

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

CAREER EDUCATION CORP  
Form DFAN14A  
May 17, 2006

SCHEDULE 14A

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14 INFORMATION

Proxy Statement Pursuant To Section 14(A) Of The Securities Exchange Act of 1934

Filed by the registrant [ ]

Filed by party other than the registrant [X]

Check the appropriate box:

- [ ] Preliminary Proxy Statement
- [ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [ ] Definitive Proxy Statement
- [X] Definitive Additional Materials
- [ ] Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

CAREER EDUCATION CORPORATION.

-----  
(Name of Registrant as Specified in Its Charter)

BOSTIC R STEVEN

-----  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required
- [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

-----  
(2) Aggregate number of securities to which transactions applies:

-----  
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

-----  
(4) Proposed maximum aggregate value of transaction:

-----  
(5) Total fee paid  
-----

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement no.:

(3) Filing Party:

(4) Date Filed:

Steve Bostic issued the following press release on May 17, 2006:

May 17, 2006 03:06 PM US Eastern Timezone

Steve Bostic Comments on Career Education Student Drop-out Rates

SEA ISLAND, Ga.--(BUSINESS WIRE)--May 17, 2006--Steve Bostic, the beneficial owner of approximately 1% of the outstanding stock of Career Education Corporation (CEC or NASDAQ: CECO), today made the following comment regarding Career Education Corporation's student drop out rates:

On May 10, 2006, I sent a letter to my fellow stockholders of Career Education Corporation (CEC) in which I noted that I had received a copy of an internal CEC report on student drop-out rates stating that 96,338 students had dropped out of CEC programs in the first quarter of the reporting period. This undated report, entitled "Q1 Drop Summary Report", was Exhibit T to a class action complaint brought by stockholders against CEC and its management in the U.S. District Court for the Northern District of Illinois. The report indicated that there were 96,388 student drop-outs over all divisions of CEC's Colleges, Schools and Universities group (CSU) and included three pages of detailed backup materials in support of that number. Having asked repeatedly for confirmation of CEC's historic and current student drop-out rates and not having received a satisfactory response, I interpreted the report to be a first quarter summary of CEC's student drop-outs. A copy of the entire Exhibit T to the class action complaint is attached to this press release.

On May 16, 2006, I received a letter from the Board of Directors of CEC advising me that the report in question was produced for the first quarter of 2004. The letter also advised me that while the report was indeed produced by CEC, the company subsequently decided that it contained erroneous information and revised the report, and that the revised number of CSU student drop-outs for Q1 2004 was 10,485.

I have no basis to confirm whether the original student drop-out report filed with the U.S. District Court or CEC's revised version was accurate or the reasons for CEC's decision to revise the original report. CEC has not released

## Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

the revised report or any other report relating to student drop-out rates in spite of our repeated requests since the 2005 Annual Meeting. Will CEC's Board provide an explanation for the original 96,388 number and for the detailed materials supporting it, and disclose the period to which it applied? As I have done repeatedly in the past, I strongly encourage CEC to promptly produce clear, accurate and up-to-date information about student drop-out rates in the detailed format of the "Q1 Drop Summary Report", not only for Q1 2004 but for all quarters of 2003, 2004 and 2005, and not only for CSU but for all of CEC, including the Online Education Group. In addition, on behalf of all stockholders, I reiterate my appeal to the Board to become transparent and to produce clear and accurate data for student graduation rates and student placements in their field of study. This information is vital in evaluating the quality and value of CEC's operations and projecting future earnings.

(The following is Exhibit T as referenced in the press release issued by Steve Bostic on 5/17/06)

##

### Q1 Drop Reasons Summary Report

#### CSU Summary

Division	Total Count of Drop Reason				
	Academic	Did not Return	Dissatisfied	Financial	Other/Not Identified
Academy	197	108	92	231	9,503
College East	73	39	97	180	9,037
College West	71	51	27	49	6,806
Culinary East	31	16	8	33	5,838
Culinary West	25	23	2	22	10,219
CTU	2	23	2	1	2,980
Gibbs	222	197	157	249	15,488
Health East	55	18	9	27	9,754
Health West	72	47	34	48	7,285
University	60	147	52	445	10,837
CSU Total	808	669	480	1,285	87,747
Paul Ryan's Group Total	253	147	102	286	25,560
Jake Gruver's Group Total	206	260	178	675	29,660
Jon Coover's Group Total	349	262	200	324	32,527
Division	Personal	School Dismissal	Work Conflicts	Grand Total	

