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SPECIAL REPORT

CECO vs. Bostic Who Will Control Career Education Corporation's Future?

With the annual stockholders meeting scheduled for May 18, both sides are aggressively soliciting proxies; observers believe the vote will be close.

Our coverage includes:

Comments from analysts Jeffrey Silber, Harris Nesbitt and Howard Block, Bank of America Equity Research. p. 1

Career Education Corporation Highlights Key Aspects of Business Plan, Strong Track Record and Progress

CEO Larson's letter to stockholders questions dissident's credentials for the CEC board. p. 2

Steve Bostic Mails Proxy Materials to Career Education Corporation Stockholders; Urges Fellow Stockholders to Vote the BLUE Proxy Card in Favor of Alternative Slate of Directors

Dissident Bostic's letter to stockholders calls attention to regulatory and accreditation problems and offers an alternative plan. p. 4

FEATURE STORIES

Students Helping Students Benefits Both

Heald Business College students get real-life experience with setting up networks and providing IT support to area grade schools that really need the assistance. p. 7



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Large Baby Showers Sponsored by University of Phoenix

Working with a variety of organizations, the University is making a difference in the lives of many Oklahoma newborns that are in impoverished families. p. 9

CAREER COLLEGE UPDATES

ITT Offers More Than Tech-Oriented Programs

The Green Bay, Wisconsin campus has exhibited remarkable growth and offers a wide variety of career programs. p. 10

Baker College Online Posts 25.7 Percent Enrollment Increase for Winter Quarter, Continuing Double-Digit Growth Trend

A total of 21,338 students throughout the Baker College system took Baker Online classes this winter quarter. p. 11

NEW CAMPUS LOCATIONS

Eastwick Colleges' **HoHoKus School of Trade and Technical Sciences** will be moving to a new campus in Paterson, N.J. p.12

DeVry University will open a new Dayton, Ohio campus that will offer both undergraduate and graduate degree programs. p.13

Jones College, Colorado's oldest and largest real estate school, which was acquired by Kaplan in 1998, has changed its name to **Kaplan Professional Schools**. p.13

NEW PROGRAMS

Baker College Center for Graduate Studies is adding a Master of Science in Information Systems (MSIS) degree program. p.14

DeVry University will offer a new Health Information Management technical specialty and a new Accounting Technology associate's degree program online. p.14

Kaplan University's Bachelor of Science in Nursing program received national accreditation from CCNE. p.15

PERSONNEL APPOINTMENTS AND PROMOTIONS

The Apollo Group, Inc. has announced the retirement of **Dr. Laura Palmer Noone**, who has served as president of the University of Phoenix since 2000. p.16

EDUCATION TRENDS

Elite Schools Seeking Junior College Transfers

A small group of selective colleges is turning its attention to what may be an untapped reservoir of able, low-income students: the 6.5 million people who attend community colleges. p.17

Dropouts Say Their Schools Expected Too Little of Them

A survey found that more than six in 10 students who didn't finish high school were earning C's or above when they dropped out, and nearly two-thirds say they would have worked harder if expectations had been higher. p.18

ACQUISITIONS AND MERGERS

Steiner Leisure Limited Announces Completion of Acquisition of Utah College of Massage Therapy

The seven campuses were purchased for a reported \$28 million. p.19

Regency Beauty Institute Raises Capital, Expands Management Team

The Minneapolis-based group has received a \$20 million investment from two major private equity groups. p.20

CORPORATE SCHOOL NEWS AND REPORTS

APOL Apollo Group, Inc.

Stock analysts comment on admissions and Internet lead generation challenges at the University of Phoenix. p.21

COCO Corinthian Colleges, Inc.

The company has reported a decline in profits for 3rd quarter as student population falls. A third amended securities class action complaint against the company has been dismissed with prejudice. **p.23**

DV DeVry Inc.

The company reported revenues for the third quarter of fiscal 2006 were \$220.2 million, compared to \$201.9 million for the same quarter the previous year. New undergraduate students increased 16.4 percent. **p.25**

ESI ITT Educational Services, Inc.

The company has reported a first-quarter new-student enrollment increase of 14.7 percent to 11,264. Total student enrollment increased 5.6 percent to 43,868 as of March 31, 2006. **p.26**

LAUR Laureate Education, Inc.

The company reported a loss of \$675 million for the first quarter; revenue increased 32 percent to \$235.1 million. Campus-based institutions reported a 32 percent increase in new student enrollment and a 36 percent increase in total student enrollment. **p.28**

UTI Universal Technical Institute, Inc.

The company reported that it expects sales of \$88 million to \$89 million, slightly below analysts' consensus estimate of \$90.3 million. **p.29**

LEGAL ISSUES AND INVESTIGATIONS

Parks College Sued by Students

More than a dozen students are suing Parks College in Thornton, Colorado, saying they paid up to \$36,000 each for a degree in surgical technology, only to learn that the school doesn't have the accreditation it needs for students to get jobs in the field. **p.31**

Moler Beauty College Owners Sentenced

Owners Dale Koehl and Tim Koehl were sentenced to 18 months imprisonment and 27 months imprisonment, respectively. Third owner, Clarence Koehl, was sentenced to 12 months and one day. **p.33**

Owner of Technical Training School Admits Defrauding Departments of Education and Labor

Victor Mungai Kamunge of Newark, N.J., pleaded guilty to a one-count Information charging him with embezzling from the United States. **p.33**

Decker College Update:

Defunct Trade School Faces \$57 Million in Claims

The bankruptcy trustee reported that there are more than 600 creditors. **p.34**

Weld Declares \$530,000 Loss in Decker College Case

The Republican candidate for governor of New York declared a \$530,000 personal loss on his income taxes for the failure of the Kentucky trade school. **p.34**

Former Decker Officials Operating Trade School

Instructors from Decker College have won approval to open a trade school in southern Indiana. **p.35**

EVCI Career Colleges Reports Receipt of Draft Report of DOE Program Review of Interboro Institute

With the exception of one item, EVCI believes the total liability of Interboro for Title IV repayments to the DOE will not exceed \$25,000. **p.36**

REVIEW OF ADVERTISEMENTS

Display Ads **p.37**

- International Institute of the Americas
- Long Technical College
- Everest College
- Institute of Technology
- Maric College
- Keiser College
- Florida Metropolitan University
- Career Institute of Florida
- Americare School