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CAREER COLLEGE UPDATES

Sullivan University to Partner With Bulgarian College

Sullivan will structure the new programs and provide course content, and Higher School Agricultural College will administer the courses through its own college network in Eastern Europe. p.1

NY Auto Dealers Open \$25M Education & Training Center

The new center will help prepare thousands of individuals for rewarding, high-paying jobs in the automotive service and sales industry. Lincoln Technical Institute will serve as the association's education partner. p.2

Tame and Train

Art Institute Gets Art Types Business Ready; Recruiting by Disney, Electronic Arts

The demand continues to grow for trained

individuals who can create "rich media" sites that talk, move and pop. p.3

NEW CAMPUS LOCATIONS

Kaplan Higher Education Opens Kaplan College–Milwaukee Campus, Expanding Presence to State of Wisconsin

The campus is the company's first location in Wisconsin. p.5

DeVry University Opens New Location in the Denver Tech Center

The new location will offer business, management and technology degree programs. p.5

Argosy University Adding Two SoCal Locations

Argosy will open new campuses in Santa Monica and San Bernardino, California. p.6



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Career College Keeps Sights on Brand Site

Glendale Career College continues its efforts to locate in the downtown area despite the city's concerns regarding parking issues. p.6

Skin-Care School to Open in Salina

Albany-area-based Aesthetic Science Institute, LLC is expanding to the Syracuse area by opening a beauty school in Salina. p.7

NEW PROGRAMS

Sullivan University Announces Plans for Doctor of Pharmacy Program

The program is designed to address the growing shortage of pharmacists across the country and will be Sullivan's first program beyond the master's level. p.8

PERSONNEL APPOINTMENTS AND PROMOTIONS

Leadership Changes at Sullivan University System

Dr. A.R. Sullivan, founder of the System, will move immediately from president to the new role of chancellor of the System and Glenn D. Sullivan, System executive vice president, will immediately move to the position of System president. p.9

ITT Educational Services, Inc. Elects Thomas I. Morgan and John A. Yena to Its Board

Thomas I. Morgan, age 52, served as chief executive officer of Hughes Supply, Inc., a diversified wholesale distributor of construction, repair and maintenance-related products. John A. Yena, age 65, has served as chairman of the board of Johnson & Wales University. p.10

EDUCATION TRENDS

Can't Complete High School? Go Right to College

With nearly 400,000 students currently attending college without a high school diploma, policy makers are undecided whether giving these students a chance is a good idea or not. p.11

ACQUISITIONS AND MERGERS

Gryphon Investors, Through Gryphon Colleges Corporation, Acquires Delta Educational Systems

Gryphon Colleges Corporation will now operate four National Career Education campuses as well as the sixteen Delta campuses, which together serve 7,000 students. p.13

INTERNATIONAL CAREER EDUCATION

India's For-Profit College Ban Blocks Laureate

India is resisting U.S. calls to permit the operation of for-profit colleges, fearing it could undermine its government-subsidized system of higher education. p.14

PUBLIC POLICY

New York State Takes a Hard Look at For-Profit Schools

Editorial: Next, the Dot-Degree Boom!

The editorial maintains that with the removal of the 50 percent rule, large for-profit colleges like the University of Phoenix will continue to abuse the system and cheat the student. p.15

Report Calls for Tighter Rules on State's For-Profit Colleges

The New York State Education Department is recommending that strict limits be placed on the growth of new commercial colleges, and that colleges being sold get prior approval by the department. p.17

N.Y. Approves Tougher Rules for For-Profits

The New York State Board of Regents has approved standards that will force all 42 for-profit institutions in the state to adhere to stricter standards. p.18

Editorial: Monitoring Profit-Making Colleges

"Farsighted reform" is how the *New York Times* described the new standards for for-profit schools enacted recently. p.19

**CORPORATE SCHOOL NEWS
AND REPORTS**

CCDC Concorde Career Colleges, Inc.