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

Academy	354	452	43	10,980
College East	339	52	54	9,871
College West	66	284	3	7,357
Culinary East	68	44	3	6,041
Culinary West	28	53	0	10,372
CTU	24	0	7	3,039
Gibbs	440	1,802	77	18,632
Health East	141	59	12	10,075
Health West	344	294	33	8,157
University	241	53	29	11,864
CSU Total	2,045	3,093	261	96,388
Paul Ryan's Group Total	450	549	46	27,393
Jake Gruver's Group Total	670	389	93	32,131
Jon Coover's Group Total	925	2,155	122	36,864

Division	Academic	Did not Return	Dissatisfied	Financial	Other/Not Identified
Academy	1.8%	1.0%	0.8%	2.1%	86.5%
College East	0.7%	0.4%	1.0%	1.8%	91.6%
College West	1.0%	0.7%	0.4%	0.7%	92.5%
Culinary East	0.5%	0.3%	0.1%	0.5%	96.6%
Culinary West	0.2%	0.2%	0.0%	0.2%	98.5%
CTU	0.1%	0.8%	0.1%	0.0%	98.1%
Gibbs	1.2%	1.1%	0.8%	1.3%	83.1%
Health East	0.5%	0.2%	0.1%	0.3%	96.8%
Health West	0.9%	0.6%	0.4%	0.6%	89.3%
University	0.5%	1.2%	0.4%	3.8%	91.3%
CSU Total	0.8%	0.7%	0.5%	1.3%	91.0%
Paul Ryan's Group Total	0.9%	0.5%	0.4%	1.0%	93.3%
Jake Gruver's Group Total	0.6%	0.8%	0.6%	2.1%	92.3%
Jon Coover's Group Total	0.9%	0.7%	0.5%	0.9%	88.2%

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

Division	Personal	School Dismissal	Work Conflicts	Grand Total
Academy	3.2%	4.1%	0.4%	100.0%
College East	3.4%	0.5%	0.5%	100.0%
College West	0.9%	3.9%	0.0%	100.0%
Culinary East	1.1%	0.7%	0.0%	100.0%
Culinary West	0.3%	0.5%	0.0%	100.0%
CTU	0.8%	0.0%	0.2%	100.0%
Gibbs	2.4%	9.7%	0.4%	100.0%
Health East	1.4%	0.6%	0.1%	100.0%
Health West	4.2%	3.6%	0.4%	100.0%
University	2.0%	0.4%	0.2%	100.0%
CSU Total	2.1%	3.2%	0.3%	100.0%
Paul Ryan's Group Total	1.6%	2.0%	0.2%	100.0%
Jake Gruver's Group Total	2.1%	1.2%	0.3%	100.0%
Jon Coover's Group Total	2.5%	5.8%	0.3%	100.0%

Q1 Drop Reasons Summary Report  
Paul Ryan's Group (Academy & Culinary)

Division	Campus Name	Did not Academic	Return	Dissatisfied	Financial	Other/Not Identified
Academy	IADT-Chicago	85	59	48	61	2,198
Academy	IADT-Detroit	3	8	1	1	264
Academy	IADT-Fairmont	1	1	3	5	233
Academy	IADT-Las Vegas	0	0	0	0	13
Academy	IADT-Montreal	8	23	0	6	933
Academy	IADT-Orlando	3	8	2	33	714
Academy	IADT-					

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

	Ottawa	11		2	2	164
Academy	IADT- Pittsburgh	1	1	3	5	497
Academy	IADT- Tampa	30	7	26	51	1,606
Academy	Toronto Combined	55	1	7	67	2,881
	Academy Total	197	108	92	231	9,503
	% of Total Drop Reasons	1.8%	1.0%	0.8%	2.1%	86.5%
Culinary East	Atlantic Culinary Academy	0	0	1	1	349
Culinary East	Cooking & Hospitality Institutes	3	4	0	1	676
Culinary East	Le Cordon Bleu at Brown College	6	2	3	10	760
Culinary East	Le Cordon Bleu of Atlanta	1	0	0	3	295
Culinary East	Orlando Culinary Academy	2	7	0	0	918
Culinary East	Pennsylvania Culinary	19	3	4	18	2,840
	Culinary East Total	31	16	8	33	5,838
	% of Total Drop Reasons	0.5%	0.3%	0.1%	0.5%	96.6%
Culinary West	California Culinary Academy	6	3	0	2	3,701
Culinary West	California School of Culinary Arts	6	10	2	3	2,318
Culinary West	Le Cordon Bleu of Las					

