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Harkin Documents Indicate Short Thesis Spent

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Our Call:

On Monday, Senator Tom Harkin (D-IA), chairman of the Senate Health, Education, Labor & Pensions committee addressed the Senate chamber and introduced into the Congressional record, documents that he obtained as part of his September 16 data request from the top 30 for-profit school companies. (His remarks and attached documents can be seen as an addendum to this report.)

The documents concerned training and/or script guidelines for school recruiters. Among the documents presented and mentioned in the Senator's remarks were items from Vatterott (privately held by TA Associates), ITT Technical Institutes (NYSE: ESI; Buy,) and Ashford University (NYSE: BPI; Buy.) The Senator also mentioned, but did not publish documents from Corinthian Colleges (NASDAQ: COCO; Buy) and Kaplan University (NYSE: WPO; NR).

The documents are similar in that they offer advice to recruiters to seek out areas of emotional pain and dissatisfaction or dysfunction and make the point that the "pain" might be ameliorated through higher education. Another memo from Vatterott attempts to explain and characterize the backgrounds of the students served by the school apparently in response to feedback expressed by a counselor that the prospects being referred to him were "losers." Needless to say, the Senator was critical of the documents, including the characterization of the students, and the practices they suggest take place at these schools, insisting they offer evidence of "a systemic effort" by these schools "to pressure, deceive, and mislead" students.

We have spoken to some investors that, like the Senator, were dismayed at the content and tone of the documents. **We do not share this concern.** While we might have wished for a more genteel representation and, given the casual format of some of the documents, question whether they were even sanctioned by senior management or perhaps developed in the field, we see nothing improper in their content. (We note that yesterday afternoon, ITT management in fact confirmed that the document obtained from one of its schools was developed by an outside party and not sanctioned by management. It further reiterated its own policy against such tactics.)

However much it offends finer sensibilities, recruiting is a sales process. Students are consumers and are evaluating the benefits of a given school and its programs of study against attending other institutions and against not attending school at all. We believe this type of active consumerism is one of the sector's chief strengths in fact. The schools believe in the quality and efficacy of their products and the documents describe their efforts to focus students on the benefits of the programs, including emotional benefits, rather than the program features. All the talk of "pain" notwithstanding, the documents urge counselors to identify the problem that the student is looking to solve with education. This is not exploitative but rather effective communication that goes beyond a superficial discussion of product features to a place where enrollment *counseling* can genuinely occur.

Investment Analysis:

Retention professionals, in fact, describe a key to a student persisting in school even when the academic work or the schedule becomes demanding, is to have an emotional motivation, such as, "I'm doing this to give my kids a better life." The techniques described are not even that unusual and speak more, we think, to the Senator's lack of understanding of (or disdain for) business than to the techniques themselves. The "Pain Funnel" attributed to (and disavowed by) ITT that Harkin excoriates in his remarks is, in fact, a very standard, age-old selling rubric employed across countless industries.

The students enrolling in the many of the vocational programs offered by schools such as ITT, Corinthian, and Vatterott are not coming to school as a nice thing to do. They are coming to school because they need to. The Vatterott memo, focused on the student (customer) profile is not intended to promote the exploitation of these students, we feel, but to help the enrollment counselors understand their perspective. Neither ITT nor Corinthian enroll "cream puffs," i.e. a same-day (aka high-pressure) sign-up. Rather they send applicants home to consider the decision they are making.

But the part of the marketing discussion in which no politician or Education Department official is honestly engaged in our opinion, is that this type of engaged sales approach is what it takes to expand the size of the market to include traditionally underserved and admittedly school-averse populations. It doesn't mean that programs or outcomes should be misrepresented or overstated, or that students should be intimidated or coerced (but that is not the point of the memos.) But it does mean engaging with the student at a level that is meaningful to him/her. It is precisely at this level of engagement where the community colleges fall short. If President Obama truly wants to expand college participation, this is what it takes – explaining why additional education is worth the time and effort and expense *in terms that are meaningful to the student*.

The corollary of course is that when the Gainful Employment rules make it uneconomic for career schools to enroll the most challenged populations, they won't engage with this population anymore – but neither will anyone else. And so there will be a single mother on welfare saved the expense of having to pay for classes she took without obtaining a degree. But there will also be a single mother on welfare who would have successfully graduated into a long-term career that simply won't be engaged in the process at all.

The final document from Ashford University is slightly different from the others, in part because Ashford's audience is different. The Ashford student is someone that has already been to college and represents a more sophisticated and knowledgeable consumer. The memo encourages enrollment counselors to focus students on price – which should even be considered a positive development in the sector. Considering that 54% of Ashford's parent company Bridgepoint Education's shares are sold short largely based on the idea that the company's enrollment practices are somehow suspect, if this is the worst that the HELP committee uncovered from the thousands of internal documents it demanded from the company, then shorts should be running for (and to) cover.

