PRIVATE EQUITY'S FAILING GRADE

Private equity investment in for-profit colleges

For more than a decade, private equity firms have helped drive growth in the for-profit college industry in the United States, acquiring and helping to grow chains including the Art Institutes, Argosy University, Walden University, the University of Phoenix, and Ashford University.

In acquiring and investing in for-profit colleges, private equity firms have turned to their regular playbook of buying companies and layering on debt, but in this case, it is the largely the federal government that provides the debt and students, especially low-income students of color, who end up with that debt, often without having received an education that prepares them for a job.

While the for-profit college industry has faltered in recent years, private equity has continued to make investments, notably Apollo Global Management's acquisition of University of Phoenix owner Apollo Education in early 2017.

As the Trump administration rolls back the greater regulatory scrutiny the for-profit college industry has faced during the last several years, it is private equity that stands to benefit the most, posing continuing dangers to students, taxpayers, and the integrity of the federal financial aid system.

PRIVATE EQUITY FIRMS THAT HAVE INVESTED IN FOR PROFIT COLLEGES INCLUDE:

Apollo Global Management (Apollo Education/ University of Phoenix)

KKR (Laureate Education/ Walden University, EDMC/ Art Institutes and Argosy University)

Goldman Sachs and Providence Equity (EDMC/ Art Institutes and Argosy University)

Warburg Pincus (Bridgepointe Education/ Ashford University)

Willis Stein & Partners, Landmark Partners and Vision Capital (Education Corp of America/Brightwood College and Virginia College)

JLL Partners (Education Affiliates/ All-Star Career College and Fortis College)

TA Associates (Full Sail University and Vatterott Educational Centers)

Quad Partners (Blue Cliff College)

A more comprehensive list is at the end of this report.

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Department of Education funds provide a massive subsidy to PE-owned colleges

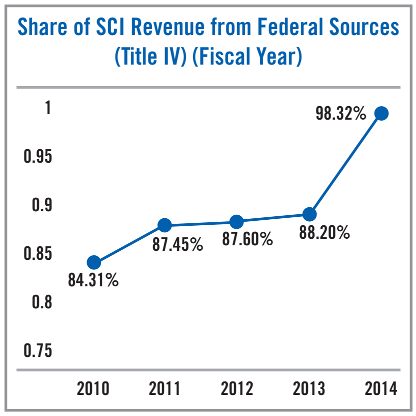
Private equity-owned for profit colleges, like other for profit colleges, are heavily dependent on US Department of Education Title IV funds including federal student loans and grants such as the Pell Grant. On average, Department of Education Title IV funds accounted for around 80% of revenue at private equity-owned for profit colleges.[1]

For-profit colleges owned by private equity firms drew more than $5 billion in US Department of Education Title IV funds in the academic year ended 2015[2], and hundreds of millions of dollars more in Post 9/11 GI Bill and US Department of Defense Tuition Assistance funds.

Some PE-owned for profit college chains have been particularly aggressive in utilizing US Department of Education Title IV funds.

To take just one example: Southern Careers Institute, a Texas-based chain of vocational schools, is owned by private equity firm Endeavour Capital[3]. During the academic year ended June 2015 (SCI fiscal year ended December 2014), Southern Careers Institute violated the US Department of Education's 90/10 Rule[4] by deriving more than 98% of its revenue, $32.4 million out of $33.0 million, from federal government (Title IV) sources, the highest of any for profit college.[5]

10 years after they had started school, former students of Southern Careers Institute's Austin campus earned just $20,500 on average[6], almost $5,000 *less* than the average Austin resident with just a high school diploma.[7] Just 18.9% of Southern Careers Institute-Austin students had paid back any of their federal student loans three years after leaving school, compared to the national average of 46.4%.[8]



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Deceptive practices

Multiple for-profit colleges owned by private equity firms have reached settlements with state and federal agencies following allegations that they engaged in deceptive practices. A few noteworthy examples include:

EDUCATION MANAGEMENT CORP. (GOLDMAN SACHS/ PROVIDENCE EQUITY/LEEDS EQUITY AND LATER KKR)

In November 2015, Education Management Corp (EDMC) entered into a settlement with the US Department of Justice and agreed to pay $95.5 million to settle claims of illegal recruiting, consumer fraud, and other violations.[9]

EDMC was owned by the private equity arm of Goldman Sachs, Providence Equity Partners, and Leeds Equity Partners until August 2014[10], when the company's lenders, led by private equity manager KKR, converted their loans to a 90 percent equity stake in the for-profit college chain.[11] The allegations by Department of Justice extended through the periods when Goldman Sachs/ Providence/Leeds were major equity owners in EDMC and KKR was a major lender.[12]

The Justice Department alleged that EDMC ran a high-pressure boiler room where admissions personnel were paid based on the number of students they enrolled.[13]

"Operating essentially as a recruitment mill, EDMC's actions were not only a violation of federal law but also a violation of the trust placed in them by their students - including veterans and working parents - all at taxpayer expense," said Attorney General Loretta Lynch.

