

BRIEF

Career Education Corp will have a new name in 2020

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Dive Brief:

- Career Education Corp., the publicly traded company that runs the for-profit American InterContinental and Colorado Technical universities, announced Wednesday that it is changing its name to Perdoceo Education Corp.
- The new name is effective Jan. 1, 2020, the company said in a filing with the Securities and Exchange Commission (SEC). It will also change its ticker symbol on the Nasdaq Global Select Market from CECO to PRDO for the new year.
- The company said the new name — a Latin word meaning "to instruct thoroughly" — intends to signal its "evolution as an education company," according to a press release.

Dive Insight:

Career Education Corp. isn't the only for-profit college operator to rebrand and look for a new path forward as the sector faces heightened regulatory scrutiny and battles lawsuits over how some institutions marketed themselves to students.

One company, formerly Bridgepoint Education, took the name Zovio earlier this year. Now, it is in the process of separating or selling its institution, Ashford University, and becoming the college's education services provider. In an April press release, it said the name Zovio was "inspired by" the Greek word "sophos," meaning skillful and intelligent, and the Latin prefix "vi," for visionary.

In 2017, the California attorney general sued Zovio, which was then under the Bridgepoint banner, and Ashford University, claiming it misled students. The company said in its latest quarterly SEC filing that it "emphatically denies the allegations" and "intends to vigorously defend" the case. It is also cooperating with a civil investigation by the Massachusetts attorney general into for-profit colleges.

DeVry Education Group became Adtalem Global Education in 2017, also citing the Latin language as the basis for its new moniker. Although the company says the word translates as "to empower," BuzzFeed News challenged the veracity of that claim after the name changed.

The change came after the company, which was still known as DeVry, agreed to pay \$100 million to settle a lawsuit from the Federal Trade Commission that alleged it misled students. Adtalem has since sold off DeVry University and is focusing on expanding its professional services education business.

In January, Career Education Corp. reached a settlement with 49 attorneys general to end a five-year investigation stemming from complaints that the company misled students about the cost of attendance, job placement and program offerings and whether their credits would transfer. The company denied the allegations but agreed to pay \$5 million in state costs and said it would not collect on nearly \$500 million owed by students.

Not all for-profit operators have managed to successfully shift their business models. National American University is trying to move its operations online. In May it took out an \$8.5 million loan from another college operator in order to post collateral required by the U.S. Department of Education in order to stay eligible for Title IV funding.