Our final – and perhaps most important – point is that none of practices Harkin excoriates in his speech are illegal. None of the memos suggest that the schools are misrepresenting outcomes or misrepresenting what the programs teach. None of these practices is capable, we think, of inspiring legislation much less bringing down a school through further investigation. Granted when this information makes its way into the *New York Times* and elsewhere, it will put off some students and have a chilling effect on demand that could be material to earnings. But we see nothing there that makes us think less of the group or question our Buy ratings on ESI, BPI, and COCO.

No school has ever been put out of business by the Department unless it has been shown to be actually supplying sub-standard education – and that is not happening here. And in this political climate, we believe the administration will not allow itself to be goaded into running one of these companies aground.

In our opinion, the short thesis is spent and Harkin's revelations make that very clear.

Crapo	Kyl	Roberts
DeMint	Landrieu	Rockefeller
Durbin	Leahy	Rubio
Ensign	Lee	Sanders
Enzi	Levin	Schumer
Feinstein	Lugar	Sessions
Franken	Manchin	Shaheen
Gillibrand	McCain	Shelby
Graham	McCaskill	Snowe
Grassley	McConnell	Stabenow
Hagan	Merkley	Tester
Harkin	Mikulski	Thune
Hatch	Moran	Toomey
Hoeven	Murkowski	Udall (CO)
Hutchinson	Murray	Udall (NM)
Inhofe	Nelson (NE)	Vitter
Inouye	Nelson (FL)	Warner
Isakson	Paul	Webb
Johanns	Portman	Whitehouse
Johnson (SD)	Pryor	Wicker
Johnson (WI)	Reed	Wyden
Kirk	Reid	
Klobuchar	Risch	

NOT VOTING—6

Alexander	Kohl	Lieberman
Kerry	Lautenberg	Menendez

The nomination was confirmed.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, we are going to have one more vote tonight. Senator MCCONNELL and I have spoken earlier today. We will have one or two votes in the morning. We will terminate before 11 o'clock, so we will have a vote around 10 o'clock, 10:15 in the morning—maybe two—on the FAA bill.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, is there time for the Senator from Arkansas if he wants it? I request 2 minutes equally divided on the Arkansas nomination, and I yield my time to the senior Senator from Arkansas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I rise today to support the nomination of Paul K. Holmes—in Arkansas we call him P.K. Holmes—for the district court judgeship in western Arkansas. A lot of times when you stand here at this moment in a nomination, it is like making a closing argument. But in this particular case there is no argument; everybody is for him. The American Bar Association, Democrats, Republicans, plaintiffs, defendants, everybody in Arkansas is for him.

He has been an Arkansas Lawyer of the Year. He has been the Western District U.S. Attorney. He is a partner in Warner, Smith and Harris. P. K. Holmes has an outstanding record and outstanding reputation. He likes to talk about the fact that he has a small town general practice, and that is true. He has handled a little bit of everything, but he has always done it with integrity. He has an outstanding reputation in Arkansas as a lawyer and a great member of the community.

I would hope all of my colleagues support this nomination.

I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN). All time is yielded back.

The question is, Will the Senate advise and consent to the nomination of Paul Kinloch Holmes III, of Arkansas, to be U.S. district judge for the Western District of Arkansas?

Mr. INOUE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KERRY), the Senator from Wisconsin (Mr. KOHL), the Senator from Connecticut (Mr. LIEBERMAN), and the Senator from New Jersey (Mr. MENENDEZ) are necessarily absent.

Mr. KYL. The following Senator is necessarily absent: the Senator from Tennessee (Mr. ALEXANDER).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 13 Ex.]

YEAS—95

Akaka	Feinstein	Murkowski
Ayotte	Franken	Murray
Barrasso	Gillibrand	Nelson (NE)
Baucus	Graham	Nelson (FL)
Begich	Grassley	Paul
Bennet	Hagan	Portman
Bingaman	Harkin	Pryor
Blumenthal	Hatch	Reed
Blunt	Hoeven	Reid
Boozman	Hutchinson	Risch
Boxer	Inhofe	Roberts
Brown (MA)	Inouye	Rockefeller
Brown (OH)	Isakson	Rubio
Burr	Johanns	Sanders
Cantwell	Johnson (SD)	Schumer
Cardin	Johnson (WI)	Sessions
Carper	Kirk	Sessions
Casey	Klobuchar	Shaheen
Chambliss	Kyl	Shelby
Coats	Landrieu	Snowe
Coburn	Lautenberg	Stabenow
Cochran	Leahy	Tester
Collins	Lee	Thune
Conrad	Levin	Toomey
Coons	Lugar	Udall (CO)
Corker	Manchin	Udall (NM)
Cornyn	McCain	Vitter
Crapo	McCaskill	Warner
DeMint	McConnell	Webb
Durbin	Merkley	Whitehouse
Ensign	Mikulski	Wicker
Enzi	Moran	Wyden

NOT VOTING—5

Alexander	Kohl	Menendez
Kerry	Lieberman	

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider are considered made and laid upon the table. The President shall be immediately notified of the Senate's action.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

VOTE EXPLANATION

• Mr. KERRY. Mr. President, I was necessarily absent for the votes on the nomination of Paul Holmes to be United States District Judge for the Western District of Arkansas and Diana Saldana to be United States District Judge for the Southern District of Texas. If I were able to attend today's

session, I would have supported both nominees.●

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session. The Senator from Iowa.

