is archived by the University of California, Los Angeles (UCLA).

Editorial Advisory Board:

- ❖ **Chairman**
Stephen B. Friedheim
Education Systems & Solutions, Dallas, TX
- ❖ Richard W. Ashley, Executive Vice President
Southwest Florida College, Fort Myers, FL
- ❖ Jan Griffin, President
Griffin Marketing Group, Indianapolis, IN
- ❖ Richard C. Close, Managing Director
Jefferies & Co., Nashville, TN
- ❖ Tom E. Netting, Vice-President
Jefferson Government Relations, Washington, DC
- ❖ Richard R. Dumaresq, Executive Director
PAPSA, Harrisburg, PA
- ❖ Harry Weber, President
Weber & Associates, Greenville, SC
- ❖ John B. Lee, Ed.D., President
JBL Associates, Inc., Bethesda, MD

NEW PERSONNEL

eCollege® has named **Tom Dearden** as CEO and **Bob Haimes** as COO of Datamark, Inc., the Enrollment Division of eCollege®. p.10

Arthur Benjamin has left the company and will assume the role of president of ATI Enterprises in Dallas. Joe Mehlman, ATI founder and president, has announced his retirement.

Education Management Corporation has named **Joe Charlson** as senior vice president—strategic marketing, and new responsibilities for **David J. Pauldine**, executive vice president and president of The Art Institutes. p.11

ACQUISITIONS AND MERGERS

DeVry Inc. to Acquire Deaconess College of Nursing

Located in St. Louis, the college has approximately 450 students and was purchased for \$5.3 million. p.12

Bridgepoint Education, Inc. Agrees to Acquire The Franciscan University of the Prairies

Located in Clinton, Iowa, the college will be renamed Ashford University and continue its service to the community as it seeks to expand offerings and build enrollment. p.13

Proposal Would Transfer Ownership of Salem International to Pennsylvania Firms

The Salem, West Virginia college has been purchased for \$1 million by three investment groups. p.14

CORPORATE SCHOOL NEWS AND REPORTS

APOL Apollo Group, Inc.

The company has reported financial results for the second quarter ending February 28, 2005. Consolidated net income for the period increased 27.2 percent to \$87.1 million, compared to \$68.5 million for the same period last year. p.15

Wall Street found that even with higher quarterly earnings on increased enrollment, the company missed its revenue guidance for the first time

with a resulting drop of more than 3 percent in stock price. p.16

CCDC Concorde Career Colleges, Inc.

For the quarter ending December 31, 2004, the company reported a revenue increase of 9.1 percent, an earnings decrease of 36.4 percent and an earnings per share decrease of 37.4 percent. p.17

CECO Career Education Corporation

Former workers at the Career Education Corporation Beaverton, Ore. call center tell of aggressive pitches and escalating enrollment goals. p.18

DV DeVry Inc.

The company has retained Critical Mass, a top web design agency; iProspect, a leading search engine marketing agency; and Mphasis Integrated, a full service marketing and communications company, to enhance its marketing and student recruitment efforts. p.21

In response to the technology recession over the last couple of years, the company has diversified into business and health programs for working adults. Those diversification efforts have been very successful. p.22

ESI ITT Educational Services, Inc.

The educational services company's compensation committee has met to set executives' 2004 bonuses and 2005 salaries. Chairman and CEO Rene Champagne will get a cash bonus of \$775,000, down 30 percent from \$1.1 million the year before. Champagne's base salary will increase to \$530,000, up from \$437,750. p.24

LEGAL ISSUES AND INVESTIGATIONS

BCTI Suddenly Closes Up Shop at All of its Locations

The Business Career Training Institute, a private career school with two campuses in Oregon and five in Washington, closed amid accusations that it used deceptive recruiting practices. p.25

BCTI, Facing Lawsuits, Closes All Its Campuses

Students have filed a class-action lawsuit against the college accusing the school of enrolling vulnerable or unqualified students to boost financial aid income, leaving them with large debts. p.26

Closure Casts Scrutiny on Schools

Gena Wikstrom, executive director of the Washington Federation of Private Career Schools and Colleges called the closing “a very isolated incident in a highly regulated sector of education.” p.27

Closing of Oriental Medicine School Leaves Students, Staff Shortchanged

The closing of the Dallas College of Oriental Medicine resulted in lost funds for both students and faculty. p.28

U.S. is Probing Finances of Tech College’s Owners

The owners of CSC Institute are targets of a federal grand-jury investigation into allegations they used hundreds of thousands of dollars in federal grants to pay for vacations and personal expenses. p.29

Corinthian Discloses New Accreditation Lawsuit

In the fourth suit of its kind students have brought suit against the company claiming that it hid the fact that FMU is not Southern Association accredited, and thus their credits won’t transfer. p.30

New Woes for Career Education

The Chicago office of the Equal Employment Opportunity Commission believes that Career Education Corporation discriminated against female employees by subjecting them to sexual harassment. The federal agency reached the

conclusion after an 18-month investigation prompted by the complaints of two women who were employed at American InterContinental University Online. p.31

Goodkind Labaton Files Amended Complaint in Case Against Career Education Corporation

The complaint is an expanded version of a previously filed complaint based on the statements of 26 former employees. p.33

FINANCE AND INVESTMENT

Signs of Shareholder Unrest at Career Education

A major shareholder has called on shareholders to improve corporate governance and remove anti-takeover provisions at the company. p.34

Lincoln Educational Services Files for \$144 Million IPO

The company operates 28 campuses under six brands and has reported it earned \$13 million on \$261.3 million of revenues in 2004. p.35

Lincoln Educational Services Acquisitions and Start-Ups From the Company’s SEC IPO Filing

The company’s recent SEC IPO filing revealed the prices paid for the various acquisitions in its recent growth cycle. p.36