

CAREER EDUCATION CORP  
Form 10-K  
February 25, 2010  
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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from            to

Commission File Number 0-23245

## CAREER EDUCATION CORPORATION

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State of or other jurisdiction of  
incorporation or organization)  
**2895 Greenspoint Parkway, Suite 600**

**36-3932190**  
(I.R.S. Employer  
Identification No.)

**Hoffman Estates, Illinois**  
(Address of principal executive offices)  
**60169**  
(zip code)  
**Registrant's telephone number, including area code: (847) 781-3600**

**Securities registered pursuant to Section 12(b) of the Act:**

**Common Stock, \$0.01 par value**

(Title of Class)

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark whether the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company, as defined in Rule 12b-2 of the Securities Exchange Act of 1934. Yes  No

The aggregate market value of the Registrant's voting common stock held by non-affiliates of the Registrant, based upon the \$24.89 per share closing sale price of the Registrant's common stock on June 30, 2009 (the last business day of the Registrant's most recently completed second

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quarter), was approximately \$1,646,908,428. For purposes of this calculation, the Registrant's directors and executive officers of the Registrant's outstanding shares of voting common stock have been assumed to be affiliates, with such affiliates holding an aggregate of 18,980,670 shares of the Registrant's voting common stock on June 30, 2009. As of January 31, 2010, the number of outstanding shares of Registrant's common stock was 84,082,866.

Portions of the Registrant's Notice of Annual Meeting and Proxy Statement for the Registrant's 2010 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

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**PART I**

**Cautionary Note Regarding Forward-Looking Statements**

*This Annual Report on Form 10-K contains forward-looking statements, as defined in Section 21E of the Securities Exchange Act of 1934, as amended, that reflect our current expectations regarding our future growth, results of operations, cash flows, performance and business prospects and opportunities, as well as assumptions made by, and information currently available to, our management. We have tried to identify forward-looking statements by using words such as anticipate, believe, plan, expect, intend, will, and similar expressions, but these words are not the exclusive means of identifying forward-looking statements. These statements are based on information currently available to us and are subject to various risks, uncertainties, and other factors, including, but not limited to, those discussed herein under the caption Risk Factors that could cause our actual growth, results of operations, financial condition, cash flows, performance and business prospects and opportunities to differ materially from those expressed in, or implied by, these statements. Except as expressly required by the federal securities laws, we undertake no obligation to update such factors or to publicly announce the results of any of the forward-looking statements contained herein to reflect future events, developments, or changed circumstances or for any other reason.*

**ITEM 1. BUSINESS**

As used in this Annual Report on Form 10-K, the terms we, us, our, the Company, and CEC refer to Career Education Corporation and our wholly-owned subsidiaries. The terms school and university each refer to an individual, branded, proprietary educational institution owned by us and includes its campus locations. The term campus refers to an individual main or branch campus operated by one of our schools.

**BUSINESS OVERVIEW**

The colleges, schools and universities that are part of the Career Education Corporation (CEC) family offer high-quality education to a diverse student population of over 116,000 students across the world in a variety of career-oriented disciplines. The approximately 90 campuses that serve these students are located throughout the U.S. and in France, Italy, and the United Kingdom, and offer doctoral, master's, bachelor's and associate degrees and diploma and certificate programs. Nearly 40% of our students attend the web-based virtual campuses of American InterContinental University, Colorado Technical University, International Academy of Design & Technology and Le Cordon Bleu College of Culinary Arts.

CEC is an industry leader whose brands are recognized globally. Those brands include, among others, American InterContinental University; Brooks Institute; Colorado Technical University; Harrington College of Design; INSEEC Schools; International Academy of Design & Technology; Istituto Marangoni; Le Cordon Bleu North America; and Sanford-Brown Institutes and Colleges. Through our schools, CEC is committed to providing quality education, enabling students to graduate and pursue rewarding careers.

For more information, see CEC's website at [www.careered.com](http://www.careered.com). The website includes a detailed listing of individual campus locations and web links to CEC's approximately 90 colleges, schools, and universities.