The company reported that increased enrollment and tuition has resulted in higher first-quarter earnings and revenue compared with last year. Student population was 11.5 percent higher than the prior year. p.20

**CECO Career Education Corporation
Quarterly Report and Commentary**

The company reported that quarterly profit declined as new student starts fell. On the positive side there was substantial cash flow and approximately \$490 million cash and investments on hand. p.21

Analysts call enrollment results dismal and express concerns going forward regarding AIU's population woes. One analyst described the results as, "less worse." p.23

Stock Holders Meeting

**Career Education Stockholders Elect
Company's Board Nominees and Approve
Corporate Governance Proposals**

Dissident stockholder Steve Bostic failed in his attempt to be elected along with two others to the Career Ed board, and, thus, challenge current management. p.24

Career Education Stays the Course

Shareholders voted to retain three company-backed directors, defeating a two-year battle for control of the company by a dissident investor seeking to reverse a 50-percent drop in share value. p.24

Legal and Regulatory Issues

**Career Education Corporation Reports
Receipt of Third Amended Complaint**

After two dismissals, the plaintiffs have filed a Third Amended Complaint in the securities class action litigation. p.26

**Career Education Required to Repay Aid
Funds to U.S.**

The company has paid the U.S. Department of Education nearly half a million dollars to resolve government findings of financial-aid violations at campuses in Pennsylvania and Arizona. p.26

Letter from U.S. Department of Education

The letter that arrived the day after the stockholders meeting reports that 45 percent of CEC schools could not produce

"unqualified" audits, and the Department continues growth restrictions. p.27

**Career Education Corporation Announces
Dismissal of Shareholder Derivative Suit**

The U.S. District Court has dismissed a shareholder derivative action against the company and certain of its officers and directors. p.29

**Career Education Corporation Announces
Legal Victory in California**

Department of Consumer Affairs invalidates actions of California Bureau against Brooks Institute. p.29

Career Education Says U.S. Reviewing Claims

The U.S. Department of Justice is reviewing allegations that some of its schools may have submitted false claims or statements to the U.S. Department of Education. p.30

Analyst's Comments

The Department of Education letter details a possible worsening situation. p.31

8K Filing

The company filed a Form 8K with the SEC outlining the timing of the receipt of the letter, which would have been material to the stockholders meeting and could very well have changed the outcome of the proxy fight. p.31

**EDMC Education Management
Corporation**

The company reported for their third quarter an increase in net revenues of 13.8 percent and an increase in net income of 17.9 percent. p.32

The company further announced the issue of \$375 million senior notes and \$385 million senior subordinated notes. p.32

The corporation's shareholders approved the acquisition of the company, which is scheduled to close on June 1, 2006. p.32

**EVCI EVCI Career Colleges
Holding Corp.**

The company has responded to inquiries regarding the resignation of its CFO, and announced renewal of full accreditation status for its premiere degree program at Interboro Institute. p.33

The company also announced the retention of an investment banker and extension of the due date for Interboro to complete ATB test rescoring. p.33

LAUR Laureate Education, Inc.

Analysts comment on the state of the company as a good investment entry point due to current slide in stock price. p.34

LINC Lincoln Educational Services Corporation

The company reported for the quarter a revenue growth of 6.6 percent and an expansion of operating income margin to 6.2 percent of revenues, up from 3.5 percent the previous year. p.35

STRA Strayer Education, Inc.

The company reported first quarter revenues were up 19 percent, spring total enrollments were up 15 percent and new students increased 22 percent. p.38

UTI Universal Technical Institute, Inc.

The company reported a 15 percent net revenue growth and a 15 percent operating income margin for the second quarter of fiscal 2006. p.40

WPO The Washington Post Company's Kaplan Colleges

The company reported a 15 percent rise in first quarter profit, which was helped by growth in its education and online publishing divisions as circulation declined at its namesake newspaper. p.42

REVIEW OF ADVERTISEMENTS

Display Ads & Advertorials p.43

- DeVry University
 - Cortiva Institute
 - Keiser College
 - ITT Technical Institute
 - Lamson College
 - Institute of Business & Medical Careers
 - Concorde Career College
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