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

	Vegas	3	1	0	1	503
Culinary West	Scottsdale Culinary Institute	2	1	0	5	1,286
Culinary West	Texas Culinary Institute	5	1	0	2	898
Culinary West	Western Culinary Institute	3	7	0	9	1,513
	Culinary West Total	25	23	2	22	10,219
	% of Total Drop Reasons	0.2%	0.2%	0.0%	0.2%	98.5%
	Paul Ryan's Group Total	253	147	102	286	25,560
	% of Total Drop Reasons	0.9%	0.5%	0.4%	1.0%	93.3%

Division	Campus Name	Personal	School Dismissal	Work Conflicts	Grand Total
Academy	IADT-Chicago	149	327	12	2,939
Academy	IADT-Detroit	8	0	3	288
Academy	IADT-Fairmont	9	0	1	253
Academy	IADT-Las Vegas	0	0	0	13
Academy	IADT-Montreal	5	13	3	991
Academy	IADT-Orlando	23	36	0	819
Academy	IADT-Ottawa	8	2	4	193
Academy	IADT-Pittsburgh	20	33	0	560
Academy	IADT-Tampa	96	1	11	1,828
Academy	Toronto Combined	36	40	9	3,096
	Academy Total	354	452	43	10,980
	% of Total Drop Reasons	3.2%	4.1%	0.4%	100.0%

Culinary East Atlantic Culinary

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

	Academy	3	6	0	360
Culinary East	Cooking & Hospitality Institutes	6	22	0	712
Culinary East	Le Cordon Bleu at Brown College	8	0	3	792
Culinary East	Le Cordon Bleu of Atlanta	9	4	0	312
Culinary East	Orlando Culinary Academy	3	2	0	932
Culinary East	Pennsylvania Culinary	39	10	0	2,933
	Culinary East Total	68	44	3	6041
	% of Total Drop Reasons	1.1%	0.7%	0.0%	100.0%
Culinary West	California Culinary Academy	4	7	0	3,723
Culinary West	California School of Culinary Arts	8	29	0	2,376
Culinary West	Le Cordon Bleu of Las Vegas	3	0	0	511
Culinary West	Scottsdale Culinary Institute	11	11	0	1,316
Culinary West	Texas Culinary Institute	0	4	0	910
Culinary West	Western Culinary Institute	2	2	0	1,536
	Culinary West Total	28	53	0	10,372
	% of Total Drop Reasons	0.3%	0.5%	0.0%	100.0%
	Paul Ryan's Group Total	450	549	46	27,393
	% of Total Drop Reasons	1.6%	2.0%	0.2%	100.0%



Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

Q1 Drop Reasons Summary Report  
 Jake Gruver's Group (College, CTU & University)

Division	Campus Name	Academic	Did not Return	Dissatisfied	Financial	Other/Not Identified
University	AIU-Buckhead	5	27	22	177	1,815
University	AIU-Dunwoody	10	1	3	7	2,075
University	AIU-Fort Lauderdale	25	80	9	209	2,520
University	AIU-Houston	7	0	0	3	198
University	AIU-London	3	22	0	2	1,123
University	AIU-London D	1	5	0	1	355
University	AIU-Los Angeles	9	12	18	46	1,633
University	AIU-Study Abroad	0	0	0	0	1,117
University	Total	60	147	52	445	10,836
	% of Total Drop Reasons	0.5%	1.2%	0.4%	3.8%	91.3%
College East	Allentown Business School	11	0	9	39	1,609
College	Briarcliffe					
	Bethpage	22	3	19	31	1,938
College	Briarcliffe					
	Patchogue	4	0	12	16	1,123
College East	Brown College	26	19	35	83	2,106

