

July 3, 2014

Corinthian Colleges, U.S. Department of Education Sign Operating Agreement

SANTA ANA, Calif., July 3, 2014 (GLOBE NEWSWIRE) -- Corinthian Colleges, Inc. (Nasdaq:COCO) announced today that it has signed an operating agreement with the U.S. Department of Education that establishes an orderly transition plan for its 107 campuses and online programs, and allows its students to complete their educational programs. ED has also provided for an immediate drawdown of Title IV (student financial aid) funds for currently enrolled students and a mechanism for continued funding while the agreement is in place.

The operating agreement is consistent with the Memorandum of Understanding announced by the Department and Corinthian on June 23, 2014. Under the terms of the agreement, Corinthian will put 85 of its U.S. schools up for sale, and "teach out" (gradually wind down) operations at 12 other schools. Corinthian agreed to work toward signing definitive agreements for campus sales in approximately six months. Separately, the Company will also begin a sales process for its Canadian schools.

ED will also appoint an independent compliance and business Monitor who will serve as the primary liaison between Corinthian and ED. Corinthian has agreed to suspend enrollment of new students until July 8, 2014, when ED and Corinthian plan to have the Monitor in place.

"We are pleased to have reached an agreement with ED that helps protect the interests of our students, employees and other stakeholders," said Jack Massimino, Corinthian Chairman and Chief Executive Officer. "This agreement allows our students to continue their education and helps minimize the personal and financial issues that affect our 12,000 employees and their families. It also provides a blueprint for allowing most of our campuses to continue serving their students and communities under new ownership."

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 ED's requests for information. ED expects to name the Monitor as soon as possible.
- Corinthian will remain under ED'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, ED 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 by ED 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.

Corinthian expects to provide additional information regarding the operating agreement and the amendment to the Memorandum of Understanding in a Form 8-K filing with the Securities and Exchange Commission on Monday, July 7, 2014.

"I especially want to thank publicly our 12,000 employees who have risen to the occasion during the difficult circumstances of these past few weeks," Massimino added. "They have worked around the clock to continue serving our students and to help make possible this orderly path forward."

Background

On June 19, 2014, Corinthian reported that ED had implemented HCM 1 financial oversight and imposed a 21-day delay in Title IV funds disbursement. On June 22, 2014, Corinthian signed a Memorandum of Understanding with the Department, under which the Department would immediately provide Corinthian with the funding required to avert a sudden disruption of school operations.

In return, Corinthian agreed to develop a plan for the orderly transition of its campuses and an operating agreement that would govern its daily operations while the transition is under way. That plan and operating agreement are now complete.

About Corinthian

Corinthian is one of the largest post-secondary education companies in North America. Our mission is to change students' lives. We offer diploma and degree programs that prepare students for careers in demand or for advancement in their chosen fields. Our program areas include health care, business, criminal justice, transportation technology and maintenance, construction trades and information technology. We have 107 Everest, Heald and WyoTech campuses, and also offer degrees online. For more information, go to <http://www.cci.edu>.

Safe Harbor

Certain statements in this press release may be deemed to be forward-looking statements under the Private Securities Litigation Reform Act of 1995. The company intends that all such statements be subject to the "safe-harbor" provisions of that Act. Such statements include, but are not limited to, those regarding the implementation of the Operating Agreement and transition plan. Many factors may cause Corinthian's actual results to differ materially from those discussed in any such forward-looking statements or

elsewhere, including: Corinthian's ability to identify new owners for its campuses and to enter into agreements with any such new owners on terms acceptable to the company, if at all; the potential for further action by ED to limit Corinthian's ability to receive regular disbursements of Title IV to fund its operations; possible inability to obtain needed liquidity through new financings, additional cost reductions, accelerated asset sales or some combination thereof; the company's possible inability to comply with the terms of the Operating Agreement; the company's effectiveness in its regulatory and accreditation compliance efforts; the outcome of ongoing reviews and inquiries by accrediting, state and federal agencies, including the Department of Education, various attorneys general, and the Consumer Financial Protection Bureau (CFPB); the outcome of pending litigation against the company, including the civil complaints filed by the California and Massachusetts Attorneys General; the CFPB's determination regarding enforcement action against Corinthian; increased competition; changes in general macroeconomic and market conditions (including credit and labor market conditions, the unemployment rate, and the rates of change of each such item); the uncertainty of counterparty decisions in the waiver of events of default in the credit agreement and the potential sale of Genesis loans; and the other risks and uncertainties described in the company's filings with the U.S. Securities and Exchange Commission. The historical results achieved by the company are not necessarily indicative of its future prospects. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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