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## **Zenith Education Group Transitions More Than 50 Corinthian Campuses to Nonprofit Status, Announces Suite of Changes Designed to Put Students First**

*Newly Created Nonprofit Provider of Career School Training  
Names New Leadership*

OAKDALE, Minn., Feb. 3, 2015 – Zenith Education Group (Zenith), a newly created nonprofit provider of career school training and a member of ECMC Group, announced today that it has finalized its acquisition of more than 50 Everest and WyoTech campuses from Corinthian Colleges, Inc. and transitioned them from for-profit to nonprofit status. In keeping with its previously stated goals of increasing affordability and improving student outcomes by offering training that directly links to job placement, Zenith unveiled a suite of immediate changes, including the creation of a new Student Choice program, significant new tuition reductions and millions of dollars in new student grants, while eliminating institutional loans and providing an estimated \$480 million in debt relief to current and former Corinthian students under the legacy Genesis loan program.

Zenith also announced that Troy A. Stovall has been appointed interim president, effective immediately. Stovall, who will be responsible for overseeing Zenith management and providing strategic direction, comes to the role with nearly eight years of leadership experience in nonprofit higher education administration. He has served as executive vice president and chief operating officer for Howard University in Washington, DC, and as senior vice president of finance and operations for Jackson State University in Jackson, Miss. In addition, Stovall has a distinguished background in the private sector, having held leadership positions at McKinsey & Co. and in various other advisory roles, which included public and private projects involving education technology and economic development for underserved communities.

“Today, we begin delivering on our promise to transform the Everest and WyoTech schools we have acquired into first-rate career colleges where success is measured not by how many students we enroll, but by how many students complete their programs and get fulfilling jobs when they graduate,” said David Hawn, president and CEO of ECMC Group. “Troy shares our vision for improving student outcomes and access to opportunity and brings passion, experience and industry know-how to the Zenith presidency. He has successfully managed complex nonprofit education organizations and has a reputation for leading with principle and integrity. We are confident he will be a tireless champion for our students and an effective change agent for our schools.”

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"I am honored and humbled by the opportunity to help our students access the kind of high-quality education and skills training they need to get good jobs and build better lives for themselves and their families," said Stovall. "During my many years serving in and advising nonprofit institutions of higher education, I've seen firsthand how a quality education can transform the lives of students by providing an open door to opportunity and another sturdy rung in the ladder of upward mobility. While we have significant work ahead of us, that is and will remain our north star as we transform these schools."

The sale creates the largest nonprofit career college system in America. It finalizes the terms of an original purchase agreement signed in November. Had the original purchase agreement not been reached, Corinthian could have been forced to close these schools.

Effective immediately upon closing of the sale, Zenith announced it would implement key improvements in the areas of program quality, affordability, completion and job placement rates, and accountability and transparency:

- **Student Choice Program:** As a first step toward improving student outcomes, Zenith is implementing an initiative that will phase out programs that do not meet acceptable job placement rates and will begin to assess other programs in need of improvement to increase job placement rates. Students in programs in either category will have three available options through a newly created Student Choice program: receiving a transfer voucher for all educational expenses already paid toward another course of study; receiving a full refund of all tuition and fee payments, should the student choose to withdraw from the school entirely; or continuing their program to completion as it is "taught out." The Student Choice program will apply to approximately 40 percent of current students. Zenith will begin meeting with affected students this week to discuss their Student Choice options.
- **Lower Tuition, New Scholarships and Grants While Eliminating Institutional Loans:** Students enrolling after Feb. 2, 2015, will see an immediate 20 percent tuition cut for all Everest programs. Everest students who continue in and complete their current programs will be eligible for the Zenith Graduation Scholarship—a non-need-based institutional scholarship providing a 20 percent tuition reduction, prorated for the student's remaining time in the program. The scholarship will be awarded and applied as a non-cash payment against outstanding loans or tuition upon graduation. In addition, in lieu of institutional loans, Zenith will award millions of dollars each year to fill gaps in funding through a newly created institutional Zenith Student Grant, which offers up to \$10,000 annually to students of Zenith-owned Everest and WyoTech schools who meet demonstrated financial need. Additionally, in an effort to provide current Zenith students and thousands of prior Corinthian students with debt relief from loans taken out through Corinthian's now defunct Genesis loan program, ECMC Group has worked closely with the Consumer Financial Protection Bureau and the U.S. Department of Education (ED) to obtain an estimated \$480 million in loan forgiveness. Students who have these loans will see an immediate 40 percent reduction in the principal balances on their loans.
- **Focus on Job Placement:** Zenith is putting job placement front and center by creating a new senior management position specifically focused on building partnerships with local, regional and national employers, to provide better job opportunities for Zenith graduates while also encouraging input from businesses to ensure programs are effectively arming students with the skills employers are seeking. Zenith has also made the decision to voluntarily adhere to

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ED's gainful employment rules for all its programs, despite the fact that degree programs are exempt from the rule for nonprofit schools. Additionally, Zenith will cap new enrollment in programs that have not yielded acceptable employment opportunities for students, with a goal of improving program quality and rightsizing enrollment numbers to better align with workforce needs.

- **Accountability and Transparency:** As part of its commitment to operating with integrity and transparency while complying with all applicable laws, regulations and accreditation standards, Zenith today announced the appointment of Hogan Marren, Ltd., a Chicago, IL-based law firm as independent compliance monitor. The monitor, approved by ED, will have full access to the systems, data and people necessary to review Zenith's adherence to various standards of performance—including the implementation of the Student Choice program, reduced tuition and Zenith Graduation Scholarship program—and will independently report on that information to ED. Today Zenith also launched its new Transparency Center [\[LINK\]](#), where students will be able to access important information about their academic programs, job placement rates and other measures of their likely success. This site will be updated regularly with improvements suggested by the student users. Zenith also announced that it had installed a new code of conduct for employees and will soon introduce a new code of conduct for students.

In addition to the immediate changes announced today, Zenith intends to implement a number of other critical improvements over the next several months, including efforts to improve the academic, financial and job counseling services available to students and the installation of a new culture of transparency and integrity in all marketing and communications with students.

For a list of campuses included in the acquisition, please visit the Zenith website: [Zenith.org](http://Zenith.org).

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#### **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 promote the long-term success of its graduates—measured in strong program completion and job placement rates. As the largest nonprofit career college system in America, Zenith is working to help its students access the high-quality education necessary to enter into prosperous and fulfilling careers.

#### **About ECMC Group**

ECMC Group is a nonprofit corporation with a mission to help students succeed. All companies in the ECMC Group family work together to fulfill this mission through product and service support and by funding its philanthropic activities through ECMC Foundation, which seeks to inspire and facilitate improvements that affect educational outcomes—especially among underserved populations—through evidence-based innovation. ECMC Group includes Zenith Education Group, the nation's largest nonprofit provider of career education, and the nonprofit Educational Credit Management Corporation (ECMC), one of the largest student loan guaranty agencies in the United States. ECMC has invested heavily in programs promoting financial literacy, college access and college completion, as well as worked tirelessly to lower student loan default rates and provide resources to support student loan borrowers in successfully repaying their loans. As part of its commitment to student success and education debt management, it recently acquired the free online tool [College Abacus](#), an innovative technology that increases college cost

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transparency and helps students and families better understand their financial aid options at all types of colleges, including career colleges.