ASHFORD UNIVERSITY/ BRIDGEPOINT EDUCATION (WARBURG PINCUS)

In May 2014 Ashford University, a subsidiary of Bridgepoint Education, agreed to pay $7.25 million to settle claims that recruiters lied to convince prospective students to enroll in online classes. While Bridgepoint was publicly traded, private equity firm Warburg Pincus owned a majority (61.4%) of the company as of April 2014.[14]

Iowa Attorney General Tom Miller alleged Ashford and Bridgepoint violated Iowa's Consumer Fraud Act by withholding critical information, using high-pressure sales tactics, charging huge non-refundable fees and making misleading statements to convince prospective students to enroll in online classes.[15]

Photo: Avi (CC BY 2.0)

"Operating essentially as a recruitment mill, EDMC's actions were not only a violation of federal law but also a violation of the trust placed in them by their students - including veterans and working parents - all at taxpayer expense."
Attorney General Loretta Lynch
November 16, 2015

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"Our investigation found what we allege was troubling conduct by Ashford recruiters, including misleading prospective students to encourage them to sign on the dotted line," Miller said. "Unfortunately for many Ashford students, they didn't get the degree they hoped for or the job they were led to believe they'd get after graduating. What they did end up with was a crushing amount of student loan debt."[16]

Two years later, in September 2016, the Consumer Financial Protection Bureau (CFPB) ordered Bridgepoint to pay more than $24 million to refund and discharge debt that students accumulated through an in-house loan program that used deceptive marketing to lure borrowers. CFPB officials say the company misrepresented the total cost of the loans by telling prospective borrowers that they could pay them off by sending as little as $25 a month. But the typical payments on the loans were far higher. "Bridgepoint deceived its students into taking out loans that cost more than advertised, and so we are ordering full relief of all loans made by the school," said CFPB Director Richard Cordray.[17]

"Unfortunately for many Ashford students, they didn't get the degree they hoped for or the job they were led to believe they'd get after graduating. What they did end up with was a crushing amount of student loan debt."
Iowa Attorney General
Tom Miller, May 16, 2014

EDUCATION AFFILIATES (JLL PARTNERS)

In June 2015, Education Affiliates agreed to pay $13 million to the United States government to resolve allegations that it violated the False Claims Act by submitting false claims to the US Department of Education for federal student aid for students enrolled in its programs.[18]

The government alleged that employees at EA's All-State Career campus in Baltimore altered admissions test results to admit unqualified students, created false or fraudulent high school diplomas and falsified students' federal aid applications, and that multiple EA schools referred prospective students to "diploma mills" to obtain invalid online high school diplomas. These allegations also led to criminal convictions of two All State Careers admission representatives, Barry Sugarman and Jesse Moore, and a test proctor, Jacqueline Caldwell.[19]

"The various cases that were settled here include numerous allegations of predatory conduct that victimized students and bilked taxpayers," said Under Secretary Ted Mitchell of the U.S. Department of Education.[20]

Former Maryland Lt. Governor Anthony Brown speaking at Fortis College ribbon cutting. (CC BY 2.0)

"The various cases that were settled here include numerous allegations of predatory conduct that victimized students and bilked taxpayers,"
Ted Mitchell, Under Secretary of the U.S. Department of Education, June 24, 2015.