During 2009, we organized our businesses across five strategic business units (SBU). Each SBU represented a group of postsecondary education providers that offer a variety of degree and non-degree academic programs. These SBUs were organized by key market segment to enhance brand focus and operational alignment within each segment. In addition, our Transitional Schools division included all schools that are currently being taught out. This division is focused on winding down these operations as effectively and efficiently as possible. Our reportable segments are:

*University* includes our American InterContinental University (AIU), Colorado Technical University (CTU) and Briarcliffe College schools that collectively offer regionally accredited academic programs in the

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career-oriented disciplines of business studies, visual communications and design technologies, health education, information technology, criminal justice and education in an online, classroom or laboratory setting.

**Culinary Arts** includes our Le Cordon Bleu North America ( LCB ) schools that collectively offer culinary arts programs in the career-oriented disciplines of culinary arts, baking and pastry arts, and hotel and restaurant management primarily in a classroom, kitchen or online setting.

**Health Education** primarily includes our Sanford-Brown schools that collectively offer academic programs in the career-oriented disciplines of health education, complemented by certain programs in business studies and information technology in a classroom, laboratory or online setting.

**Art & Design** includes our Brooks Institute, Brown College, Collins College, Harrington College of Design and International Academy of Design & Technology ( IADT ) schools. Collectively these schools offer academic programs primarily in the career-oriented disciplines of fashion design, game design, graphic design, interior design, film and video production, photography and visual communications in a classroom, laboratory or online setting.

**International** includes our INSEEC Group ( INSEEC ) schools and Istituto Marangoni schools located in France, Italy and the United Kingdom, which collectively offer academic programs in the career-oriented disciplines of business studies, health education, fashion and design and visual communications and technologies in a classroom or laboratory setting.

**Transitional Schools** includes those schools that are currently being taught out. As of December 31, 2009, AIU Los Angeles, CA is the only school included in Transitional Schools. The schools previously reported within Transitional Schools have since ceased operations and are now being reported within discontinued operations with the exception of Gibbs College Boston, MA, Gibbs College Farmington, CT, and SBI Cranston Cranston, RI which transitioned to the Health Education SBU in 2009.

On January 15, 2010, we realigned our resources to more effectively execute our new strategic growth plan. We began the integration of our Art & Design SBU alongside AIU and CTU, within the University SBU. This realignment will facilitate synergies between the programs in Art & Design and University, especially in the areas of fashion design, merchandising, interior design and technology. It will also enable the sharing of student-focused online platforms and expertise and aid IADT as it pursues its longer-term strategy of regional accreditation. Brooks Institute, Harrington College of Design and Collins College joined the IADT schools in the alignment of the Art & Design group into the University SBU. The realignment also shifted Brown College and Briarcliffe College into the Health Education SBU. We expect Briarcliffe's regional accreditation to be beneficial in providing greater opportunity for Sanford-Brown students to enroll in higher degree programs. This realignment resulted in new reportable segments.

See Note 17 Segment Reporting and Note 19 Subsequent Events of the notes to our consolidated financial statements for further discussion.

## **INDUSTRY BACKGROUND AND COMPETITION**

The postsecondary education industry is highly fragmented and increasingly competitive, with no one provider controlling significant market share. Students choose among providers based on programs and degrees offered, program flexibility and convenience, quality of instruction, placement rates, reputation, recruiting effectiveness and cost. Such multi-faceted market fragmentation results in significant differentiation among various education providers.

According to the National Center for Education Statistics ( NCES ), there were approximately 6,550 Title IV eligible postsecondary education institutions in the United States for the academic year 2007-08, including approximately 2,730 private, proprietary schools; approximately 2,000 public, non-profit schools; and

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approximately 1,820 private, non-profit schools. According to the U.S. Department of Education, in the fall of 2007, approximately 18.7 million students were attending institutions that participate in the various financial aid programs under Title IV of the Higher Education Act signed into law on August 14, 2008.

The overall postsecondary education industry is expected by analysts to grow over the next several years. According to our estimates based on various external sources which include industry analysts and Integrated Postsecondary Education Data System ( IPEDS ) data, total postsecondary enrollments are expected to increase 1.9% per year over the next four years. Within the postsecondary education market, the proprietary sector is expected to have revenue growth of 8.3% per year from \$17 billion in 2008 to \$26 billion in 2013. One of the major drivers of this growth is the expected online platform growth of 15.2% per year from \$9 billion in 2008 to \$19 billion in 2013. The fragmentation and the projected growth of the industry contribute to its competitive nature and result in additional competitors entering the market.