FOR-PROFIT ONLINE COLLEGES AND UNIVERSITIES

Mr. HARKIN. Mr. President, last December I came to the floor to discuss the Health, Education, Labor, and Pensions Committee investigation into for-profit online colleges and universities. It is an investigation that has now been going on for almost a year, and it is an investigation with profound consequences for taxpayers.

For-profit colleges, mostly online, receive more than \$26 billion in Federal student aid each year. While some of these schools may be doing a good job, taxpayers deserve to know that their education dollars are being well spent. It is also an investigation with profound consequences for students.

According to data released last week by the Department of Education, 25 percent of for-profit college student loan borrowers default within 3 years of leaving school. One out of every four student loan borrowers who go to these for-profit schools defaults within 3 years of leaving school.

For-profit colleges have correctly pointed out that they educate a disproportionate number of low-income and minority students. They argue that if they were not doing a good job, students would not continue to enroll. How, then, is it possible that schools with very high rates of withdrawal, high rates of loan debt, and high rates of default continue to enroll more and more students each year? The answer, according to my committee's investigation, lies in the enormous expenditure of money and effort that the for-profit colleges put into their recruitment process.

There have been many stories about abusive recruitment practices in newspapers and television programs across the country. Last August, the Government Accountability Office documented many of those abuses in undercover videos presented at a HELP Committee hearing. The industry argued that these misleading and deceptive practices were the work of a few rogue actors, but the overwhelming evidence of misleading, deceptive, and even fraudulent conduct documented by GAO cannot be attributed to anything but a systemic effort to enroll students at any cost.

For anyone who questions that this is a systemic effort to pressure, deceive, and mislead, I wish to take a few minutes to explore the details of the training practices that led directly to the GAO findings. I hope my colleagues on both sides of the aisle and on both sides of the Capitol find this a useful window into the training tactics used by these companies.

One of the most common words in the proprietary school industry's recruiting documents is the word "pain." It is not the first word that might come to one's mind if they think about enrolling in college. You might think of your son or daughter enrolling in college. You wouldn't think of "pain" as the first word. However, perhaps nothing worthwhile was ever accomplished without effort, so you might be thinking that schools are talking about preparing students for the hard work and the pain of excelling in college. The reality is quite the opposite. Proprietary higher education companies want to make college seem easy. The reason they are focusing on pain is to try to get students to enroll.

Consider this quote from a memo written by the director of recruitment at a campus of ITT, one of the largest of the for-profit schools. After falling short of the required quota of "starts"—that is the industry term for new students—the recruiter writes:

The department needs to focus on the selling of the appointment by digging in and getting to the pain of each and every prospective student. By getting to the pain, the representatives will be able to solidify the appointments and have a better show rate for the actual conducts.

Another example from an ITT document about what recruiters should do to keep students in class, reading now from one which I will include for the record, says:

Remind them of what things will be like if they don't continue forward and earn their degrees. Poke the pain a bit and remind them who else is depending on them and their commitment to a better future.

In their training, ITT went beyond rhetoric and created what they called a "pain fund." It is probably hard to see this piece of paper. I will try to get this included in the RECORD. It is a picture of a funnel, and it is called the "pain funnel and pain puzzle." It illustrates four levels of pain, with questions that are supposed to get progressively more hurtful to the prospective student.

Level one starts off with questions such as, tell me more about that; can you be more specific; how long has it been a problem? Level two: What have you tried to do about that? What have you done to fix it? Level three pain: How do you feel about that? Then it gets down to level four. The recruiter is asking questions such as, have you given up trying to deal with the problem?

A different document from ITT goes to the same levels of pain. The level four question is, once again, what are you willing to change now or have you given up trying to deal with the problem?

What is the problem? The problem is, this young person is out of work. They have no future. They probably have a high school degree, maybe a D average in high school, C average at the most. They have answered an ad. The recruiter is talking to them, and they are stoking the pain.

The last thing they say is, OK, what are you willing to do to change it or

are you just going to give up on it? That is a question I would like to ask the executives who believe that preying on past failures is a sound method for enrolling students or a reasonable way to run a college.

According to the Department of Education, 30 percent of student loan borrowers at ITT, the one I just quoted, default within 3 years of leaving school, and most of them leave before they ever get any kind of degree. They are there for a few weeks, maybe a few months, but when they drop out and when they default, ITT keeps the money.

Kaplan University also encourages its recruiters to focus on pain and fear. In a page from a manual dated July 8, 2009, with side notes about "advisor call control" and maintaining "rapport with PROSPECT," the document is similar to ITT's, with questions to "uncover the pain and fear"—"uncover the pain and fear." At the bottom: "It is all about uncovering their pain and fears," underlined. "Once they are reminded of how bad things are, this will create a sense of urgency to make this change." Sixteen pages of sales tactics later the recruiter is taught to "restate back word for word, the better you restate the brighter the dream."

