

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

CAREER EDUCATION CORP
Form SC 13D/A
November 19, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Amendment No. 6)

Under the Securities Exchange Act of 1934

CAREER EDUCATION CORPORATION

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

141665109

(CUSIP Number)

Gregory D. Hitchan
Blum Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, CA 94133
(415) 434-1111

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 17, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [].

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Page 1 of 15

* * * * *

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

1. NAME OF REPORTING PERSON BLUM CAPITAL PARTNERS, L.P.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 94-3205364

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH
8. SHARED VOTING POWER 16,577,564**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 16,577,564**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

14. TYPE OF REPORTING PERSON PN, IA

** See Item 5

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 3 of 15

1. NAME OF REPORTING PERSON RICHARD C. BLUM & ASSOCIATES, INC.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 94-2967812

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH
8. SHARED VOTING POWER 16,577,564**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 16,577,564**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

14. TYPE OF REPORTING PERSON CO

** See Item 5

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 4 of 15

1. NAME OF REPORTING PERSON BLUM STRATEGIC GP III, L.L.C.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 04-3809436

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 16,577,564**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 16,577,564**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 5 of 15

1. NAME OF REPORTING PERSON BLUM STRATEGIC GP III, L.P.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 02-0742606

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

SHARES	8.	SHARED VOTING POWER	16,577,564**
BENEFICIALLY			
OWNED BY EACH			
PERSON WITH	9.	SOLE DISPOSITIVE POWER	-0-
	10.	SHARED DISPOSITIVE POWER	16,577,564**

11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		16,577,564**

12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		[]

13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		18.5%**

14.	TYPE OF REPORTING PERSON		PN

** See Item 5

* * * * *

CUSIP NO. 141665109 SCHEDULE 13D Page 6 of 15

1.	NAME OF REPORTING PERSON	BLUM STRATEGIC PARTNERS III, L.P.	
	I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)	04-3809438	

2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) [x] (b) [x]	

3.	SEC USE ONLY		

4.	SOURCE OF FUNDS*	See Item 3	

5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)	[]	

6.	CITIZENSHIP OR PLACE OF ORGANIZATION	Delaware	

	7.	SOLE VOTING POWER	-0-

NUMBER OF			
SHARES	8.	SHARED VOTING POWER	16,577,564**
BENEFICIALLY			
OWNED BY EACH			
PERSON WITH	9.	SOLE DISPOSITIVE POWER	-0-
	10.	SHARED DISPOSITIVE POWER	16,577,564**

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

14. TYPE OF REPORTING PERSON PN

** See Item 5

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 7 of 15

1. NAME OF REPORTING PERSON BLUM STRATEGIC GP IV, L.L.C.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 26-0588693

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH

8. SHARED VOTING POWER 16,577,564**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 16,577,564**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 8 of 15

1. NAME OF REPORTING PERSON BLUM STRATEGIC GP IV, L.P.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 26-0588732

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 16,577,564**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 16,577,564**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

14. TYPE OF REPORTING PERSON PN

** See Item 5

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 9 of 15

1. NAME OF REPORTING PERSON BLUM STRATEGIC PARTNERS IV, L.P.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 26-0588744

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 16,577,564**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 16,577,564**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

14. TYPE OF REPORTING PERSON PN

** See Item 5

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 10 of 15

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

1. NAME OF REPORTING PERSON SADDLEPOINT PARTNERS GP, L.L.C.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) 83-0424234

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
 (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
 PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF
 SHARES -----
 BENEFICIALLY
 OWNED BY EACH
 PERSON WITH

8. SHARED VOTING POWER 16,577,564**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 16,577,564**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,577,564**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
 CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 18.5%**

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 11 of 15

Item 1. Security and Issuer

This Amendment No. 6 amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission on April 16, 2008 by Blum Capital Partners, L.P., a California limited partnership, ("Blum LP"); Richard C. Blum & Associates, Inc., a California corporation ("RCBA Inc."); Blum Strategic GP III, L.L.C., a Delaware limited liability company ("Blum GP III"); Blum Strategic GP III, L.P., a Delaware limited partnership ("Blum GP

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

III LP"); Blum Strategic Partners III, L.P., a Delaware limited partnership ("Blum Strategic III"); Blum Strategic GP IV, L.L.C., a Delaware limited liability company ("Blum GP IV"); Blum Strategic GP IV, L.P., a Delaware limited partnership ("Blum GP IV LP"); Blum Strategic Partners IV, L.P., a Delaware limited partnership ("Blum Strategic IV"); and Saddlepoint Partners GP, L.L.C., a Delaware limited liability company ("Saddlepoint GP") (collectively, the "Reporting Persons").