Our primary competitors in the publicly traded, proprietary postsecondary education industry are: Apollo Group, Bridgepoint Education, Inc., Capella Education Company, Corinthian Colleges, Inc., DeVry Inc., Education Management Corporation, Grand Canyon Education, Inc., ITT Educational Services, Kaplan, a division of Washington Post Company and Strayer Education. We also compete with a number of privately held, proprietary postsecondary institutions.

## **BUSINESS AND OPERATING STRATEGY**

To compete successfully in today's demanding workplace, we believe individuals benefit significantly from a solid education that provides them with the foundation of knowledge and skills they can use on the job. Our business and operating strategy are focused on educating students for jobs in specific fields and enabling our institutions to meet the needs and demands of our students. We have aligned our strategic plan on five broad choices:

### ***Grow Our Core Educational Institutions***

Our schools operating under the AIU, CTU, IADT, LCB and Sanford-Brown trade names generate over 80% of our domestic revenue and operating income. We continue to focus our time, energy and resources on these five brands. We will adequately resource the remaining brands, but intend to be more judicious in allocating our internal resources and in prioritizing certain functional activities.

As of December 31, 2009, nearly 40% of our students were obtaining their education online. For students whose lifestyles demand flexibility in learning, our schools' fully-online platforms, AIU Online, CTU Online, LCB Online and IADT Online, deliver a quality educational experience through 100% Internet-based courses. Our schools' fully-online platforms provide us with an opportunity to expand our business both domestically and internationally. We will continue to invest resources in this rapidly growing area of fully-online education to promote organic growth. We will also continue to explore the option of expanding our online presence through the offering of fully-online platforms at our on-ground schools and the introduction of new programs to our existing fully-online platforms.

Along with our fully-online platforms, we continue to develop our blended learning model, which capitalizes on our universities' online platforms' virtual campus platform and enables students at our on-ground campuses to complete a portion of their academic programs on-ground and a portion of their academic programs utilizing our universities' online platforms' virtual campus. We believe that our blended learning model provides our current and prospective students with the program flexibility that they desire.

In addition, we seek to foster organic growth by leveraging educational programs that have been successful at other campuses and continuing to explore opportunities to expand in programmatic areas which provide significant growth potential. In the domestic proprietary postsecondary education market, analyst data shows the areas of highest growth potential include health education, business, education and information technology.

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programs. In addition, we are expanding program offerings through accelerated program innovation and development in which we are developing new curricula to be offered across our campuses.

To effectively serve the educational needs of our students, we offer a full range of educational options, including doctoral degree, master's degree, bachelor's degree, associates degree, and non-degree certificate and diploma programs. Our schools focus on the five core curricula described above that we believe have traditionally provided quality employment opportunities for well-prepared graduates.

### ***Enter New Markets***

A key component of our schools' growth strategy is the establishment of start-up branch campuses of our existing schools. We define start-up campuses as branch campuses that have been instructing students for less than 12 months. Start-up branch campuses enable our schools to capitalize on new markets or geographic locations that exhibit strong enrollment potential or exhibit the potential to establish a successful operation based on one of our core curricula.

During 2009, eight of our campuses were in the start-up stage. Our LCB - St. Louis, MO, SBC - San Antonio, TX and Gibbs - Boston, MA campuses began instructing students in the second quarter 2009. Our Gibbs - Farmington, CT, SBC - Phoenix, AZ, SBI - Dearborn, MI, SBI - Orlando, FL and SBI - Grand Rapids, MI campuses began instructing students in the fourth quarter 2009. SBI - Cranston, which transitioned to Health Education from Transitional Schools in the fourth quarter 2009, will begin instructing students in the first quarter 2010. The three former Gibbs schools are opening as Health Education institutions providing primarily diploma and associates degree programs specializing in medical related curriculum.

We will continue to seek to grow our education institutions through geographic and programmatic extensions. We are expecting to start up an additional six to eight new campuses per year and are focusing our efforts on leveraging current programmatic offerings at our existing campuses. We currently operate in 25 states and three countries outside of the U.S. We believe there are growth opportunities within the U.S. and internationally.

