

## **Corinthian Colleges to sell three Colorado Everest College campuses**

July 8, 2014 – For-profit education provider Corinthian Colleges this week signed an operating agreement with the U.S. Department of Education (USDOE) establishing a transition plan for its three Colorado campuses that will allow students to complete their educational programs.

The three Colorado institutions are Everest College locations in Thornton, Aurora and Colorado Springs.

Under the terms of the agreement, Corinthian will put 85 of its U.S. schools – including its three Colorado campuses - up for sale, and gradually wind down operations at 12 other schools. Corinthian agreed to work toward signing definitive agreements for campus sales in approximately six months. The USDOE will also appoint an independent compliance and business monitor.

The operating agreement is consistent with the Memorandum of Understanding announced by the USDOE and Corinthian on June 23, 2014.

On June 19, 2014, the USDOE implemented a closer degree of financial oversight and imposed a 21-day delay in Title IV funds disbursement after the company failed to provide records concerning enrollment and job placement data required by federal law, and failed to fully address concerns about its practices, including faulty job placement data used in marketing claims to prospective students and allegations of altered grades and attendance.

On June 22, 2014, Corinthian signed the Memorandum of Understanding with the USDOE, whereby it would immediately provide Corinthian \$16 million to avert a sudden disruption of school operations.

Under the terms of the operating agreement:

- The monitor will have full access to Corinthian's personnel and financial and operational information, and his or her duties will include monitoring of on-going Title IV disbursements, campus sales and teach-outs, company expenditures, and document production related to the USDOE's requests for information.
- Corinthian will remain under the USDOE's Heightened Cash Monitoring 1 (HCM1) oversight, which includes a 21-day hold on federal Title IV financial aid funds. To prevent the disruption of school operations, the USDOE will immediately allow Corinthian to draw funding advances against the 21-day hold, subject to conditions set forth in an amendment to the Memorandum of Understanding originally signed on June 22, 2014.

After the Monitor is in place, he or she will review the Company's on-going Title IV disbursements.

- Corinthian has agreed that it will complete its response to a request for documents related to 175,000 of its graduates by July 15.
- Corinthian will provide written notices to all students regarding its plans for their respective campuses or online programs.

Get more information from the U.S. Department of Education.

<http://www.ed.gov/category/keyword/corinthian-colleges-0>