Another Kaplan document says, "Keep digging until you uncover their pain, fears and dreams. . . ." If you get the prospect to think about how tough their situation is right now and if they discuss the life they can't give their family because they don't have a degree, you will dramatically increase your chances of gaining a commitment from the student. "Get to their emotions and you will create the urgency!" "Get to their emotions and you will create the urgency!" Is that the way we ought to be enticing young people to go to school? Stoke the pain, stoke the fear?

Again, according to the Department of Education, 30 percent of student loan borrowers at Kaplan default within 3 years of leaving school. And, guess what, Kaplan keeps the money.

Let me cite just one more example—Corinthian Colleges. At Corinthian, recruiters are taught to convince students that their lives are bad and can be improved only by enrolling in the school. As a former recruiter, Mr. Shayler White testified in a lawsuit filed against Corinthian by ex-students: "The ultimate goal was to essentially make [prospective students] wallow in their grief, feel that pain of having accomplished nothing in life, and then use that pain" to pressure them to enroll.

I have focused on the blatant exploitation of pain to demonstrate the terrible cynicism that pervades these companies, but the schools' recruiting documents also are ripe with misrepresentations.

From a brochure for Ashford University, owned by Bridgepoint, it says it was "established in 1918," a "traditional 4-year campus with sports

teams, dormitories, regionally accredited since 1950—what this means to you is that your degree will be recognized both professionally and academically." That is from Bridgepoint, Ashford University. Well, what it does not tell you is that up until 2005, Ashford was a small religious school with 350 students. They were purchased by Bridgepoint and renamed "Ashford." So 350 students at the end of 2005, and today they have 70,000 online students, with astronomical dropout rates. And 67 percent of Bridgepoint is owned by investment bank and private equity fund Warburg Pincus. Think about that—a private equity firm owns Bridgepoint. They buy a small religious school, with 350 students. They put out these things: You can go to this school, with a great campus and all that, but you are going to school online. Now they have 70,000 students.

According to the Department of Education, 21 percent of student loan borrowers at Ashford's parent company Bridgepoint default within 3 years of leaving school. That is a 17-percent increase in just 1 year.

The HELP Committee has heard testimony from experts in college counseling. This testimony details the detrimental effects such overly aggressive and misleading recruitment can have on the lives of students. When students are enrolled through deception or fear, they are less prepared to meet the challenges of college. Rather than offering students a better life, these types of strong-arm, emotionally abusive tactics are all too typical of schools that have little or no interest in providing students the academic help and support they need for the students to succeed.

Perhaps the attitude of these schools toward students is best exposed in a document provided by Vatterott, a privately held for-profit school. Under the heading of "Emotion," it notes that:

We deal with people that live in the moment and for the moment.

That is whom they are going after.

Their decision to start, stay in school or quit school is based more on emotion than logic.

Pain is the greater motivator in the short term.

Think about the schools you are familiar with in your own States, your private, nonprofit schools, some religious based, then your public schools and your universities. Are they recruiting students like this? You will not find this in any of them. They are not going after pain and fear; they are going after students to help and support them when they go through school so they can have a better life.

Well, if this is the attitude—to stoke the fear and to stoke the pain—if that is the attitude of these for-profit colleges, what does it say about its students' chances for success? Is it any wonder that outcomes are appalling and defaults are skyrocketing, accounting for nearly 47 percent of all student defaults?

Once again, I have to point out that the for-profit schools enroll about 10 percent of higher education students in America, but they account for 47 percent of the defaults—10 percent of the students, 47 percent of the defaults.

The bottom-line finding of my committee's investigation is that, No. 1, these schools are very expensive; No. 2, they are exploitative; and No. 3, these documents show they are focused on their own success—paying their share-

holders if they are publicly held or paying back their equity investors if they are equity owned. They are not focused on the success of their students.

The bottom line is that what we are confronting today with this tremendous explosion in for-profit schools, this tremendous explosion in their enrollment of students—as I said, Ashford in 2005, 350 students; today, 70,000 students—their tremendous churning of students that is going on every year—

this has a striking resemblance to the subprime crisis that confronted America, a striking resemblance to the subprime crisis.

Mr. President, I ask unanimous consent that the documents I referred to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Recruiting Documents – Senate HELP Oversight Request

Vatterott-Nation

UNDERSTANDING OUR MARKET...

Who Are Our Students? Sales Begins With...

AWARENESS, UNDERSTANDING, ACCEPTANCE OF THE MARKET WE SERVE!