### ***Improve Academic and Operational Effectiveness***

As we look for opportunities to add campuses and expand our presence, we also strive for continuous improvement in our existing business. We are focused on identifying and taking advantage of opportunities to leverage best practices across our existing schools.

In order to improve service, we continuously seek to leverage resources across our campuses. We have capitalized on our centralization efforts that continued through 2009 and were able to increase efficiencies in school support functions. We have also sought to minimize real estate costs and investments by utilizing existing space across our campuses to accommodate population growth and to more effectively serve our students.

We have also better aligned our academic calendars at the majority of our IADT campuses to provide for an increased number of new student starts and a shortened enrollment cycle. We believe that this will improve admissions productivity through more consistent enrollment performance, which in turn will improve new student show rates.

Within our Culinary Arts SBU, we have introduced a 21-month program which provides students with the opportunity of increased Title IV funding as well as implementation of greater student-support activities. This is helping to bridge the financing gap for students who might otherwise not have been able to attend our institutions because of the severe contraction of the student private loan market that occurred in the second quarter 2008. These efforts have improved the growth prospects of our institutions and the overall student experience.



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### ***Build our Reputation and External Relationships***

We are committed to maintaining an industry-leading compliance program. We have developed rules, policies and standards to guide the conduct of our employees. Our compliance objectives include the development of processes and controls to help ensure compliance with applicable rules, standards and laws. We believe that a key to meeting these objectives is our continued emphasis on individual and organizational responsibility for compliance. Additionally, we have utilized technology to improve the design and operation of our network of compliance controls and to develop tools that enable our corporate and school personnel to proactively monitor their overall compliance environment for indicators of potential compliance issues.

### ***Grow and Develop Our People***

We are committed to creating and maintaining a high-performance culture of engaged employees who embrace our Mission and Values while operating with a clear understanding of their role and accountabilities for contributing to the success of the organization. We promote a culture that provides all employees the opportunity to grow and develop their skills and advance their contributions and careers. We are engaging in meaningful talent management and succession planning to promote the optimum use of our human capital and strive to further refine and develop the skills and capabilities of our leaders. We ensure that effective programs exist to recognize and reward our employees and provide meaningful health and welfare benefits to contribute towards their general well-being.

### **Student Recruitment and Admissions**

Our schools seek highly motivated, career-oriented students with both the desire and ability to complete their academic programs of choice. To promote interest among potential students, each of our schools engages in a wide variety of marketing activities. Each of our U.S. campuses has an admissions office whose staff is responsible for interacting with individuals interested in enrolling at the campuses. Admissions representatives serve as prospective students' primary contacts, providing information to help them make informed enrollment decisions and assisting them with the completion of the enrollment process. As of December 31, 2009, our domestic schools employed approximately 2,105 admissions representatives serving both current and potential students. In addition, there are currently 49 alumni chapters and nearly 400 alumni leadership board members who assist in the management of alumni programming at the campus level. These leadership groups are engaged in creating opportunities for student/alumni interaction including panel discussions and networking seminars.

We seek to increase enrollment at each of our schools through marketing programs designed to maximize each campus' market penetration. The geographic scope of the programs as well as the media deployed varies by school and location. The following table represents our estimated percentage of domestic new student starts generated by student leads obtained from various marketing sources during the years ended December 31, 2009, 2008 and 2007:

	<b>Year Ended December 31,</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
Internet	70%	71%	70%
Referrals	15%	14%	14%
Television and print	10%	9%	11%
Other	5%	6%	5%

The admissions and entrance processes of each of our schools are intended to identify students who are equipped to meet the requirements of their chosen program of study. We believe that a success-oriented student body ultimately results in higher student retention and employment rates, increased student and employer satisfaction, and lower student default rates on government loans. Generally, to be qualified for admission to one of our schools, an applicant must have received a high school diploma or a recognized equivalent, such as a

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General Education Development certificate. Some of our programs may also require applicants to meet other admissions requirements, such as obtaining certain minimum scores on assessment examinations.