POOR STUDENT OUTCOMES

Like the for-profit college industry more generally, many private equity-owned for profit colleges have failed to provide an adequate education for students despite drawing federal funds and encouraging students to take out tens of thousands of dollars in loans. For example, a 2016 report from the National

Bureau of Economic Research that shows that for-profit students experience a "decline in earnings after attendance, relative to their own earnings in years prior to attendance." Some specific examples include:

A recent study published in the Journal of Human Resources, "Gainfully Employed? Assessing the Employment and Earnings of For-Profit College Students Using Administrative Data," noted that students at for profit chains do particularly poorly:

"Here we observe worse performance among the chain for-profits: annual earnings declines are nearly double in magnitude for chains (about -$2,400 vs. -$1,200). Employment outcomes are negative for chains (-2.5 percentage points), but show a positive differential for independent institutions (2.0 percentage points)."[21]

The study went on to note that "for-profit attendance does not pass a benefit-cost test and leaves the average student with a loss of about $1,200 over her lifetime [compared to not attending college at all].[22]

UNIVERSITY OF PHOENIX (APOLLO GLOBAL MANAGEMENT)

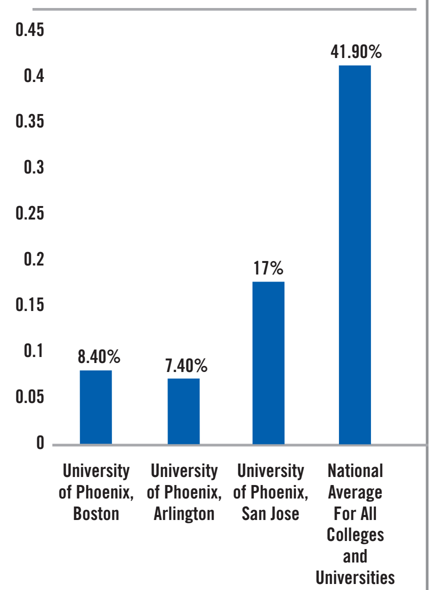
In early 2017 Apollo Education, the owner of the University of Phoenix for profit college chain, was taken private by Apollo Global Management a (then unrelated) large private equity manager. While University of Phoenix enrollment has fallen sharply from its 2010 peak, the chain still enrolled 171,000 students this year, the Associated Press reported.[23]

Based on federal data, graduation rates at University of Phoenix campuses are dismally low – from 17% at the University of Phoenix campus in San Jose, California[24] to 8.4% in Boston[25] to 7.4% in Arlington, Virginia.[26] These compare to national average graduation rate of 41.9% for all colleges and universities.[27]

Several University of Phoenix programs, including its teacher assistant/aide associates degree, behavioral sciences associates and bachelor's degree, and health information/medical records technology associates degree programs, failed the US Department of Education's Gainful Employment standards in 2015, the most recent year available – standards that measure whether graduates earn enough money to pay down their federal student loans.[28]

Students graduating from the University of Phoenix with teacher's aide/assistant associates degree earned an average of $18,094, significantly below the average earnings of someone with just a high-school diploma ($25,000). This was also the case for University of Phoenix students graduating with a pharmacy tech/ assistant associates degree ($20,422), another program that failed federal Gainful Employment standards.[29]

Graduation Rates, University of Phoenix Campuses vs. National Average



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According to the US Department of Education's College Scorecard website, the average University of Phoenix student ended up with $32,813 in federal student debt. This does not include private student loans.[30]

The University of Phoenix has drawn the most complaints to the VA of any college from students receiving Post 9/11 GI Bill funds.[31] Of these, most students complained about financial issues (e.g., tuition/fee charges – 323 complaints), followed by quality of education (179 complaints).[32]

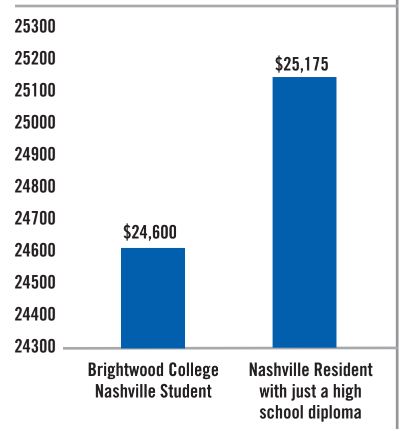
Education Corporation of America (Landmark Partners, Vision Capital)

For profit college chain Education Corporation of America (ECA) is owned by private equity firms Willis Stein & Partners, Landmark Partners and Vision Capital.[33] In 2015 Education Corporation of America significantly expanded by acquiring from Kaplan Education, a division of Graham Holdings Co., 38 Kaplan College campuses and incorporating them into its Virginia College and Brightwood College chains.[34] ECA schools enroll almost 60,000 students.[35]