Student Profiles: Welfare Mom w/Kids; Recent High School Graduates; College Freshmen dropout; Pregnant Ladies; Recent Divorce; Military - Active & Retired; Low Self-Esteem; Low Income Jobs; Vocational Rehabilitation; Experienced a Recent Death; Experienced a Recent Birth; Empty Nest Syndrome; Recent Marriage; Relocation; Career Change; Upgrade Skills; Physically/Mentally Abused; Recent Incarceration; Drug Rehabilitation; Dead End Jobs-No Future; College Credits – 2 Years+; Living w/multitude of Families; Living with Parents; Living with Significant Other; Fired / Lay off; Self Employed w/ No Benefits

Emotion

We deal with people that live in the moment and for the moment. Their decision to start, stay in school or quit school is based more on emotion than logic. Pain is the greater motivator in the short term.

DIRECT QUOTES

Lately it seems admissions has been putting in some really troubled people... could this be a trend?" This last batch of students you guys dumped in here are about the worst I've seen in years" "I just walked by orientation—WOW- SCARRRRY!" "Do your ads say, LOSERS! ENROLL HERE!" "You need to target a better demographic it would make all of our jobs a lot easier!"

We Serve The UN-DEr World UNEMPLOYED UNDERPAID UNSATISFIED UNSKILLED UNPREPARED UNSUPPORTED UNMOTIVATED UNHAPPY UNDERSERVED!

Examples of Buying Motivation: Low Pay; Dependent upon others; Higher income; Job Security; Self-Esteem; Recognition; Daily Activity

EXPECTATIONS: Outbound Calls-50 MINIMUM Appointments Set-5 Appointments Held-3 3 Packaged per week Referrals-2 per week

Pain Funnel and Pain Puzzle

Eight Questions

Level 1 Pain 1. Tell me more about that...? 2. Can you be more specific? Give me an example. 3. How long has it been a problem? Level 2 Pain 4. What have you tried to do about that? (What have you done to fix it?)

And did that work?

What results did you get?)

6. What has it cost you?

Level 3 Pain 7. How do you feel about that?

Level 4 Pain 8. Have you given up trying to deal with the problem?

Does the prospect have enough pain to qualify for the next step?

Does the prospect recognize the problem?

Is the problem one that you can fix?

Do they acknowledge it is a problem?

Consequences, Problem, Reasons

Are they committed to fixing it?.

Are they willing to do something about it now?

High school/GED questions How would you describe your high experience?

Did you feel successful in high school?

Level 1 Pain Tell me more about that; Can you be more specific; Give me an example

How did that make you feel?

How did your parents feel?

What could you do differently?

What subjects did you feel most successful?

What do you think was attributable to your success?

What subjects did you feel least successful?

What do you think attributed to that?

Level 2 Pain What have/had you tried to do about it? And did that work?

What has it cost you?

Level 3 Pain How do you feel about that?

Level 4 Pain What are you willing to change now or have you given up trying to deal with the problem?

- additional education How long have you been going to xxx college?
 Have you worked while attending?
 Have you wanted to work while attending?
 Why did you put off attending college after high school?
 How would you describe your college experience?
 Did you feel successful at xxx college?
- Level 1 Pain Tell me more about that; Can you be more specific; Give me an example
 How did that make you feel? How does your family feel?
 What have you tried to do about that? And did that work?
 What subjects did you feel most successful?
 What do you think was attributable to your success?
 What subjects did you feel least successful?
 What do you think attributed to that?
- Level 2 Pain What have/had you tried to do about it? And did that work?
 Do you feel that spending x amount of time at xxx college has held you back from where you
 want to be?
 What has it cost you?
- Level 3 Pain How do you feel about that?
- Level 4 Pain What are you willing to change now or have you given up trying to deal with the problem?
- employment How well would you say you have been able to support your family in this position?
 How well would your family say you have been willing to support them?
- Level 1 Pain Tell me more about that; Can you be more specific; Give me an example
 How did that make you feel?
- Level 2 Pain What have you tried to do about that?
 And did that work?
 What has not having a college education cost you?
 In self worth?
 Financially?
- Level 3 Pain How do you feel about that?
- Level 4 Pain What are you willing to change now or have you given up trying to deal with the problem?

Ways to combat "drops" in Marketing during the class building period.

Communication

Remain centered, focused and calm. Remember, most of the time drops late in the quarter are due to FEAR!
 Don't take things personally

- Stay in constant contact through phone calls, emails, etc. Remember nothing can replace voice to voice contact.
- Remind them of their motivation often. Use this to keep them motivated.
- Remind them of what things will be like if they don't continue forward and earn their degrees.
- Poke the pain a bit and remind them (if applicable) who else is depending on them and their commitment to a better future.
- Use visuals and analogies. Remember most humans are visual learners.
- Avoid words such as "concerns" or "issues". Many times these words imply there are not solutions. Instead talk about "obstacles"...obstacles can generally be moved in order to continue going down a specific path.
- Watch the stress tone in YOUR voice when communicating with them. Remember, they are NOT numbers...they are students.
- Use positive speak. Example "When you come to classes next week."