### **Student Academics and Retention**

Our schools and universities offer a wide array of career-based programs at varying degree levels that engage a student's passion from the first term through graduation in a classroom, laboratory, kitchen or online setting. We offer academic programs in the core career-oriented disciplines of business studies, visual communications and design technologies, health education, culinary arts and information technology. Instruction is provided by our educators on a one-on-one basis, in small groups, or in large groups. Methods of instructional delivery include lectures and demonstrations. Our students' skills are further developed through completing assignments, projects and examinations, including those conducted in a laboratory or kitchen setting that give students practical hands-on experience. Online instructional activities may include web-based chats, threaded discussions and video presentations.

A new initiative developed by the Health SBU in collaboration with SIMTICS, a New Zealand company working on the forefront of medical training technology, is Simpro Virtual Trainer, a highly interactive tool for students to learn, practice, and perfect cognitive and clinical procedure skills. Cognitive skills, such as knowledge, recall, analytical thinking, decision making, and judgment, are often difficult to develop. Simpro Virtual Trainer was designed to be a cognitive simulator that breaks down each clinical procedure into its component steps, enabling the student to use this innovative software to learn how to perform each step in the correct order, at the correct time, with the correct hand, using the correct instrument, applied to the correct anatomical structure. Simpro Virtual Trainer combines four types of media to engage and teach students.

1. Rich descriptive text with hyperlinks that users can simply click on to reference material and information.
2. Interactive 3D anatomy these are images specific to the procedure, helping to give students a more detailed look and familiarity with the human anatomy.
3. Video descriptions of each procedure narrated by a medical expert.
4. Virtual Reality simulations where students utilize learning and testing modes.

Simpro Virtual Trainer provides diagnostic medical sonography, cardiovascular and radiography students computer-based opportunities to practice their skills and knowledge prior to entering clinical experiences, reducing the time needed in the clinical training environment.

CEC continually emphasizes the importance of student retention at each of our schools. As is the case at any postsecondary educational institution, a portion of our students fail to complete their academic programs for a variety of personal, financial or academic reasons. Our experience indicates that increases in revenue and profitability can be achieved through modest improvements in student retention rates. Furthermore, the costs to our schools of retaining current students are generally much less than the expense of the marketing efforts associated with attracting new students. Our schools' consolidated retention rates for the years ended December 31, 2009, 2008 and 2007, were approximately 70.0%, 66.7%, and 67.7%, respectively. These rates were determined in accordance with the standards set forth by the Accrediting Council for Independent Colleges and Schools (ACICS) to provide a common formula for all of our schools regardless of their accreditor.

In order to help focus and improve student retention, we have developed Student Services Teams (SST) at AIU Online. The SST help students form good habits from the very beginning, which increases their chances of success and sets the tone for the rest of their time at the University.

### **Student Graduation and Employment**

We place a high priority on assisting our students in graduating from their programs of study and securing employment in their careers of choice. We believe that the employment of our students in their field of study is a



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key indicator of the success of our schools and the fulfillment of our educational mission. Our schools strive to share with each student the responsibility for the student's long-term success. Our emphasis on providing personal support and assistance to our students is a hallmark of our educational model.

Each of our campuses has a career services department whose primary responsibility is to assist our students in identifying employment opportunities in their chosen fields of study after graduation. Career services staff members provide our students with a variety of career development instruction, which addresses, among other things, the preparation of resumes and cover letters, interviewing skills, networking and other essential job-search tools, as well as ongoing career service resources, which are generally available to both current students and alumni. Career services staff members assist students in identifying part-time employment, including participation in internship programs, while our students pursue their education. Part-time employment opportunities are an important part of our campuses' overall success strategy, as these opportunities may lead to permanent positions for our students after graduation.

As of December 31, 2009, we employed 275 individuals in the career services departments of our campuses. In addition to our career services personnel, we have many externship coordinators who help students obtain externships that prepare them to compete in the employment market.

## **Curricula and Faculty Development**

We believe that the quality and relevance of our schools' curricula is a key component of the success of our overall business strategy. We believe prospective students choose, and employers hire from, career-oriented educational institutions based primarily on the type and quality of the curriculum offered and the education provided. The curriculum development efforts of our schools are a direct product of relationships and partnerships with the business and professional communities of the employers that our schools serve. Each of our individual campuses has one or more program advisory boards comprised of local and regional community members who are engaged in businesses directly related to that campus' educational offerings. The majority of our campuses have program advisory boards comprised of local and regional community members who may make recommendations for curriculum changes, assist in identifying employment opportunities and connect the school to the community in other ways.

