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April 27, 2010

Martin Smith  
Producer / Correspondent  
FRONTLINE  
WBGH  
One Guest Street  
Boston, MA 02315

Re: Letter to Anna Marie Dunlap of April 14, 2010

Mr. Smith:

Your letter to Anna Marie Dunlap of April 14, 2010 has been brought to my attention. Your letter makes it clear that you are assembling a story based on pre-established conclusions and anecdotes from a handful of disgruntled students who do not represent the more than 110,000 students currently enrolled in Corinthian Colleges's 117 institutions in the Unites States and Canada. Moreover, these anecdotes appear to be recycled from a piece published in the *Washington Monthly* more than six months ago without further investigation or research. Repurposing these stories perpetuates erroneous information and baseless accusations about our schools.

That *Washington Monthly* article focused largely on Martine Leveque, a graduate of Everest's Licensed Vocational Nursing program. The article reported that Everest failed to provide Ms. Leveque with adequate LVN training, claiming that "she never learned to perform basic tasks." However, the article omitted the facts that (i) she passed the national standardized exam for LVN applicants (NCLEX), and (ii) is currently licensed as an LVN in California. Our students, including Ms. Leveque, receive a quality education that prepares them for success in the job market.

In addition, we suspect your information may have been provided to you as part of a scheme by short sellers who aim to manipulate the price of Corinthian's shares. These speculators take a "short" position in Corinthian stock. Then, to make their profit, short sellers often seek to trigger a decline in the share value by manipulating media outlets, government agencies, and others with false and misleading information.

The harm this outrageous conduct inflicts on the shareholders of Corinthian and other companies in the career education sector is substantial. Data from the past year show Corinthian's stock price dropping around the time that negative articles have been published and, around the same time, short selling activity increasing in

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anticipation of a drop in share price. Short interests continue to be very active in the market for Corinthian shares, and the incentive remains for short sellers to precipitate a drop in stock price by fueling negative press. Since the press release previewing the Frontline program appeared last week, Corinthian's share price has declined by more than 10 percent. We believe that some of your sources may share this financial interest and may have provided you with false statements and inaccurate and misleading information concerning Corinthian.

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### **LVN Program**

Private sector post-secondary institutions such as Everest College in Alhambra, California, and thousands of others nationwide, are addressing a critically important need in our education system. It is irrefutable that budget cuts in public schools and community colleges have created lengthy wait lists for students seeking enrollment, particularly in vocational training curricula.

We are proud of the Licensed Vocational Nursing (LVN) program that was previously offered at Everest College - Alhambra. We chose to close the program in order to focus more of the Corinthian's resources toward developing Registered Nursing programs around the country. Everest College LVN programs throughout the United States, including Alhambra, had an overall completion rate of 87 percent and a job placement rate of 91 percent over the four-year period through 2008. These programs are accredited by national accreditation agencies approved by the U.S. Department of Education and licensed by the state. They meet an important need in the marketplace for qualified and well-trained health care professionals.

Interviewing only those few students whose anecdotal complaints suit your editorial purpose does not represent a balanced perspective. We strongly believe, and our objectively demonstrable student outcomes demonstrate, that such individuals are the exception rather than the rule. Furthermore, we suspect that some students may not have provided you with all of the facts necessary to present an accurate overview of their experience at Everest College. Questions regarding whether each student participated in clinical rotations, graduated, and passed the state licensing exam should have been asked.

In an effort to provide you with additional perspective, we offer the following information:

- Everest College's Licensed Vocational Nursing Program (LVN) fully prepared students for a successful career in nursing. Course requirements, as fully explained to incoming students, included 284 combined lab and clinical hours, with the hours documented in each student's record. Clinical sites for externships were listed in the LVN program handbook. Students were fully informed that those sites were subject to change at any time.

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- The Alhambra LVN faculty met all qualification requirements as set by the California Board of Vocational Nursing. Those requirements include: 1) hold a current California license as a vocational nurse; 2) hold a B.S. from an accredited school or a valid teaching credential; and 3) have a minimum of two years of experience as a vocational nurse within the last five years. A registered nursing degree is not required for LVN instructors.
  - The LVN program offered at the Alhambra/ Everest campus provided thorough and appropriate training that prepared those students who completed the program in good standing to successfully complete the national, standardized NCLEX nursing licensure exam—the national, standardized test, developed by the National Council of State Boards of Nursing for assessing whether applicants possess sufficient skills and training to become Licensed Vocational Nurses. Students were accurately informed of both course requirements and faculty qualifications upon enrollment and they acknowledged such in writing.
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### **Industry Performance**

Corinthian takes its commitment to each student seriously. Our goal is to provide all of our students with a valuable learning experience that prepares them for meaningful and rewarding careers.

A review of publicly available government data indicates that private sector companies like Corinthian are meeting that goal. A comprehensive analysis of Department of Education (DOE) statistics by The Parthenon Group's Education Center of Excellence found that graduates of private sector post secondary colleges like Everest College achieve an average annual income gain of \$7,900 in their first year after graduation. This equates to roughly \$250,000 over a 30-year period, before giving effect to salary increases or promotions. Additionally, the average income gain for private sector graduates of 54% compared favorably with the 36% income gain for graduates of public colleges. This analysis focused on students enrolled in programs of two-years in length or less, such as the LVN program.

Private sector schools also achieve graduation rates more than 20% higher than public institutions, the government data show. The data demonstrate that, contrary to the most frequently voiced criticism of the private sector, graduates of private sector schools obtain marketable skills that convert into job opportunities offering salaries sufficient to pay off the debt students incur. The study was undertaken with support from Corinthian Colleges in an effort to help inform the discussion about private sector post-secondary education and outcomes. Full details of the Parthenon analysis are available at:  
<http://parthenon.com/tlcategories/EducationCenterofExcellence>.

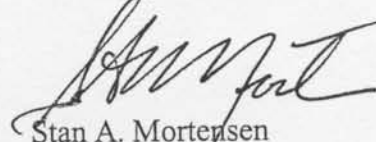
The Parthenon Group's analysis of Department of Education data shows that the large majority of public sector school graduates, including those of Everest College,

have secured good paying jobs in their chosen careers. They represent tangible proof of the critically important service provided by our schools.

Given the manner in which your story is being assembled, and its obvious negative bias fed by questionable interests, we had no choice but to decline Frontline's request for an interview. Far from "endeavoring to serve the public with accurate and useful information in a fair and full context", we believe your intention is to serve up a story based on negative anecdotes, unverified information and innuendo.

The Obama administration has set an ambitious goal – to have the largest percentage of college graduates in the world by 2020. Given public sector funding constraints, that goal simply cannot be met without the private sector. Companies like Corinthian will, of necessity, remain a vital and valuable component of the nation's educational infrastructure. If FRONTLINE fails to make this fundamental point, it will overlook the real story of private sector education in America.

Sincerely,



Stan A. Mortensen  
Executive Vice President  
and General Counsel  
Corinthian Colleges, Inc.

cc: Anna Marie Dunlap  
David Fanning, FRONTLINE  
Eric Brass, WBGH TV  
Paula Kerger, PBS  
John Wilson, PBS