

Statement Regarding Changes at Zenith Education Group

Zenith Education Group (Zenith), a nonprofit provider of career education, announced Nov. 8, that it will enter a new phase in delivering on its mission of helping students succeed. Zenith will limit admission of new students to three Altierus Career College campuses, allowing for increased focus on the most effective initiatives and innovative ideas that provide underserved students with the best opportunities for career success. Our Altierus Career Colleges in Tampa, Fla.; Norcross, Ga.; and the Bissonnet campus in Houston, Texas; will expand on educational programs for students in careers that align most closely with job opportunities in those markets.

The 21 additional Altierus and WyoTech campuses will cease enrolling new students and be taught out, providing the approximately 5,400 students across the ground and online campuses the opportunity to complete their programs. In addition, Zenith will reach out to local educational institutions, nonprofit organizations and community groups to inquire if there is interest in using our existing facilities within their communities.

This change comes nearly three years after ECMC Group took the bold step of forming Zenith to acquire 56 Corinthian Colleges, Inc. campuses facing certain and immediate closure. That action enabled more than 30,000 students to continue their education. On day one, we converted the campuses to nonprofit ownership; reduced tuition by 20 percent; provided grants to reduce the debt burden for students; as well as offering the former Corinthian students in certain underperforming programs a choice of continuing their education or receiving a full refund of their tuition paid to date. In addition, we underwent a thorough phase-out of programs with poor graduation and/or job placement outcomes, and instituted a curricula reform effort to ensure the programs our students enrolled in provided realistic job opportunities.

To enable the continuation of the campuses:

- ECMC Group contributed in excess of \$500 million in cash, while also facilitating the discharge of more than \$480 million of private student debt, sparing students the burden of repayment.
- ECMC Group's investment in Zenith resulted in savings for American taxpayers of an estimated \$435 million in potential closed school losses.
- ECMC Foundation invested more than \$21 million over three years to support campus initiatives.

Over the past few years, it has become evident to us that many of our campuses are located in areas that are geographically inconvenient for underserved students or not built to accommodate the programs that we want and need to offer. We intend to use those learnings in a more focused three-campus approach to enhance initiatives, including employer partnerships and student support services, that have demonstrated success in improving academic and job placement outcomes for students. In addition, ECMC Foundation will continue to provide support to the three campuses through grant dollars dedicated to improving career and technical education.

We will work with each and every student to help him/her achieve his/her educational goals, just as we did when we acquired the campuses in 2015. No student was left behind then and we will ensure each has the opportunity for success now.

Our commitment—today and in the future—is to help students succeed. We believe the changes at Zenith are critical to fulfilling that promise by allowing us to focus our time and resources on further developing initiatives that offer a greater societal impact and finding new pathways for students to thrive, while improving the overall educational landscape.

Zenith's Record of Progress

ECMC Group announced in 2015 that it would take the bold step of forming Zenith Education Group to acquire 56 Corinthian Colleges, Inc. campuses facing certain and immediate closure. That action enabled more than 30,000 students to continue their education. At the time, our goal was to implement a new career education model to improve affordability, program completion and job placement rates for thousands of

students. To enable the continuation of the campuses, ECMC Group contributed in excess of \$500 million in cash, while facilitating the discharge of more than \$480 million of private student debt. We have kept our commitments and we are proud of what we have accomplished.

Throughout the past three years, we have prioritized student outcomes by:

- Converting the campuses to nonprofit ownership on day one, so we could focus on students rather than returns for investors.
- Reducing tuition by 20 percent, making programs more affordable for the underserved, low- and moderate-income students we serve.
- Providing more than \$110 million in total in tuition reductions, scholarships, grants and financial assistance.
- Instituting “Student Choice,” which offered the former Corinthian students in certain underperforming programs the option of continuing their education or receiving a full refund of their tuition to date.
- Decreasing the average amount of debt that Everest diploma ground students took on in completing their programs by 21 percent from \$10,061 in 2015 to \$7,920 in 2016.
- Establishing holistic admissions processes designed to connect students to the academic programs that are the best fit for the student.
- Creating campus-based academic and personal support programs for those students who did enroll, to help them successfully attend and graduate.
- Instituting a complete review and update to our curriculum to better teach the skills that are in demand by employers.
- Adding industry-recognized certifications that employers use to validate the quality of the training that prospective workers have received.
- Providing career planning and placement services throughout the student’s lifecycle.
- Transitioning from 12-week courses to 6-week accelerated courses for degree programs.
- Graduating 15,196 students in the programs we continued after we acquired the schools¹ and achieving a 73.2% success rate in placing those students in jobs in their sector.

ECMC Foundation also invested more than \$21 million over the past three years to support campus initiatives.

In this short period of time, we have improved program completion rates at the majority of the campuses and job placement rates at almost all of the existing 24 campuses. We’ve spent nearly three years enhancing our career school education model for students. We will take what we’ve learned and focus our efforts to further hone our most effective initiatives and incubate innovative ideas that provide nontraditional, underserved students with the best opportunities for career success. We believe that now is the right time to enter our next phase of innovation in the career school space.

We look forward to continuing to make a difference as we pursue our mission of helping students succeed.

###

About Zenith Education Group

Zenith Education Group is a nonprofit provider of career school training and a member of ECMC Group. Above all, Zenith is driven to help students succeed. For more information, go to www.zenith.org.

¹ 9,185 additional students opted to complete an existing program that we placed into teach out due to poor outcomes or accepted the option of a tuition refund.