



November 25, 2014

The Honorable John W. Suthers, Attorney General
State of Colorado, Department of Law
Office of the Attorney General
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 10th Floor
Denver, Colorado 80203

Re: Draft Complaint against CollegeAmerica

Dear Attorney General Suthers:

For five years there has been a massive, politically-coordinated campaign by the current administration and its allies to “crack down” on “bad actors” in private post-secondary colleges and universities.² This has been an unceasing campaign to vilify private colleges launched by politicians who have little knowledge and no direct experience with our schools or our students.

AGs all across the country have been “investigating” private colleges, playing loose with allegations and damaging the colleges’ reputation in the media. Most colleges have chosen to settle rather than face a long, drawn out public attack.

We are saddened to see that some of your staff has climbed aboard this bandwagon and bought into this political and prejudicial “crack down.” Politics and hostility are trumping the rule of law and basic fairness. As you know, Ms. Olivia DeBlasio of your office has been the leader of this “crack down” in Colorado. Ms. DeBlasio compares community colleges’ low tuition with private career colleges’ tuition. This is an unfair comparison. Unlike private career colleges, community colleges receive massive taxpayer subsidies of many millions of dollars. Community college students’ tuition, in part, is paid for by Colorado taxpayers; our students pay their own tuition in full (with the help of student financial aid).

² “As Attorney General”, says Democratic candidate Susan Happ, “I will investigate, prosecute, and seek hefty penalties (from private career colleges) for deceptive practices....” – *The Wisconsin State Journal*, October 7, 2014.

“The Obama Administration has targeted for-profit colleges as if they are enemy combatants.” Also, “The Obama Administration’s five-year lashing of “predatory” for-profits has deterred many new students from enrolling in these schools.” And, “[Targeting] an industry that democrats don’t like: they can destroy you even before they have any evidence.” – *Wall Street Journal*, July 6, 2014.

By almost every measure, we provide a better student experience and better outcomes than our competitors, state-funded community colleges. For example, according to the most recently released data from the U.S. Department of Education's IPEDS system, CollegeAmerica's Denver campus has a 34% graduation rate, while the Community College of Denver has a 10% graduation rate. CollegeAmerica's graduation rate is 240% higher than the Community College of Denver.

Total degrees per 100 FTE enrolled in Community Colleges in two-year public institutions in Colorado in 2011 was 13.3%. The range went from a low of 6.2 in the Community College of Denver, to a high of 20.1% at Lamar Community College (Source: TCS Online (Trends in College Spending) tcs-online.org/report/default.aspx). Further, you may be surprised to learn that almost half of our students have previously tried a "traditional" public college and were unsuccessful. CollegeAmerica offered these students a valuable alternative to earn their college degree.

What Ms. DeBlasio fails to understand is that in education, there is no such thing as "one size fits all." CollegeAmerica structures and schedules its programs to meet the needs of adults who are often not served well by our competitors. CollegeAmerica provides a high level of personal attention to students through services that simply don't exist at other institutions; CollegeAmerica provides free tutoring, academic counseling, and encouragement from staff throughout every step of their academic journey; our programs are career-focused and we provide career services to help our graduates get jobs. Our students are adults (the average age is 28) who are all High School graduates; they have a right to choose which college to attend.

At the inception of this investigation, our CEO, General Counsel, and Vice President of Compliance met with you and your team and specifically requested that you immediately inform us of any concerns, problems, or indications of legal or regulatory violations that might arise during the course of your office's investigation. We have followed up with Ms. DeBlasio and repeatedly requested that she also inform us of any complaints or issues. Ms. DeBlasio consistently dismissed our requests and refused to inform us of any alleged violations.

The investigation has lasted for two years. We produced tens of thousands of pages of documents. Only recently did Ms. DeBlasio send us a draft complaint and identify alleged general violations. If what we were/are doing is so egregious and harmful to consumers and may require us to pay restitution, fines and penalties, why would Ms. DeBlasio not inform us immediately? Why wait two years? Why did she not inform us and demand immediate cessation and give the colleges the opportunity to stop incurring these massive liabilities? In addition, many of the allegations in the draft complaint are easily disproved.

In our opinion, this is a calculated ambush and feels very much like extortion. Your office is using extreme pressure and the threat of a lawsuit to force an unfair and unwarranted "settlement."

While your office has interviewed a few disgruntled former students and former staff (which every institution has), we can bring to bear the testimony of a great many happy graduates who have succeeded thanks to the services we provide.

In March 2013, I wrote to you:

If one has done wrong, has earned guilt, then it must never be left uncorrected. We practice this principle. On the other hand; *never accept an unearned guilt*. To do so is immoral. Some have accepted an unearned guilt, but speaking personally and for our colleges, I/we refuse to accept unearned guilt. I am proud of our productive work, proud of our colleges, proud of our hard-working staff; and proud of our students. Pride to me means the intention and activity of seeking the best and doing the best possible. In philosophic terms, pride means “value ambitiousness” – to seek the highest and best, and that is what we work to do.

I closed my letter to you with: *“During your inquiry, you may come across practices and issues that are problematic and can be improved. We welcome the opportunity to work with your office to fix any such issues.”* (emphasis added)

Rather than file this prejudicial, inaccurate and fallacious suit, sit down with me and our company executives to professionally and rationally review and discuss the issues and facts and get to the truth free of hostility and threats. As you know, justice is based on reason and truth.

This is the right moment for us to sit down with you and discuss the facts. When you know the facts that our CEO, Mr. Juhlin, and I can convey, you will think differently about the proposed complaint. Please let me know if you will agree to meet with us.

Sincerely,

Carl B. Barney
Chairman

cc:	Libby DeBlasio	Michale McComis, ACCSC
	Jan Zavislan	Steve Gunderson, APSCU
	Jay Simonson	Keith Zakarin, Esq.
	Mark Bailey	Chuck Steese, Esq.
	Sarah P. Jackson	Matthew Gerber, Esq.
	Julie Meade	Eric Juhlin
	Gale Norton	Susie Reed
	Marti Whitmore	Suzanne Scales
	Julie Mead, UCC	Rozann Kunstle
	Lorna Candler, DPOS	Joel Scimeca



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State of Colorado, Department of Law
Office of the Attorney General
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 10th Floor
Denver, Colorado 80203

Re: URGENT, CollegeAmerica

Dear Attorney General Suthers:

Please do not hurt our students.

As you know, we are colleges, not a regular business. Our colleges contain actively enrolled students/consumers who have spent a lot of money and committed a lot of time to their education. A media campaign issuing from the power and prestige of your office regarding unproven allegations could seriously harm current students/consumers and past graduates. It would also disparage the degrees of our successful graduates.

Please don't communicate allegations to our students/consumers via a media campaign; it would only confuse, alarm and harm them. Accreditation agencies and the Department of Education do not publish matters to students and the public unless and until they have proven and unresolved violations of standards or regulations. When proven, the public has a right to know, but not before. We ask that you follow this responsible and traditional process.

A media campaign would harm our students – consumers in the state of Colorado. As Attorney General, we are hopeful that you want to protect their interests as well. If something is bad for consumers, then surely it is contrary to your intentions to protect consumers. We care deeply about our students and trust you do as well.

As we have said repeatedly, we are willing to correct any factual, legal or accreditation problems or issues when there is evidentiary support that we have done something wrong. If your office provides us with such evidence, we will give it serious consideration. If something is true, we will immediately correct it.

Sincerely,

Carl B. Barney
Chairman

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