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CAREER COLLEGE UPDATES

Everybody Loves "Raymond"

In his ongoing study and critique of online admissions practices by public education companies, stock analyst Howard Block had an assistant shop various companies online. The result was a near commoditization of the companies with no brand building and very little follow-up. p.1

Education & Online Advertising

Howard Block continues his study of online admissions practices and has found that enrollment advisors are the weakest link in the enrollment process and are little more than aggressive telemarketers. p.2

Pride Emanates Through Commencement Hall

Commencement at Potomac College is anything but traditional or boring. A feeling of

pride, accomplishment and celebration fills the hall as these adult learners mark the completion of their studies. p.3

Medix Regional EMS Training Center Opens

The new facility serves as both a regional training center and home to a Metro Atlanta Ambulance Service substation. p.5

One of the World's Largest Distance Education Institutions Earns Prestigious Veterinary Technician Accreditation

Penn Foster College's Associate of Science Degree in Veterinary Technician is now accredited by the American Veterinary Medical Association. p.6

New Test for Apollo Group

In an effort to find and serve a new market, Apollo launched the Axia College brand, which will target younger students with little or no college credit. p.7



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NEW CAMPUS LOCATIONS

Vocational School Moving Here

Midwest Technical Institute will leave Lincoln, Ill. for a new larger campus in Springfield, Ill. p.10

Cooks' School on Front Burner
Charleston Attracts Culinary Arts Facility for Downtown Site

The Art Institutes will open a branch in downtown Charleston, S.C. by the summer of 2007. Johnson & Wales is closing its Charleston campus and moving to Charlotte, N.C. p.11

ITT Educational Services Campus Openings and Relocations

ITT Educational Services is opening new campuses in Maumee, Ohio; Dunmore, Pa; and Culver City, Calif. The Earth City, Mo. campus is being relocated. p.12

PERSONNEL APPOINTMENTS AND PROMOTIONS

eCollege® has named **Don Bailey** as chief operating officer of Datamark, Inc. p.13

DeVry Inc. has named **David Pauldine** as president of DeVry University, replacing O. John Skubiak. p.13

Ronald L. Taylor, DeVry's CEO, is profiled and affirms his belief that the company's new health care focus will return it to profitability and growth. p.14

EDUCATION TRENDS

Highlights from the Condition of Education 2006

Continued growth is projected for post-secondary enrollment with women and minorities making up a growing percentage. p.15

More College Students Learning Online

Online enrollment in higher education is skyrocketing. One analyst estimates that by 2008 one out of 10 college students will be in an online degree program. Public universities are moving into the online environment extremely rapidly. p.16

Real Estate Appraisal Trainees Entering Growing Market; Facing Dramatic Increase in Education Requirement

Kaplan Professional Schools is offering appraiser training programs at schools across the country in preparation for the large number of people seeking an appraisal licensing before the requirements increase in 2008. p.18

Kaplan Partners with PaRR Inspections to Offer FEMA Disaster-Housing Inspector Training for Home Inspectors

In order for home inspectors to also become certified disaster-housing inspectors, they must complete comprehensive training. p.19

Focus on Educating Truck Drivers

In her commentary, Devorah Fox argues that the solution to the problem of driver retention is simple. Stop training entry-level truck drivers and start educating them in the profession, so that they graduate with confidence, enthusiasm and professional curiosity. p.20

ATA, TCA Offer Financial Aid Program in Effort to Recruit New Drivers

The new plan partners motor carriers and lending institutions to provide low-interest financing to those who wish to attend a driver training school but otherwise can't afford it. p.21

ACQUISITIONS AND MERGERS

Concorde Career Colleges, Inc. Announces Acquisition by Liberty Partners

Under the merger agreement, Concorde will become a wholly owned subsidiary of Liberty Partners for \$19.80 per share, which represents a 34 percent premium over Concorde's closing stock price on June 21, 2006. The total merger price is \$114.5 million. p.22

Lehman Analyst Weighs Concorde Buyout

The buyout came amid two trends plaguing the postsecondary education sector: deceleration in enrollment growth and higher student acquisition costs in the near term. p.23

New Owner Plans to Upgrade Medical Academy

The Academy of Medical Arts and Business in Harrisburg, Pa. has been sold by longtime owner Gary Kay to KIS Career Schools, a company owned by David W. Snyder. p.24

