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CAREER COLLEGE UPDATES

Gearing Up for the Future

Ohio Technical College seeks space for expansion as it retools for growth. Expansion plans would create a full block-sized campus with space for the expanded PowerSport Institute. p.1

New College Eager to Help Rebuild South Mississippi

Virginia College's new campus will offer, in addition to its medical programs, new programs in casino management and building construction trades. p.3

Cool vs. Cruel

Art Institute of Pittsburgh students have joined in the fur-free fashion design campaign. p.4

NEW CAMPUS LOCATIONS

Wichita Technical Institute has

purchased the building next door to its campus and plans to expand with a new medical assisting program. p.5

Strayer University has opened a Center

City campus in Philadelphia; the campus will be the company's fourth in the area. p.6

The Art Institute of Indianapolis

has launched its marketing campaign for its first classes scheduled to start January 9, 2006. This is the 32nd Art Institute owned by Education Management Corporation. p.7

University of Phoenix will open a new

campus in Davis County, Utah and will serve the South Ogden and Layton area. p.9

Corinthian Colleges has opened a **Bryman**

Institute in South Plainfield, New Jersey. p.9



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NEW PROGRAMS

A Route 1 Bandwagon is Forming for RFID

To serve the emerging RFID technology market, DeVry is offering training for managers who need to know how to deploy the systems, and for technicians who need hands-on work in installing and testing equipment. p.10

PERSONNEL APPOINTMENTS AND PROMOTIONS

Sheryl L. Moody has been appointed as the new ACICS executive director. Prior to her appointment Ms. Moody served as chief legal and compliance officer for Ross University and as vice president and general counsel to Dominica Management Inc. p.12

EDUCATION TRENDS

New Online Option for Private Colleges

Regis University has created a new consortium with an initial 39 members to allow private colleges to essentially trade courses online. p.13

ACQUISITIONS AND MERGERS

Lincoln Educational Services Corporation Acquires Euphoria Institute of Beauty Arts and Sciences

The two Las Vegas area campuses currently enroll 350 students and were purchased for approximately \$10 million in cash. p.15

Kaplan Makes Agreed Offer for Tribeca Learning

The acquisition of the Australian professional learning company is valued at around AUD\$55 million. p.15

Laureate Education Enters Brazilian Postsecondary Market

The company has acquired a 51 percent interest in Universidade Anhembi Morumbi, an accredited university with four locations and an enrollment of over 21,500 students. The deal was valued at \$54 million in cash plus \$15 million in seller financing. p.16

CORPORATE SCHOOL NEWS AND REPORTS

APOL Apollo Group, Inc.

The company posted a 19 percent jump in first-quarter earnings and a revenue increase of 18 percent to \$628.9 million. However, Apollo also cut its full-year 2006 revenue outlook by 4 percent as a result of reorganization. p.17

CCDC Concorde Career Colleges, Inc.

The company will accelerate the vesting of 304,730 options of which 122,000 have a grant price greater than the market price. The weighted average exercise price of these accelerated options is \$14.78. p.18

DV DeVry Inc.

The company reported that total undergraduate enrollments dropped by 2.3 percent in fall 2005, but new undergraduate enrollment for fall 2005 increased by 6.4 percent to 10,663. p.19

EDMC Education Management Corporation

The company has reported that the Art Institute of Dallas has been placed on probationary status by the Southern Association. p.20

UTI Universal Technical Institute, Inc.

The company reported a 21 percent net revenue growth and a 38 percent net income improvement for the fourth quarter of fiscal 2005. p.21

LEGAL ISSUES AND INVESTIGATIONS

EVCi Career Colleges Receives Final Report of Compliance Review of Interboro Institute

The final report denies extension center status for Interboro's Yonkers site and requires Interboro to down size its student enrollment at all its locations and to implement changes in its admissions standards. p.22

EVCi Stock Declines, Forced to Lower Enrollment at Interboro Institute

New York state regulators also rejected EVCi's petition to classify the Yonkers site of Interboro,

a career-training school, as an extension center, or branch. p.22

A College That Specializes in Dropouts Is Under Siege

An audit by the state comptroller's office released in early 2005 found violations of state regulations for student financial aid eligibility, disallowed \$903,150 in state aid, and restricted new locations for Interboro Institute. p.23

Eight Law Firms File Class Action Suits Against EVCI Career Colleges

The complaints allege that EVCI omitted and misrepresented material facts concerning the manner in which its educational business was being run that resulted in adverse action by the state, which led to sharp declines in the company's stock price. p.25

School Getting Day In Court

Witnesses are expected to testify beginning December 13 on allegations of financial aid fraud at Voorhees-based Harrison Career Institute, a chain of career schools receiving over \$65 million from federal student aid programs since 2001. p.26

Don Brun, Former President of MBTI Business Training Institute, Sentenced

Mr. Brun was sentenced to 24 months in custody, 3 years of supervised release, and ordered to pay a \$10,000 fine. p.26

Career College Receives Ultimatum

Ontario education ministry has required that the Canadian College of Business and Computers prove financial solvency or face possible shutdown. The school has been the subject of "an unusually high volume of student complaints." p.27

Computer Learning Centers Final Resolution

The Department of Education has agreed to subordinate the distribution on its claims so that employees and students will be paid in full. p.29

FINANCE AND INVESTMENT

Growth of For-Profit Colleges Moderates

Robert L. Craig and Jerry R. Herman of Stifel Nicolaus Education Research believe that the

years of go-go growth are largely behind us. Over the next several years enrollment growth will average between 10–15 percent and earnings per share will rise by 20–25 percent. p.30

SPECIAL REPORTS

Career Education Corporation

Board Governance and Company Management Issues Continue to Make News

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Background on the Sale of EduTrek International, Inc. by Steve Bostic to Career Education Corporation p.39

Jack Larson Interview p.40

Career Education Corporation Names Leslie T. Thornton to Board of Directors p.42

Career Education Corporation Names Patrick W. Gross to Board of Directors p.42

William F. Weld's Career Crash

Former Massachusetts Governor and Candidate for Governor of New York, and Former Partner in Leeds Weld Equity Partners' Management of Decker College, Could Mark the End of His Career

Our coverage includes:

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(New York Times)

Weld's Rivals See Opportunity in Failure of a College He Ran p.51
(New York Times)

Weld's School for Scandal p.52
(Boston Globe Editorial)