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

College East	Harrington College	4	12	5	6	1,184
College East	McIntosh College	6	5	17	5	1,077
College East Total		73	39	97	180	9,037
% of Total Drop Reasons		0.70%	0.40%	1.00%	1.80%	91.60%
College West	Brooks College	23	6	4	17	1,833
College West	Brooks College - Sunnyvale	3	2	0	3	388
College West	Brooks Institute of Photography	1	20	2	7	506
College West	Collins College	44	23	21	22	4,079
College West Total		71	51	27	49	6,806
% of Total Drop Reasons		1.0%	0.7%	0.4%	0.7%	92.5%
CTU	CTU - Colorado Springs	0	2	0	0	1,764
CTU	CTU - Denver	2	20	2	1	386
CTU	CTU - Sioux Falls	0	1	0	0	830
CTU Total		2	23	2	1	2,980
% of Total Drop Reasons		0.1%	0.8%	0.1%	0.0%	98.1%
Jake Gruver's Group Total		206	260	178	675	29,660
% of Total Drop Reasons		0.6%	0.8%	0.6%	2.1%	92.3%

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

Division	Campus Name	Personal	School Dismissal	Work Conflicts	Grand Total
University	AIU-Buckhead	82	21	6	2,156
University	AIU-Dunwoody	17	1	3	2,117
University	AIU-Fort Lauderdale	78	0	8	2,929
University	AIU-Houston	14	31	2	255
University	AIU-London	5	0	0	1,155
University	AIU-London D	5	0	0	367
University	AIU-Los Angeles	40	0	10	1,768
University	AIU-Study Abroad	0	0	0	1,117
	University Total	241	53	29	11,864
	% of Total Drop Reasons	2.0%	40.0%	0.2%	100.0%
College East	Allentown Business School	92	0	12	1,772
College	Briarcliffe East College - Bethpage	50	0	20	2,083
College	Briarcliffe East College - Patchogue	55	0	1	1,211
College East	Brown College	78	4	14	2,365
College East	Harrington College	42	0	4	1,257
College East	McIntosh College	22	48	3	1,183
	College East Total	339	52	54	9,871
	% of Total Drop Reasons	3.40%	0.50%	0.50%	100.0%

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

College West	Brooks College	23	76	0	1,982
College West	Brooks College - Sunnyvale	4	20	0	420
College West	Brooks Institute of Photography	4	0	0	540
College West	Collins College	35	188	3	4,415
	College West Total	66	284	3	7,357
	% of Total Drop Reasons	0.9%	3.9%	0.0%	100.0%
CTU	CTU - Colorado Springs	4	0	0	1,770
CTU	CTU - Denver	10	0	5	426
CTU	CTU - Sioux Falls	10	0	2	843
	CTU Total	24	0	7	3,039
	% of Total Drop Reasons	0.8%	0.0%	0.2%	100.00%
	Jake Gruver's Group Total	670	389	93	32,131
	% of Total Drop Reasons	2.1%	1.2%	0.3%	100.0%

Q1 Drop Reasons Summary Report  
Jon Coover's Group (Gibbs & Health)

Division	Campus Name	Did not Academic	Return	Dissatisfied	Financial	Other/Not Identified
Gibbs	Gibbs - Boston	5	3	3	5	996
Gibbs	Gibbs - Melville	6	26	8	12	1,559
Gibbs	Gibbs - Montclair	38	25	33	19	2,440

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

Gibbs	Gibbs - New York	112	110	74	132	4,802
Gibbs	Gibbs - Norwalk	17	1	1	18	1,388
Gibbs	Gibbs - Philadelphia	5	5	11	12	921
Gibbs	Gibbs - Piscataway	18	5	4	25	1,387
Gibbs	Gibbs - Providence	16	12	20	24	805
Gibbs	Gibbs - Vienna	5	10	3	2	1,190
	Gibbs Total	222	197	157	249	15,488
	% of Total Drop Reasons	1.2%	1.1%	0.8%	1.3%	83.1%

Health East	SBI - Atlanta	3	2	1	2	818
Health East	SBI - Cleveland	0	1	0	0	602
Health East	SBI - Dallas	0	0	0	0	743
Health East	SBI - Ft. Lauderdale	30	1	1	16	1,123
Health East	SBI - Houston	4	3	0	0	832
Health East	SBI - Jacksonville	5	0	3	0	398
Health East	SBI - Landover	0	0	1	1	523
Health East	SBI - Philadelphia	2	0	2	0	629
Health East	SBI - Springfield	3	1	0	0	377
Health East	SBI - Tampa	3	1	0	3	757
Health East	SBI - West Northloop	0	0	0	0	134
Health East	SBI - Pittsburgh	0	0	0	0	1