In 2015, the majority (19 of 35) of Virginia College's programs failed federal gainful employment standards.[36] According to Department of Education data, a student at Virginia College's Greensboro, North Carolina campus, for example, earned an average of $24,400 ten years after starting classes there, less than the average income of a Greensboro resident with just a high school diploma.[37] Just 36% of students who attend Virginia College's Greensboro campus earned, on average, more than those with only a high school diploma.[38]

Five of Brightwood College's programs failed federal gainful employment standards. Another 27 programs were rated "zone" or warning zone, meaning their graduates' annual loan payments were 20 to 30 percent of discretionary income or 8 to 12 percent of total earnings.[39] A student at Brightwood College's Nashville, Tennessee campus earned an average of $24,600 ten years after starting classes there, less than a Nashville resident with just a high school diploma.[40] Just 38% of students who attend Brightwood College's Nashville campus earned, on average, more than those with only a high school diploma.[41]

Income, Brightwood College-Nashville student vs. Nashville resident with a high school diploma



Education Affiliates (JLL Partners)

In addition to settling charges with the US Department of Justice that it violated the False Claims Act, eighteen programs at Education Affiliates' Fortis Institute brand failed the Department of Education's Gainful Employment standards as of 2015.[42]

According the US Department of Education's College Scorecard tool, a student who attends Fortis' Indianapolis campus makes just $22,200 ten years after entering school. Just 30% of students who attended the school earned, on average, more than those with only a high school diploma.[43]

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WHO IS TARGETED BY FOR PROFIT COLLEGES?

The impact of the for-profit college sector, including for-profit colleges owned by private equity firms, is not distributed equally. Students from low-income backgrounds and students of color, particularly African-American and Latino students, make up a disproportionate share of for-profit college students.[44]

A 2014 paper by the Leadership Conference on Civil and Human Rights showed that African-American and Latino students are over-represented in for-profit colleges, making up 41 percent of the student body.[45] This over-representation was even more extreme at the for-profit giant Corinthian Colleges: an analysis of Corinthian's 2014 enrollment numbers shows that people of color comprised the majority (62 percent) of its students, women comprised 71 percent of its students, and African-American women comprised 26 percent.[46]

A 2014 study by the Center for Responsible Lending showed that over one-quarter (28%) of African-Americans enrolled in a four-year institution attend a for-profit college, compared with just 10% of whites. A 2016 Brookings Institution study reported that for-profit students have the lowest average annual household income, at just $28,530, significantly lower than public two-year (e.g. community college) students ($41,718) and other public and non-profit colleges and universities.[47]

For-profit colleges also have a higher proportion of female students than public and non-profit colleges and universities.[48]

In addition, for-profit students are almost twice as likely to have served in the military.[49]

For-profit colleges also disproportionately enroll low-income students, older students, and single parents.

Photo: U.S. Air Force photo/Airman Jerilyn Quintanilla

STUDENT DEBT/ DEFAULTS

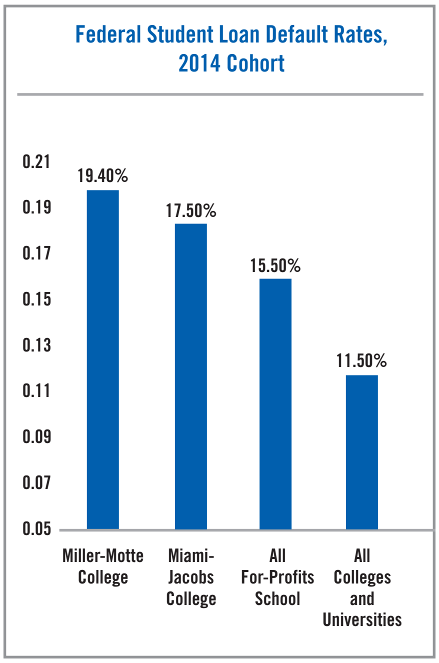
In October, the National Center for Education Statistics (NCES) reported that students who attended for-profit colleges were more than twice as likely to default on their loans than students who attended public educational institutions. According to the NCES report, 52% of the students who attended for-profit schools defaulted on their loan within ten years.[50]

Delta Career Education (Apollo Investment Corp)

Apollo Investment Corp, the business development company (BDC) managed by Apollo Global Management, the owner of the University of Phoenix, has equity and debt investments in for-profit college firm Delta Career Education[51], which operates the Miller-Motte College, Miami-Jacobs Career College, McCann School of Business and Technology, and Berks Technical Institute chains.[52]