Invite the obstacles

- Do not fear obstacles; embrace them. The better you are at inviting them, being patient to work on them, and taking on the role of "solutions provider" the stronger you will be as a Rep. AND the better your students will feel as you became their advocate to success.
- In the initial (or future) phone calls listen for things which may give you some insight on potential obstacles. Things dealing with kids (potential time, money and transportation obstacles?), things dealing with transportation (shuttle passes?), spouses (are they supportive? Co-signer potential?), parents (are they supportive? Co-signer potential?), grandparents (supportive? Co-signer potential?), etc. Ask about their current employment situation. Are there potential work schedule

conflicts? If so, how supportive is the employer? Can we assist the student through Career Services seeking more "education friendly" employers allowing an appropriate work schedule for your student to attend class?

Remember, if cost is an obstacle...it is also part of their motivation! (If they don't make a change, where do they see their finances in 2 years, 5 years, 10 years? If they DO have a degree, where do they see their finances?)

Remember EVERYONE wants to graduate, but NO ONE wants to start. AVOID statements in your initial conversations such as "when do you see yourself starting classes?" Instead use phrases such as "How soon do you see yourself GRADUATING?"

FA Process

- Do your best to always get the "buying influence/buying committee" to attend the initial conducted interview. If they don't attend then, have them attend the actual FA Conduct. Have them show up about 15 minutes before their FA Conduct and pull the questionnaire back out and review the students motivation and what they liked about the school. Take another walk through the campus (with the buying influence/buying committee) and invite their questions. Get them in a positive state of mind before they meet with their FAA so they feel motivated again to embrace the next step.
- Do your best to ensure SmartForms is completed prior to the FA Conduct.
- Get your student in for the FA Conduct as soon as possible (72 hours or less) following the initial application interview. The sooner the better. Any scheduling over 7 calendar days must be approved by either the DOR or DOF.
- During your initial conducted interviews provide your FAA (prior to testing and the Pre-Req.) the students social security #, name and birthdate for them to look them up on NSLDS.
- Re-educate the student on the FA process. Ensure they (and any buying influences/buying committees) understand WHAT a co-signer is, and what it is NOT.
- Encourage activity in the initial FA Pre-Req. Have taxes faxed over right then from the IRS. Contact any potential co-signers and introduce yourself and ask if they have any questions for you or the FAA (while the student is sitting there with you).

Other ways to maintain the commitment

- Before a student signs the back of the questionnaire to apply have them hand-write their thoughts on "Why ITT" at the bottom right hand side of the inside of the questionnaire where it states "What Is Important To You Notes". Let the student know the Manager of Recruitment AND the Director of Recruitment review these to ensure the students we enroll are committed to success in their classroom and their futures.

Be 100% sure when the students do this you enter this information in to IRIS. You will be able to refer back to it and use the information to help keep them motivated along the way.

After they fill in their statement(s) ask them, "Teddy, this is great. What role can I play in helping you stay on track and being a supporter of your goals?"

Have other Rep's call and confirm attendance for classes, conducts, FA Conducts, etc. Some times students will share other insight with someone other than you. Many students do not call us if they are scared, or if they change their minds, because they feel as though they are letting you down.

- If a student is getting cold feet, have them sit down (even if it's over the phone) and write out a "Pro's and Con's" list regarding their future if they do NOT start. Get them to verbalize things. Remember ASK DON'T TELL! You can not convince anyone to go to school by what you say. You CAN convince them to go to school by asking questions and allowing THEM to hear things in THEIR words why going to school will benefit their futures.
- Do NOT give up on finding a solution until you have exhausted your efforts in speaking with peers, managers, people in other departments, etc. Remember; b._~.e THE solutions provider for their future. They will thank you at graduation for your persistency and your tough love.

Reiterating the Objective of the Call:

As I stated a moment ago, our objective today is to become better acquainted. First, I want to know more about you - your hopes, dreams, goals and perhaps even fears. Does that sound fair?

TRANSITION: The best way for me to assist you today is to find out a bit more about you and your goals,

together we'll determine the right next steps.

UNCOVERING THE PAIN AND THE FEAR – CREATING URGENCY

- How long has this been a goal of yours? When did you first realize this is the direction you wanted to move in?
- What has stopped you in the past? What is different today?
- Whose life would this impact, besides you? What would it mean for them to see you finally take this step to a better life? (SILENCE.. THIS STIRS UP EMOTION)
- Who will be the most of you for making this change? In addition to your biggest supporter, who else would you invite to graduation? (PDL opportunity) I am assuming your friends and family have been thinking about making a positive change as well correct? GREAT! Once we get you started on this path to success, I will reach out to them and see if we can help make a positive change in their life just like you. Sound like a plan? Awesome!
- Lastly, what are something's you would LOVE to provide for your family but unfortunately due to your current situation you are unable to? Tell me more about that. (Keep digging until you get to their REAL DREAM- a house, taking family to Disney World. DO NOT ANSWER FOR THEM. LET THEM PAINT THEIR OWN PICTURE

Rubric Attribute – Objective of the call

Affected Rubric Attributes –

- Asks probing questions to explore student motivation
- Empower the student to respond/ Advisor Call Control
- Active Listening
- Advisor picks up on buying signals
- Build/ Maintain Rapport w/Prospect