This amendment to the Schedule 13D relates to shares of common stock, \$.01 par value per share (the "Common Stock") of Career Education Corporation, a Delaware corporation (the "Issuer"). The principal executive office and mailing address of the Issuer is 2895 Greenspoint Parkway, Suite 600, Hoffman Estates, Illinois 60169.

The following amendments to the Schedule 13D are hereby made. Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Schedule 13D as previously amended.

Item 2. Identity and Background

There have been no changes to Item 2 since the Schedule 13D Amendment filed on December 19, 2007.

Item 3. Source and Amount of Funds or Other Considerations

There have been no changes to Item 3 since the Schedule 13D Amendment filed on December 19, 2007.

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 12 of 15

Item 4. Purpose of Transaction

On November 16, 2008, the Issuer's board of directors (the "Board") elected Greg L. Jackson to the Board. Mr. Jackson is an affiliate of the Reporting Persons. In connection with Mr. Jackson's election to the Board, the Issuer and Mr. Jackson entered into an agreement (attached hereto as Exhibit B, the "Agreement") pursuant to which Mr. Jackson agreed to promptly tender his resignation from the Board and any committee of the Board if at any time the Reporting Persons' collective beneficial ownership of the Issuer's Common Stock decreases to less than 15% or exceeds 24.5% of the Common Stock. Mr. Jackson executed an irrevocable resignation as a director in the form attached to the Agreement.

In connection with his appointment to the Board, Mr. Jackson was granted options to purchase 24,000 shares of the Issuer's Common Stock at an exercise price equal to the closing price of the Common Stock on November 17, 2008 on NASDAQ. One-third of the options granted vest on the grant date and on each of the first two anniversaries of the grant date.

The information set forth in this Item 4 is qualified in its entirety by reference to the full text of the Agreement (Exhibit B hereto) and is incorporated by reference herein in its entirety

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

Item 5. Interest in Securities of the Issuer

(a), (b) According to the Issuer's Form 10Q filed with the Securities and Exchange Commission on November 5, 2008, there were 89,714,982 shares of Common Stock issued and outstanding as of October 31, 2008. Based on such information, after taking into account the transactions described in Item 5(c) below, the Reporting Persons report beneficial ownership of the following shares of Common Stock: (i) 2,512,975 shares of Common Stock held by Blum LP and RCBA Inc. on behalf of the limited partnerships for which Blum LP serves as the general partner, which represents 2.8% of the outstanding shares of the Common Stock; (ii) 6,604,096 shares of the Common Stock held by Blum GP III which serves as general partner of Blum GP III LP which, in turn, serves as the general partner of Blum Strategic III, which represents 7.4% of the outstanding shares of the Common Stock; (iii) 6,666,593 shares of the Common Stock held by Blum GP IV which serves as general partner of Blum GP IV LP which, in turn, serves as the general partner of Blum Strategic IV, which represents 7.4% of the outstanding shares of the Common Stock; (iv) 464,900 shares of the Common Stock held by Saddlepoint GP on behalf of a partnership for which it serves as the general partner, which represents 0.5% of the outstanding shares of the Common Stock; and (v) 164,500 shares of the Common

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 13 of 15

Stock that are legally owned by The Nuclear Decommissioning Trust of Dominion Nuclear Connecticut, Inc. ("Dominion Connecticut"), which represents 0.2% of the outstanding shares of the Common Stock and 164,500 shares of the Common Stock that are legally owned by Virginia Electric and Power Company Qualified Nuclear Decommissioning Trust ("Virginia Electric"), which represents 0.2% of the outstanding shares of the Common Stock (collectively, the "Investment Advisory Clients"), with respect to which Blum LP has voting and investment power. Each Investment Advisory Client has entered into an investment management agreement with Blum LP, but neither Investment Advisory Client has any contract, arrangement or understanding with the other Investment Advisory Client, or any other Reporting Person, with respect to the acquisition, ownership, disposition or voting of any shares of the Common Stock. Each Investment Advisory Client disclaims membership in a group with any Reporting Person or with the other Investment Advisory Client, and each disclaims beneficial ownership of any shares beneficially owned by the Reporting Persons other than for their own account.

Voting and investment power concerning the above shares are held solely by Blum LP, Blum GP III, Blum GP IV and Saddlepoint GP. The Reporting Persons therefore may be deemed to be members in a group, in which case the group would be deemed to have beneficial ownership of an aggregate of 16,577,564 shares of the Common Stock, which is 18.5% of the outstanding Common Stock. As the sole general partner of Blum LP, RCBA Inc. is deemed the beneficial owner of the securities over which Blum LP has voting and investment power. The filing of this Schedule shall not be construed as an admission that any of the shareholders, directors or executive officers of RCBA Inc. or the managing members and members of Blum GP III, Blum GP III LP, Blum GP IV, Blum GP IV LP and Saddlepoint GP, is, for any purpose, the beneficial owner of any of the securities that are beneficially owned by RCBA Inc., Blum GP III LP, Blum GP III, Blum GP IV LP, Blum GP IV or Saddlepoint GP.

