

REBUTTAL TO ZENITH'S RESPONSE TO INDEPENDENT MONITOR'S FOURTH REPORT AND FINAL STATEMENT

Because Zenith Education Group ("Zenith") chose in its response, <http://www.zenithmonitorship.com/wp-content/uploads/Zenith-Response-to-the-Independent-Monitors-Report-for-July-2017-December-2017.pdf>, to the Monitor's fourth and final report, <http://www.zenithmonitorship.com/wp-content/uploads/Zenith-Education-Group-Report-of-Independent-Monitor-July-December-2017.pdf>, to call into question key facts and not simply the Monitor's judgments, the Monitor feels obliged to respond to its claims, as follows and in order.

First, on the narrow factual issue of whether Jeremy Wheaton became not only the CEO of Zenith's parent, ECMC Group, on August 31, 2017 but also the President and CEO of Zenith itself, thus succeeding Peter Taylor after his serving only a year in the job, Zenith's response is disingenuous. Zenith cites a press release a week later "noting that [Taylor] was still CEO." Left unsaid is CEO of what. The press release in question, <http://www.zenith.org/message-president-ceo-peter-j-taylor-zenith-education-group-community/>, does not specify the corporate entity to which the title applies. It is signed "Peter J. Taylor and the Zenith Executive Leadership," as if, at that point, Taylor was no longer part of Zenith's executive leadership team. He was, however, definitely serving as the President of the ECMC Foundation, the parent's charitable arm, since he has held that position continually since 2014.

Further, while the Monitor-cited press release, <http://www.ecmcgroup.org/news-Jeremy-Wheaton-president-ceo.html>, does not explicitly name Wheaton as concurrently President and CEO of Zenith, it does note that he was elected that same day to Zenith's board. This link to the website for the ECMC Foundation, <http://www.ecmcfoundation.org/about-us/Wheaton.html>, describes Wheaton as the President and CEO of ECMC Group and the "interim president and CEO for Zenith Education Group." The website for ECMC Group, <http://www.ecmcgroup.org/leadership.html>, lists Wheaton as President and CEO of both organizations. And, for what it is worth, Wheaton is identified in this article in *Inside Higher Ed*, <https://www.insidehighered.com/news/2017/11/09/zenith-education-will-close-all-three-its-campuses>, which article is posted on ECMC Group's website, <http://www.ecmcgroup.org/news-corinthian-long-wind-down.html>, as "Zenith's president and CEO since August."

Additionally, Zenith makes a claim that, even if true, is beside the point because the Monitor did not contest it. "Peter Taylor remained the CEO of Zenith when the decision was made to narrow Zenith's focus to a smaller number of campuses." That may well be, and the Monitor does not question it.

The precise date of the change in the leadership of Zenith from Taylor to Wheaton aside, the larger point the Monitor was making is inarguable. Taylor served for only about a year as the head of Zenith, and the exact timing and circumstances of his departure are, to say the least, murky. The Department learned about the transition after the fact in an email from Zenith, and the Monitor learned about it from the Department by happenstance. Given the timing and the nature of the departure, and coming as it did in such close succession with the rebranding of the schools and the announced closure of most of them, the Monitor believes it to be more than reasonable to refer to these developments as "concerning."

Second, on the question of whether Zenith must comply with the provision of the gainful employment rule relating to the content of promotional materials given the July 2017 guidance from the Department of Education ("Department") extending the timeline for complying with that provision, the Monitor finds it interesting that Zenith's initial argument was that the provision does not apply because its website is

not promotional in nature. When that argument was shown to be unpersuasive, Zenith now argues that it is not required to comply with this provision for the time being because of this guidance. In fact, however, despite the guidance, Zenith is required to comply because its pledge to comply with the existing gainful employment rule (the entirety of it, as no exceptions were noted) was one of the bases for the Department's approval of its acquisition of the colleges, <https://www.ed.gov/news/press-releases/more-50-corinthian-campuses-transition-nonprofit-status-under-zenith-education-group>. Further, Zenith ignored the Monitor's pointing out that even if there were no gainful employment rule it imposed this kind of disclosure on itself in its claim to communicate in a "transparent manner" "information that matters most to students, regulators, and others."

Third, Zenith claims that the Monitor does not understand the concept of "teach-out" and, thus, his recommendation that the teach-out process be monitored by an independent party to ensure that Zenith does not shortchange students is meritless. Zenith insists, "...students will be permitted to complete their entire programs – not just courses..." Programs are comprised of courses, one would think it needless to say. To complete all of the required courses in a given program is to complete the program. Proving the point, if one goes to www.altierus.edu, clicks on "Programs," and then clicks onto any one of them, he/she will find among the options, "Courses," which is the list of classes or units one must take to complete the program.

Fourth, the Monitor stands by his account of the noted calls. To remove any doubt in readers' minds as to whether Zenith or the Monitor is accurately characterizing them, the Monitor invites Zenith to make the referenced calls available to the public. Further, the Monitor was timely, as pledged, in bringing these calls to Zenith's attention as soon as possible after they were called to his. The calls were made available to the Monitor and his review team months after they were made; in some cases, many months afterwards. As of the end of the monitorship on January 31, 2018, the Monitor had received calls only up through July 2017, a six-month lag.

Fifth, notably, though it put the word, "repeated," in quotation marks, Zenith does not dispute that the Monitor made several requests to visit additional Zenith campuses without any response from Zenith.

Finally, as for student complaints, the Monitor made at least one other request to view complaints and to review the complaint resolution process. And, had the request been granted, the Monitor would not have been satisfied with Zenith's circumscribing his review by confining the universe of complaints to be reviewed to those deemed by Zenith to be "formal" and ones "escalated through Zenith's Internal Dispute Resolution Process," nor would he have simply taken Zenith's word for the number of complaints received and their nature.