KEEP DIGGING UNTIL YOU UNCOVER THEIR PAIN, FEARS AND DREAMS. DO NOT ANSWER FOR THEM. LET THEM PAINT THEIR OWN PICTURE. IF YOU CAN HELP THEM UNCOVER THEIR TRUE PAIN AND FEAR. IF YOU GET THE PROSPECT TO THINK ABOUT HOW TOUGH THEIR SITUATION IS RIGHT NOW, IF YOU TALK ABOUT THE LIFE THEY CAN'T GIVE THEIR FAMILY RIGHT NOW BECAUSE THEY DON'T HAVE A DEGREE...YOU DRAMATICALLY INCREASE YOUR CHANCES OF ENROLLING THIS PROSPECTIVE STUDENT. GET TO THEIR EMOTIONS, AND YOU WILL CREATE THE URGENCY! IF YOU CAN STIR UP THEIR EMOTIONS, YOU WILL CREATE URGENCY!

Overcoming Objections

The following are some common objections & tips on how to overcome them:

Concern: Not enough time

Response:

How much time do you believe this will take?

How much time can you invest in yourself?

Is there ever a good time to go back to school?

Why did you call or request the information? (Don't sound condescending)

Walk me through a day in the life of you. When do you get up/home from work, etc?

Do you see yourself having more time for school in the future?

How would having your degree afford you more time?

How long have you been thinking about finishing your degree?

Concern:

Response:

Money/Cost

Investing in yourself... You're worth it right?

Education is an asset that never depreciates.

How much did you plan for?

Compare cost vs. new car (\$20-30,000)

Ashford is more affordable than most private schools offering online programs.

How much more will you make once you have your degree?

What costs more, having your degree or not having it?

Are you aware of the financing options available for those who qualify?

- Student loans not income or credit based
- Loans deferred while in school
- Have up to 10 years to pay back

Concern:

Response:

Credibility/Reputability

What do you know about accreditation or AU?

- Established in 1918
- Traditional 4-year campus with sports teams, dormitories
- Regionally accredited since 1950

98% of students surveyed said they would recommend AU to a family member or friend

Concern: Fear

Response:

What concerns do you have?

Explain the benefit of having a personal advisement team (EA, AA FSA)

What makes you feel more anxious? Obtaining your degree or not having it?

Tell me about another time in your life you felt afraid and how you overcame that fear?

Students just like you that have been out of school, working adults, etc...

Many resources: online library, tech support, writing consultant, etc

Concern: Procrastination

Response:

What significant advantage is there in waiting to begin?

There will always be a reason for putting off finishing your degree. What is yours?

You could have completed __ classes by now.

It doesn't get better later, it just gets later.

Why are you waiting to begin?

How long have you wanted to finish this goal?

If you get laid off, it would be better to have a degree to fall back on, right?

Two years is going to pass. Wouldn't you be better off with a degree in that time?

There is a way around every obstacle.

If you want your degree, you can have it, and I will show you how to make it possible.

What is going to change in __ months/years when you plan to start?

If you procrastinate you'll never graduate! (Said with a big smile!)

Concern: Just Shopping

Response:

What research have you done so far?

What will be your determining factors in selecting a school?

What schools are you looking into?

How much does it cost to earn your degree there?

What do you know about AU?

What do you like at AU?

Would you like me to help you with your research? (Send AU Advantage)

Concern: Unsupportive Person in the Student's Life

Response:

What concerns does he/she have?

Is he/she available to speak to me/with us on the phone?

Let's discuss how you are going to present the information to him/her.

Concern: No computer or limited technology skills

Response:

Who is supporting your decision to go back to school?

Does he/she have a computer you can use?

Is he/she willing to help you with understanding how to use the computer?

Is your employer ok with you using the computer at work for school purposes?

Are you willing to go to a library?

If I made myself available to show you some tips on the computer, would this help?

Did you know that you will have access to a Writing Mentor in your 1st course?

Mr. HARKIN. Mr. President, I yield the floor.

The PRESIDING OFFICER. It is the Presiding Officer's pleasure to recognize the Senator from West Virginia.

UNANIMOUS-CONSENT
AGREEMENT—S. 223

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that at 10:20 a.m., the Senate proceed to the consideration of the pending Nelson of Florida amendment No. 34; that there be 10 minutes of debate equally divided between Senator NELSON of Florida and Senator HUTCHISON or their designees; that upon the use or yielding back of time, the Senate proceed to a vote in relation to the amendment, with no intervening action or debate; that there be no amendments, motions, or points of order to the amendment prior to the vote; and that the motion to reconsider be considered made and laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. ROCKEFELLER. Yes, from me. Yes, it is at 10:20 a.m. on Tuesday. I ask unanimous consent that it be at 10:20 a.m. on Tuesday, February 8, that the Senate proceed to it and then the rest of the request be the order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MORNING BUSINESS

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming.