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

c) On October 24, 2008, the Reporting Persons distributed 424,790 shares of Common Stock to a limited partner in one of the limited partnerships for which Blum LP serves as the general partner and transferred 1,180 shares of Common Stock to Blum LP.

(d) Not applicable.

(e) Not applicable.

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 14 of 15

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 is hereby amended to add the following:

The disclosure set forth above in Item 4 is hereby incorporated by reference in its entirety.

Item 7. Material to be Filed as Exhibits

- Exhibit A - Joint Filing Undertaking
- Exhibit B - Agreement

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 15 of 15

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: November 19, 2008

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.

By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

BLUM STRATEGIC GP III, L.L.C.

BLUM STRATEGIC GP III, L.P.

By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

Gregory D. Hitchan
Managing Member

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC PARTNERS III, L.P.
By: Blum Strategic GP III, L.P.,
its General Partner
By: Blum Strategic GP III, L.L.C.
its General Partner

BLUM STRATEGIC GP IV, L.L.C.

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Managing Member

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC GP IV, L.P.
By: Blum Strategic GP IV, L.L.C.
its General Partner

BLUM STRATEGIC PARTNERS IV, L.P.
By: Blum Strategic GP IV, L.P.,
its General Partner
By: Blum Strategic GP IV, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Managing Member

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

SADDLEPOINT PARTNERS GP, L.L.C.
By: Blum Capital Partners, L.P.
its Managing Member
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

* * * * *

CUSIP NO. 141665109

SCHEDULE 13D

Page 1 of 1

Exhibit A
JOINT FILING UNDERTAKING

The undersigned, being duly authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13D to evidence the agreement of the below-named parties, in accordance with the rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule jointly on behalf of each such party.

Dated: November 19, 2008

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

BLUM STRATEGIC GP III, L.L.C.

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC GP III, L.P.

By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC PARTNERS III, L.P.

By: Blum Strategic GP III, L.P.,
its General Partner

By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Managing Member

BLUM STRATEGIC GP IV, L.L.C.

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC GP IV, L.P.

By: Blum Strategic GP IV, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Managing Member

BLUM STRATEGIC PARTNERS IV, L.P.

By: Blum Strategic GP IV, L.P.,
its General Partner

By: Blum Strategic GP IV, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

SADDLEPOINT PARTNERS GP, L.L.C.

By: Blum Capital Partners, L.P.
its Managing Member

By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

* * * * *

EXHIBIT B

AGREEMENT

This Agreement, dated as of November 17, 2008 (this "Agreement"), is by and between Greg L. Jackson ("Jackson") and Career Education Corporation (the "Company").

WHEREAS, the Board of Directors of the Company (the "Board") has extended an invitation to Jackson to join the Board and Jackson has accepted; and

WHEREAS, the persons and entities listed on Schedule A (collectively, the "Blum Group", and individually a "member" of the Blum Group) are the beneficial owners of shares of common stock of the Company (the "Common Stock"); and

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

WHEREAS, Jackson is a member of the Blum Group;

WHEREAS, the Company and Jackson have determined that it is their best interests to enter into this Agreement.

NOW, THEREFORE, in consideration of and reliance upon the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Resignation. If at any time after Jackson's appointment to the Board and any subsequent elections or re-elections to the Board, the Blum Group, together with all Affiliates (as such terms are hereinafter defined) of the members of the Blum Group (such Affiliates, collectively and individually, the "Blum Affiliates") ceases collectively to beneficially own at least 15% of the Common Stock, or collectively beneficially own greater than 24.5% of the Common Stock, Jackson shall promptly tender his resignation from the Board and any committee of the Board on which he then sits. In furtherance of this Agreement, Jackson, upon his appointment to the Board, shall execute an irrevocable resignation as director in the form attached hereto as Exhibit A.

For purposes of this Agreement: the term "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and the terms "person" or "persons" shall mean any individual, corporation (including not-for-profit), general or limited partnership, limited liability or unlimited liability company, joint venture, estate, trust, association, organization or other entity of any kind or nature.

2. Public Announcement. The Company shall announce this Agreement and the material terms hereof by means of a press release in the form attached hereto as Exhibit B (the "Press Release"). Neither the Company nor Jackson shall make any public announcement or statement that is inconsistent with or contrary to the statements made in the Press Release, except as required by law or the rules of any stock exchange or with the prior written consent of the other party.