According to Department of Education data, the average student at Miller-Motte College's Augusta, Georgia campus graduated with $25,515 in federal student debt. Ten years after starting classes, the average Miller-Motte Augusta student earned just $23,000 a year. Just 20% of Miller-Motte Augusta students had paid down any of their federal student debt three years after leaving school, compared to a national average of 46% for all colleges and universities.[53]

Instead, nearly a fifth (19.4%) of the 2014 cohort of Miller-Motte Augusta students had defaulted on their debt within three years of leaving school.[54] The national 2014 cohort default rate is 11.5% for all colleges and universities and 15.5% for all for-profit schools.[55]



FINANCIAL RESPONSIBILITY

The US Department of Education requires colleges and universities to submit audited financial statements to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs.[56]

Several private equity-owned for profit colleges failed the Department of Education's financial responsibility test during the 2014-2015 academic year. Schools that scored in the "not financially responsible" range include Trident University International (owned by PE firm Summit Partners), Northcentral University (Falcon Investment Partners), Tribeca Flashpoint College (Sterling Partners), Blue Cliff College (Quad Partners), Instituto de Banca y Comercio (ABRY Partners), Vatterott Educational Centers (TA Associates), Fortis College (JLL Partners), Virginia College (Landmark Partners), Miller Motte College (Apollo Investment Corp), and the Art Institutes (KKR).

These and a number of other private equity-owned for profit colleges including Swedish Institute (Quad Partners), National University College (ABRY Partners), All-State Career (JLL Partners), Brightwood College (Landmark Partners), Miami-Jacobs Career College (Apollo Investment Corp), Walden University (KKR) and Argosy University (KKR) have been placed on "heightened cash monitoring" status by the Department of Education[57], requiring them to operate under more restrictive conditions and extra scrutiny because of concerns about their management or administration of federal financial-aid dollars.[58]

PE-OWNED COLLEGES AND ACICS

In late 2016, the Obama Department of Education stripped the Accrediting Council for Independent Colleges and Schools (ACICS) ofDepartment recogniition, due to concerns about the agency's oversight of for-profits, including Corinthian Colleges and ITT Technical Institute, that had been charged with deceptive practices. "ACICS's track record does not inspire confidence that it can address all of the problems effectively," wrote Emma Vadehra, chief of staff to the education secretary. The ACICS was the largest accreditor of for-profit schools.[59]

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A number of private equity-owned colleges were accredited by the ACICS including some of the Art Institutes (KKR), Delta Career Education (Apollo Investment Corp), Virginia College and Brightwood College (Landmark Partners, Willis Stein & Co, Vision Capital), Florida Technical College and Instituto de Banca y Comercio (ABRY Partners), Stautzenberger College and Rockford Career College (Wafra Partners), American Institute (Primus Capital), Tribeca Flashpoint College and Spartan College of Aeronautics and Technology (Sterling Partners).[60]

These schools are currently operating under a provisional accreditation and have 18 months to find a new accreditor.[61]

TRUMP ADMINISTRATION COULD BE A BOON FOR PE-OWNED FOR-PROFIT COLLEGES

Since taking office, Trump-appointed Secretary of Education Betsy DeVos, herself the former chair of and current investor in a private equity firm[62], has moved swiftly to roll back oversight of and regulations governing for-profit colleges as a number of for-profit college industry figures, including Robert Eitel and Julian Schmoke, have joined the Department of Education.[63]

For example, DeVos has moved failed to implement and moved to gut the Obama-era Gainful Employment Rule, which requires for-profit schools and programs to help students prepare for "gainful employment in a recognized occupation" to receive federal funding.[64] More than one third (35%) of the 804 college programs that failed the Department of Education's Gainful Employment Rule, were at for-profit colleges owned by private equity.[65] DeVos also is moving to erase the Obama Borrower Defense Rule, which established procedures for students harmed by their schools to have their federal loans cancelled. Thus far, 98.6% of all Borrower Defense claims have been filed by for-profit college students.[66]

The Department of Education under DeVos has also ceased coordination with the Consumer Financial Protection Bureau[67], a partnership which had resulted in multiple settlements with for-profit colleges and hundreds of millions of dollars in loan forgiveness, including a $24 million settlement at private equity owned Bridgepointe Education.[68] DeVos also may give a sympathetic response to accreditor ACICS, which is now seeking reinstatement.