ORDER OF PROCEDURE

Mr. BARRASSO. Mr. President, I ask unanimous consent to enter into a colloquy with my colleague, the Senator from South Carolina, Mr. GRAHAM.

The PRESIDING OFFICER. Without objection, it is so ordered.

A SECOND OPINION

Mr. BARRASSO. Mr. President, I come today to the Senate floor as a physician who has practiced medicine in Wyoming for a quarter of a century, taking care of the families of Wyoming, and to do what I have done throughout the past year—provide a doctor's second opinion on this health care law people across the country are now coming to grips with as they finally are realizing what is in the bill or, as the former Speaker of the House, NANCY PELOSI, once said: First you have to pass it before you get to find out what is in it.

People are finding out what is in it, and people all across the country are

not happy. We know what the American people want. I know what the people of Wyoming want in terms of health care. They want the care they need from the doctor they want at a cost they can afford. That was the goal many of us had over a year ago when we started this discussion and debate on the Senate floor. What ultimately got passed—and many people believe crammed down the throats of the American people—is now a health care law where people are at risk of losing what they want and what they have.

The promises made by the President are such that they have turned to be, in many ways, unfulfilled. The President said this would actually drive down the cost of care—the health care law—that insurance rates would go down \$2,500 per family. What people have seen all across the country is the cost of their health care insurance rates going up instead of down. The President said: If you like the care you have, you can keep it. Now we know that a majority of people who get their health insurance through their work are not going to be able to keep the coverage they have liked.

So I come to the floor with my colleague, Senator GRAHAM, because we have introduced a bill, S. 244, the State Health Care Choice Act, which allows States to make a decision to say: Is this something we want in our State?

I will turn to my colleague from South Carolina before getting into the specifics. I know the Senator has visited with his Governor about the concerns his Governor has, a newly elected Governor who has concerns and actually addressed those concerns with the President about the health care law and the mandates on the people of South Carolina.

So I would ask my friend and colleague, are there things we as a body ought to be considering to make life easier for the people of his home State of South Carolina? And I can talk about things for Wyoming as well.

Mr. GRAHAM. Yes. If I may, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. No. 1, Senator BARRASSO, who is an orthopedic surgeon, has been a great addition to the Republican conference and to the Senate as a whole. He is a doctor and has practiced medicine longer than he has been in politics, I am sure, and he sees this problem from the physician's point of view, from the patient's point of view. And our Presiding Officer was recently a Governor.

Here is what my Governor is telling me: that Medicaid is a program that needs to be reformed, not expanded the way we are doing it. The second largest expense to the State budget in South Carolina is Medicaid matching money.

For those who are home who may be watching, Medicaid is a program for low-income Americans. It is a Federal program and a State program, but it is a Federal Government mandate that if

you reach a certain income level, you are eligible for Medicaid services to be administered by the States. But, quite frankly, the flexibility the States have is very limited, and this bill, the Obama health care bill, expands Medicaid eligibility to the point that 29 percent of the people in South Carolina would be Medicaid eligible.

Our State has an \$850 million shortfall in our budget. I think Wyoming is in pretty good shape, but I think we are probably closer to the average State. We have had a dramatic decrease in revenues, and the cost of complying with the Medicaid expansion in this bill would be \$1 billion to a State that cannot afford it. I am sure West Virginia is very similar.

So here is my commitment to the body. I would like to give the States an opportunity to speak as to whether they want the individual mandate, the Medicaid expansion, and employer mandate that I think adds a lot of cost to businesses that will decrease job opportunities at a time when South Carolina needs every job it can get.

But one thing we could do by passing this legislation is get this debate out of Washington, where everybody has kind of dug in their heels, and listen to the people. That is the one thing we have not been able to do.

This bill passed under the cover of darkness on Christmas Eve in a process that is not reflective of the hope and change we all would like to have. It was the worst of Washington. It is not as if the Republican Party has never, behind closed doors, passed bills on a party line. But we are all trying to break that formula. And this bill passed on a party-line vote on Christmas Eve. To get the 60th vote, quite frankly, was unseemly.

So what I am hearing from my Governor is, please give me some relief from a Medicaid Program that is drowning my State.

So after this opportunity comes to take the debate to the State level, I would like to join with Senator BARRASSO and the Presiding Officer and anyone else in this body who wants to come up with a way to fix Medicaid before it bankrupts all the States.

So this opt-out approach I think would make the debate more meaningful. It is not just about what people in Washington think; it is about what America wants and what Americans think. The best way to get their opinion is to allow them to speak at the State level.

So if my colleagues on the other side believe this is a great bill, then give other people a chance to validate what you think. We may be wrong. Senator BARRASSO and I may be wrong. We may be hearing criticism from this bill that is very limited and unique to Wyoming and South Carolina. I don't think so, but we will never know if we don't give people the chance to speak.

That is what this bill does. It allows States, if they choose, to opt out of the individual mandate and the employer mandate of Medicaid expansion.

Important Disclosures

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Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
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HOLD	49	34.8	41	83.7
SELL	1	0.7	1	100.0

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