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

Health East	UDS - Elmsford	0	2	0	0	503
Health East	UDS - Garden City	1	4	0	0	559
Health East	UDS - Iselin	1	3	0	2	762
Health East	UDS - New York	3	0	1	3	993
Health East Total		55	18	9	27	9,754

% of Total Drop Reasons	0.5%	0.2%	0.1%	0.3%	96.8%
-------------------------	------	------	------	------	-------

Health West	Missouri College	32	43	3	15	747
Health West	SBC - Fenton	1	0	1	2	834
Health West	SBC - Granite City	3	2	6	6	440
Health West	SBC - Hazelwood	6	1	4	7	712
Health West	SBC - North Kansas City	9	0	4	8	731
Health West	SBC - St. Charles	21	1	16	10	612
Health West	Western - Monroeville	0	0	0	0	864
Health West	Western - Pittsburgh	0	0	0	0	2,345
Health West Total		72	47	34	48	7,285

% of Total Drop Reasons	0.9%	0.6%	0.4%	0.6%	89.3%
-------------------------	------	------	------	------	-------

Jon Coover's Group Total		349	262	200	324	32,527
% of Total Drop Reasons		0.90%	0.7%	0.5%	0.9%	88.2%

Division	Campus Name	Personal	School Dismissal	Work Conflicts	Grand Total
Gibbs	Gibbs - Boston	8	49	0	1,069

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

Gibbs	Gibbs - Melville	44	212	5	1,872
Gibbs	Gibbs - Montclair	56	135	15	2,761
Gibbs	Gibbs - New York	185	1,365	31	6,811
Gibbs	Gibbs - Norwalk	9	12	0	1,446
Gibbs	Gibbs - Philadelphia	37	2	11	1,004
Gibbs	Gibbs - Piscataway	25	6	7	1,477
Gibbs	Gibbs - Providence	63	9	7	956
Gibbs	Gibbs - Vienna	13	12	1	1,236
	Gibbs Total	440	1,802	77	18,632
	% of Total Drop Reasons	2.4%	9.7%	0.4%	100.0%

Health East	SBI - Atlanta	10	0	2	838
Health East	SBI - Cleveland	3	1	1	608
Health East	SBI - Dallas	3	7		753
Health East	SBI - Ft. Lauderdale	30	0	2	1,203
Health East	SBI - Houston	4	7	0	850
Health East	SBI - Jacksonville	6	9	0	421
Health East	SBI - Landover	2	0	2	529
Health East	SBI - Philadelphia	26	0	0	659
Health East	SBI - Springfield	17	0	1	399
Health East	SBI - Tampa	6	1	0	771
Health East	SBI - Northloop West	0	0	0	134
Health East	SBI - Pittsburgh	0	0	0	1
Health East	UDS - Elmsford	0	6	0	511
Health	UDS -				

Edgar Filing: CAREER EDUCATION CORP - Form DFAN14A

East	Garden City	0	10	0	574
Health East	UDS - Iselin	6	17	0	791
Health East	UDS - New York	28	1	4	1,033
	Health East Total	141	59	12	10,075
	% of Total Drop Reasons	1.4%	0.5%	0.1%	100.0%

Health West	Missouri College	81	154	9	1,084
Health West	SBC - Fenton	13	12	2	865
Health West	SBC - Granite City	35	0	5	497
Health West	SBC - Hazelwood	49	47	7	833
Health West	SBC - North Kansas City	44	5	4	805
Health West	SBC - St. Charles	110	76	6	852
Health West	Western - Monroeville	2	0	0	866
Health West	Western - Pittsburgh	10	0	0	2,355
	Health West Total	344	294	33	8,157
	% of Total Drop Reasons	4.2%	3.6%	0.4%	100.0%

	Jon Coover's Group Total	925	2,155	133	36,864
	% of Total Drop Reasons	2.5%	5.8%	0.3%	100.0%

Contacts  
 Weber Shandwick  
 Peter Duda, 212-445-8213  
 pduda@webershandwick.com

J.J. Rissi, 917-587-7090  
 jjrissi@webershandwick.com