US Secretary of Education Betsy DeVos with Donald Trump

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List of private equity-owned for profit colleges

NAME	SCHOOLS/OTHER NAMES	ENROLLMENT	EMPLOYEES	OWNER/INVESTOR	ACQUIRED
Laureate Education	Walden University	1,070,900 globally including 70,100 online (US)	67,800	KKR (Reduced stake to 6.52% n 2017), Bregal Investments, Caisse de depot,Sterling Partners	Jul-07
Apollo Education	University of Phoenix, College for Financial Planning, The Iron Yard (closing), Western International University (closing), international schools	139,200 (Univ of Phoenix)	28,000	Apollo Global Management, Vistria Group, Najafi Companies	Dec-16
Education Management Corp	EDMC, Art Institutes, Argosy University	65,000	15,000	KKR (Exited Oct 2017)	Aug-14
Education Corporation of America	Brightwood Career Institute, Brightwood College, Virginia College, New England College of Business, Golf Academy of America, Ecotech Institute	60,000	1,001	Landmark Partners, Monroe Capital, Vision Capital	Aug-12
Bridgepoint Education	Ashford University, University of the Rockies	43,384	6,615	Warburg Pincus (Exited Nov 2017)	Jan-03
EduK Group	National University College (NUC), Instituto de Banca y Comercio (IBC), Ponce Paramedical College (POPAC), Florida Technical College (FTC), Digital Animation and Visual Effects School (DAVE), LaSalle Computer Learning Center	27,000	3,000	ABRY Partners	Jun-10
American Higher Education Development	@Home Prep, Media Institute, East West College of Natural Medicine, Stautzenberger College, Rockford Career College			Wafra Partners	Aug-04
American Institutes Holdings	American Institute			Primus Capital Funds	Jan-08
Arizona College	Arizona College of Allied Health, Arizona College of Pharmacy Technology			Sentinel Peak Capital	Dec-10
Education Affiliates	Fortis, St. Paul's School of Nursing, Driveco CDL learning center, GDA Training, Denver School of Nursing		1,001	JLL Partners	Nov-04
Full Sail University		15,000	4,281	TA Associates Management	Aug-11
The Rocky Mountain College of Art and Design	RMCAD		339	TA Associates Management	Jan-11
The Los Angeles Film School		2,334	455	TA Associates Management	Jan-11
Vatterott Educational Centers	Vatterott Sullivan Education Centers		777	TA Associates Management	Nov-09
AmeriTech College				Main Street Capital	Mar-12
Blue Cliff College	BCC			Quad Partners	Apr-08
Pacific College of Oriental Medicine				Quad Partners	Dec-08
Swedish Institute	Swedish Institute for Physiotherapy		100	Quad Partners	Jan-08
Trillium College	Trillium		237	Quad Partners	?
Dorsey Schools			150	Gemini Investors, Quad Partners	Feb-06
Star Career Academy	SCA, Star Technical Institute School Group			Gemini Investors, Summer Street Capital Partners	Jul-10
StrataTech Education Group	StrataTech, Beam Reach Education		201	Graycliff Partners, Summer Street Capital Partners	Oct-08