Faculty development is equally as important. Instructors at our schools participate in both online and face-to-face workshops, seminars or inservices. Our intranet has a faculty service area where instructors may interact with each other, access pedagogical training modules, hiring guidelines and the faculty handbook. We believe that by developing our faculty, we are enriching not only faculty skills, but also the educational experience for our students.

## **School Administration**

Each of our regionally-accredited schools, and those pursuing regional accreditation, is overseen by a governing board that includes independent representation to review academic integrity of the institution. These governing boards have broad oversight over the schools' programs and operations, play an active role in policy-making, and review financial resources of their schools to ensure the institution is able to provide a sound educational program. In furtherance of that mission, each governing board develops policies appropriate to the needs of the school and works closely with the respective school's administration, or, in the case of our AIU, CTU, and Briarcliffe multi-campus school systems, with those responsible for the centralized administration of the school, to, among other things, establish a climate for articulating and promoting the educational vision of the school.

Certain of our other schools have also established advisory boards that assist with the development of the academic and operating strategy for the schools. These governing boards generally are comprised of several members of the local community who do not have an ownership interest in the school and one or more campus or corporate employees.

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Our student population in our continuing operations as of January 31, 2010 and 2009 was 116,800 students and 96,600 students, respectively. Included in total student population in our continuing operations as of January 31, 2010 and 2009 were 46,200 students and 36,300 students, respectively, enrolled in our University, Art & Design, and Culinary Arts fully-online academic programs. Total student population for continuing operations by reporting segment as of January 31, 2010 and 2009, and related student population demographic information as of January 31, 2010 and 2009, were as follows:

**Student Population by Segment:**

	As of January 31,	
	2010	2009
<b>University</b>	<b>56,000</b>	<b>45,700</b>
<i>AIU</i>	23,800	20,600
Online	19,800	16,800
On-ground	4,000	3,800
<i>CTU</i>	30,400	23,500
Online	24,800	18,600
On-ground	5,600	4,900
<i>Briarcliffe</i>	1,800	1,600
<b>Culinary Arts</b>	<b>12,600</b>	<b>9,600</b>
On-ground	12,400	9,600
Online	200	
<b>Health Education</b>	<b>23,600</b>	<b>17,900</b>
<b>Art &amp; Design</b>	<b>13,500</b>	<b>13,500</b>
On-ground	12,100	12,600
Online	1,400	900
<b>International</b>	<b>11,000</b>	<b>9,700</b>
<b>Subtotal</b>	<b>116,700</b>	<b>96,400</b>
<b>Transitional Schools</b>	<b>100</b>	<b>200</b>
<b>Total student population</b>	<b>116,800</b>	<b>96,600</b>

**Student Population by Age Group:**

Age Group	As a Percentage of Total Student Population as of December 31,	
	2009	2008
Under 21	16%	19%
21 to 30	43%	45%
Over 30	41%	36%

**Table of Contents****Student Population by Core Curricula:**

	As a Percentage of Total Student Population as of December 31,	
	2009	2008
Business Studies	50%	49%
Visual Communications and Design Technologies	13%	16%
Health Education	20%	18%
Culinary Arts	11%	10%
Information Technology	6%	7%

**Student Population by Degree Granting Program:**

	As a Percentage of Total Student Population as of December 31,	
	2009	2008
Doctoral, Master's, Bachelor's Degree	33%	39%
Associate Degree	43%	44%
Certificate	24%	17%

**New Student Starts by Segment:**

Total new student starts for continuing operations during the years ended December 31, 2009 and 2008, were approximately 118,500 students and 101,300 students, respectively. Total new student starts for continuing operations by reporting segment for the years ended December 31, 2009 and 2008, were as follows:

	For the year ended December 31,	
	2009	2008
<b>University</b>	<b>61,900</b>	<b>55,500</b>
<i>AIU</i>	28,000	26,500
Online	24,600	23,400
On-ground	3,400	3,100
<i>CTU</i>	32,600	27,800
Online	28,500	24,100
On-ground	4,100	3,700
<i>Briarcliffe</i>	1,300	1,200
<b>Culinary Arts</b>	<b>14,000</b>	<b>10,000</b>
On-ground	13,800	10,000
Online	200	
<b>Health Education</b>	<b>24,800</b>	<b>19,200</b>
<b>Art &amp; Design</b>	<b>9,700</b>	<b>9,000</b>
On-ground	8,100	7,800
Online	1,600	1,200
<b>International</b>	<b>8,100</b>	<b>7,500</b>
<b>Subtotal</b>	<b>118,500</b>	<b>101,200</b>
<b>Transitional Schools</b>		<b>100</b>
<b>Total new student starts</b>	<b>118,500</b>	<b>101,300</b>



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Certain other key information regarding each of our operating divisions, schools and campuses is summarized in the following table:

School and Campus Locations	Website
<b>ART &amp; DESIGN STRATEGIC BUSINESS UNIT ( SBU ):</b>	
<b>International Academy of Design &amp; Technology ( IADT )</b>	
IADT-Chicago, <i>Chicago, IL</i>	<a href="http://www.iadtchicago.edu">www.iadtchicago.edu</a>
IADT-Detroit, <i>Troy, MI</i>	<a href="http://www.iadtdetroit.com">www.iadtdetroit.com</a>
IADT-Las Vegas, <i>Henderson, NV</i>	<a href="http://www.iadtvegas.com">www.iadtvegas.com</a>
IADT-Nashville, <i>Nashville, TN</i>	<a href="http://www.iadtnashville.com">www.iadtnashville.com</a>
IADT-Online, <i>Tampa, FL</i>	<a href="http://www.online.academy.edu">www.online.academy.edu</a>
IADT-Orlando, <i>Orlando, FL</i>	<a href="http://www.iadt.edu">www.iadt.edu</a>
IADT-Sacramento, <i>Sacramento, CA</i>	<a href="http://www.iadtsacramento.com">www.iadtsacramento.com</a>
IADT-San Antonio, <i>San Antonio, TX</i>	<a href="http://www.iadtsanantonio.com">www.iadtsanantonio.com</a>
IADT-Schaumburg, <i>Schaumburg, IL</i>	<a href="http://www.iadtschaumburg.com">www.iadtschaumburg.com</a>
IADT-Seattle, <i>Seattle, WA</i>	<a href="http://www.iadtseattle.com">www.iadtseattle.com</a>
IADT-Tampa, <i>Tampa, FL</i>	<a href="http://www.academy.edu">www.academy.edu</a>
<b>Brooks Institute, <i>Santa Barbara</i></b>	<a href="http://www.brooks.edu">www.brooks.edu</a>
<i>and Ventura, CA(1)</i>	
<b>Brown College, <i>Mendota Heights and</i></b>	<a href="http://www.browncollege.edu">www.browncollege.edu</a>
<i>Brooklyn Center, MN(1)</i>	
<b>Collins College, <i>Phoenix, AZ</i></b>	<a href="http://www.collinscollege.edu">www.collinscollege.edu</a>
<b>Harrington College of Design, <i>Chicago, IL</i></b>	<a href="http://www.interiordesign.edu">www.interiordesign.edu</a>
<b>CULINARY ARTS SBU:</b>	
<b>California Culinary Academy,</b>	<a href="http://www.chefs.edu">www.chefs.edu</a>
<i>San Francisco, CA</i>	
<b>Le Cordon Bleu College (or Institute)</b>	<a href="http://www.chefs.edu">www.chefs.edu</a>
<b>of Culinary Arts ( LCB )</b>	
LCB-Atlanta, <i>Tucker, GA</i>	
LCB-Boston, <i>Cambridge, MA</i>	
LCB-Chicago, <i>Chicago, IL</i>	
LCB-Dallas, <i>Dallas, TX</i>	
LCB-Las Vegas, <i>Las Vegas, NV</i>	
LCB-Los Angeles, <i>Pasadena and Hollywood, CA(1)</i>	
LCB-Miami, <i>Miramar, FL</i>	
LCB-Minneapolis/St. Paul, <i>Mendota Heights, MN</i>	
LCB Orlando, <i>Orlando, FL</i>	
LCB Pittsburgh, <i>Pittsburgh, PA</i>	