LEGAL ISSUES AND INVESTIGATIONS

Florida For-Profit University Widens Probe

Second Subpoena Delves Deeper Than First and Could Weigh on Stock

The attorney general has expanded his investigation of allegedly misleading sales tactics at for-profit Florida Metropolitan University. p.25

Federal College Probe Widens Career Education is Accused of False Statements to Students

The U.S. Justice Department has expanded its investigation into Career Education Corporation. At issue are allegations the company made false statements to students regarding job placement and tuition costs. p.27

U.S. Department of Education Said to Have Led Raid on Beauty College in Arkansas

Federal agents raided all of the Arthur's Beauty College campuses. p.28

Student Sues CDI College for False Advertising

A Canadian student is suing Corinthian College's CDI College over what he feels was an overpriced correspondence program. p.29

FINANCE AND INVESTMENT

Apollo's Challenges a Key Topic of Wall Street Transcript Education Stocks Issue

The company, which has set the standards for the group, has a "tough road ahead." p.30

INTERNATIONAL CAREER EDUCATION

Laureate's Swiss Hospitality Management Schools Receive CIHE Accreditation from the New England Association of Schools and Colleges

Both Glion Institute of Higher Education and Les Roches Swiss Hotel Association School of Hotel Management have recently received accreditation from NEASC-CIHE. p.32

CORPORATE SCHOOL NEWS AND REPORTS

APOL Apollo Group, Inc.

Apollo to Check on Stock Awards

The company has hired an outside firm to review what has been called 'highly questionable' timing of the awarding of stock to top management. p.33

Apollo Group Receives Subpoena from U.S. Attorney

The company reported the subpoena was related to the stock option grants. p.34

Apollo Group, Inc. Reports Fiscal 2006 Third Quarter Results

The company reported that for the three months ended May 31, net income was \$133.3 million, or 77 cents per share, compared with \$141.8 million, or 77 cents per share, a year ago. During the current quarter, there were 174.2 million shares outstanding, compared with 184.3 million shares a year ago. p.35

Revenue rose about 6 percent to \$653.6 million from \$619 million a year ago. Revenue was higher during the year-ago quarter by about \$20 million due to an extra week at the University of Phoenix Online. p.35

Apollo Group Holder Threatens Suit Over Stock-Option Grants

The stockholder alleges that some officers and directors breached their fiduciary duties to stockholders by backdating stock-option grants to a number of company officers. p.37

CECO Career Education Corporation *Career Education Gets Detention, Again!*

As soon as one problem is reported solved, new ones have emerged at Career Education, which means bad news for investors seeking satisfactory returns. p.38

U.S. Seeks Documents From Career Education

The Department of Justice is investigating allegations that some of Career Education's schools had submitted false claims or statements to the Department of Education regarding the compensation for admissions personnel, the use of Pell Grant funds at one school and student refund calculations at another. p.39

Letter Says Cooperation Poor in Career Education Probe

The press continues to report on the Department of Education letter that alleges the company is non-compliant with its investigation and "has grown worse" at nearly 45 percent of the company's schools. p.40

Career Education Corporation Announces Certified Voting Results Confirming Election of Its Board Nominees

The stockholders have voted to support the company's board nominees by a significant margin. p.41

COCO Corinthian Colleges, Inc. *Too Little Capital in Placement Efforts?*

ROIC Remains Low

Analyst Howard Block comments that in order for the company to stop eroding value for its shareholders, it must begin to build value for its customers (students). p.42

DV DeVry Inc.

There's a New Sheriff (QuinStreet) in DeVry's Town

The company's non-exclusive relationship with QuinStreet will help safeguard DeVry from some of the shadier practices involved in online lead generation. p.43

ECLG eCollege®

eCollege® Selected to Renew Partnership With the National University System

The company will power the online programs for National University System and customers of Spectrum Pacific Learning Company. p.44

EVCI EVCI Career Colleges Holding Corp.

EVCI Career Colleges Receives Notice from NASDAQ

The company's stock price has dropped below \$1.00 for 30 consecutive trading days and it now has 180 days to regain compliance with the Bid Price Rule or face delisting. p.45

REVIEW OF ADVERTISEMENTS

Display Ads & Advertorials p.46

- SJVC—San Joaquin Valley College
- IBMC—Institute of Business & Medical Careers, Inc.
- Maric College
- FMU—Florida Metropolitan University
- NAU—National American University
- ACT—Advanced Career Training
- Everglades University
- Concorde Career College
- Universal Accounting Center