3. Miscellaneous. The parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the Court of Chancery or other federal or state courts of the State of Delaware, in addition to any other remedy to which they are entitled at law or in equity. Furthermore, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of the Court of Chancery or other federal or state courts of the State of Delaware in the event any dispute arises out of this Agreement or the transactions contemplated by this Agreement, (b) agrees that it shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it shall not bring any action relating to this Agreement or the transactions contemplated by this Agreement in any court other than the Court of Chancery or other federal or state courts of the State of Delaware, and each of the parties irrevocably waives the right to trial by jury, (d) agrees to waive any bonding requirement under any applicable law, in the case any other party seeks to enforce the terms by way of equitable relief and (e) each of the parties irrevocably consents to service of process by a reputable overnight mail delivery service, signature requested, to the address of such parties' principal place of business or as otherwise provided by applicable law.

THIS AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS, INCLUDING WITHOUT LIMITATION VALIDITY, INTERPRETATION AND EFFECT, BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES OF SUCH STATE.

4. No Waiver. Any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

5. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and may be amended only by an agreement in writing executed by the parties hereto.

6. Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein and all legal process in regard hereto shall be in writing and shall be deemed validly given, made or served, if (a) given by telecopy and email, when such telecopy and email is transmitted to the telecopy number set forth below and sent to the email address set forth below and the appropriate confirmation is received or (b) if given by any other means, when actually received during normal business hours at the address specified in this subsection:

if to the Company: Career Education Corporation
2895 Greenspoint Pkwy.
Suite 600
Hoffman Estates, IL 60195
Attention: Chief Executive Officer
Facsimile: (847) 781-3610

With a copy to: Career Education Corporation
2895 Greenspoint Pkwy.
Suite 600
Hoffman Estates, IL 60195
Attention: General Counsel
Facsimile: (847) 585-2060

if to Jackson: Greg L. Jackson
Blum Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, California 94133
Facsimile: (415) 434-3130

With a copy to: Greg Hitchan
Blum Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, California 94133
Facsimile: (415) 434-3130

7. Severability. If at any time subsequent to the date hereof, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon the legality or enforceability of any other provision of this Agreement.

8. Counterparts. This Agreement may be executed in two or more counterparts which together shall constitute a single agreement.

9. Successors and Assigns. This Agreement shall not be assignable by any of the parties to this Agreement. This Agreement, however, shall be binding on

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

successors of the parties hereto.

10. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and is not enforceable by any other persons.

11. Fees and Expenses. Neither the Company, on the one hand, nor Jackson, on the other hand, will be responsible for any fees or expenses of the other in connection with this Agreement.

12. Interpretation and Construction. Each of the parties hereto acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement, and that it has executed the same with the advice of said independent counsel. Each party and its counsel cooperated and participated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto exchanged among the parties shall be deemed the work product of all of the parties and may not be construed against any party by reason of its drafting or preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any party that drafted or prepared it is of no application and is hereby expressly waived by each of the parties hereto, and any controversy over interpretations of this Agreement shall be decided without regards to events of drafting or preparation. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, or caused the same to be executed by its duly authorized representative as of the date first above written.

By: /s/ Gregory L. Jackson

Greg L. Jackson

CAREER EDUCATION CORPORATION

By:
Name:
Title:

* * * * *

SCHEDULE A

Blum Capital Partners, L.P.
Richard C. Blum & Associates, Inc.
Blum Strategic GP III, L.L.C.
Blum Strategic GP III, L.P.
Blum Strategic Partners III, L.P.
Blum Strategic Partners IV, L.P.
Blum Strategic GP IV, L.L.C.
Blum Strategic GP IV, L.P.
Saddlepoint Partners GP, L.L.C.
Greg L. Jackson

* * * * *

EXHIBIT A - [Form of Irrevocable Resignation]

[Date]

Edgar Filing: CAREER EDUCATION CORP - Form SC 13D/A

Attention: Chairman of the Board of Directors

Reference is made to the Agreement, dated as of November 17, 2008 (the "Agreement"), by and among Career Education Corporation (the "Company") and Greg L. Jackson. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement.

In accordance with Section 1 of the Agreement, I hereby tender my conditional resignation as a director of the Board and as a member of any committees of the Board, provided that this resignation shall be effective upon the Board's acceptance of this resignation, and only in the event that at any time the Blum Group, together with the Blum Affiliates, ceases collectively to beneficially own at least 15% of the Common Stock, or collectively beneficially own greater than 24.5% of the Common Stock. I hereby acknowledge that this conditional resignation as a director of the Board is as a result of the terms and conditions of the Agreement.

This resignation may not be withdrawn by me at any time during which it is effective.

Very truly yours,

By: /s/ Gregory L. Jackson

Greg L. Jackson

* * * * *