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NAME	SCHOOLS/OTHER NAMES	ENROLLMENT	EMPLOYEES	OWNER/INVESTOR	ACQUIRED
Midwest Technical Institute	MTI, Delta Technical College			Summer Street Capital Partners	Oct-12
Career Learning				Graylight Partners	June-15
Graylight Partners	Career Quest, Quest Education			Sverica Capital Management	Dec-09
Career Step			125	Norwest Mezzanine Partners, Revelstoke Capital Partners	Feb-15
Career Training Academy	CTA			HCP & Company	Dec-11
Michigan Institute of Aviation and Technology	MIAT			HCP & Company	Aug-14
Concorde Career Colleges			980	Liberty Partners	Sept-06
YTI Career Institute				Liberty Partners	Oct-05
Henley-Putnam University	Henley Putnam		15	CMS Small-Cap Private Equity Fund, Liberty Partners	Jul-06
Detroit Institute of Music Education	DIME			Beringea, Invest Michigan	Mar-14
Digital University	Digital			OnCourse Learning, The Riverside Company	Nov-12
Health and Safety Institute	HIS, American Safety & Health Institute		107	Maranon Capital, Millpond Equity Partners, The Riverside Company	May-15
EDIC College				Renovus Capital Partners	Mar-12
Education Consolidation	Robertson College			Beverly Capital, Maxim Partners	Jan-10
Westervelt College				Capstone Partners, Education Consolidation, Maxim Partners, Robertson College	Feb-12
Florida Coastal School of Law	FCSL		100	Sterling Partners	Jan-04
Spartan College of Aeronautics and Technology	Redstone College		1,001	Sterling Partners	Mar-16
Meteor Learning			501	Sterling Partners, Spring Lake Equity Partners	Sep-13
The Infilaw System	Infilaw			Ares Capital, Sterling Partners	Jan-04
Tribeca Flashpoint College	Tribeca Flashpoint Media Arts Academy		173	Ernest Pomerantz, Sterling Partners	Jun-12
Heavy Equipment USA	Heavy Equipment, Heavy Equipment Colleges of America			Evolution Capital Partners	Jun-15
International Education			501	Berggruen Holdings	May-07
IQ Company	ICPR Junior College			Advent-Morro Equity Partners	
Javelin Learning Systems	JTC Education Holdings, Javelin Technical Training		2	Arcady Bay Partners, Excellere Partners	Mar-09
NCU Holdings	Northcentral University			Falcon Investment Advisors, GroundSwell Capital, RockBridge Growth	Jan-09
Penn Foster		50,000		Falcon Investment Advisors, Vistria Group	Dec-09
Sotheby's Institute of Art				Cambridge Information Group	Jan-02
Southern Careers Institute	SCI	1,500	80	Endeavour Capital	Oct-09
Southern Technical Institute	Southern Tech, STI		160	Alcentra Capital, Wicks Group of Companies	Oct-12
Trident University International	TUI, Touro University International	6,197		Summit Partners	Jul-07
Triumph Higher Education Group	Escoffier School of Culinary Arts			Camden Partners	Jan-14
Unitek Information Systems	Unitek		162	Cressey & Company	Jun-13
Vista College			15	Prospect Partners	Jun-05
West Michigan Aviation Academy				The Windquest Group	

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Endnotes

[1] Proprietary School Revenue Percentages Report for Financial Statements with Fiscal Year Ending Dates Between 07/01/14 –06/30/15, US Dept of Education.

[2] Proprietary School Revenue Percentages Report for Financial Statements with Fiscal Year Ending Dates Between 07/01/14 –06/30/15, US Dept of Education.

[3] endeavourcapital.com/team/dietz-fry/, endeavourcapital.com/team/chad-heath/, endeavourcapital.com/ec/tall-oak-learning/, accessed Oct 21, 2017.

[4] "New Analysis Finds Many For-Profits Skirt Federal Funding Limits," US Dept of Education, Dec 21, 2016.

[5] Proprietary School Revenue Percentages Report for Financial Statements with Fiscal Year Ending Dates Between 07/01/14 –06/30/15, US Dept of Education.

[6] VA GI Bill Comparison Tool profile for Southern Careers Institute-Austin, accessed Oct 22, 2017.

[7] Based on estimated earnings of $25,437 in for a high school graduate in Austin, Texas, US Census Bureau American Community Survey 2015.

[8] VA GI Bill Comparison Tool profile for Southern Careers Institute-Austin, accessed Oct 22, 2017.

[9] "For-Profit College Company to Pay $95.5 Million to Settle Claims of Illegal Recruiting, Consumer Fraud and Other Violations," US Department of Justice, Nov 16, 2015.

[10] EDMC Form DEF-14A, Oct 7, 2013.

[11] "EDMC announces debt restructuring; expects improved capital structure," Pittsburgh Post-Gazette, Aug 27, 2014.

[12] "For-Profit College Company to Pay $95.5 Million to Settle Claims of Illegal Recruiting, Consumer Fraud and Other Violations," US Department of Justice, Nov 16, 2015.

[13] "For-Profit College Company to Pay $95.5 Million to Settle Claims of Illegal Recruiting, Consumer Fraud and Other Violations," US Department of Justice, Nov 16, 2015.

[14] Bridgepointe Education 2014 Form DEF-14A, Apr 18, 2014.

[15] "$7.25 million settlement reached to settle fraud claims against Ashford University," WQAD News 8, May 16, 2014.

[16] "$7.25 million settlement reached to settle fraud claims against Ashford University," WQAD News 8, May 16, 2014.

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