

March 31, 2010

Mr. Martin Smith  
Mr. Chris Durrance  
Rain Media  
164 West 80<sup>th</sup> Street  
New York, NY 10024

Dear Mr. Smith and Mr. Durrance:

I am writing to express my concern over factual errors that have apparently occurred in the reporting of your upcoming documentary on postsecondary higher education. I would like to take this opportunity to correct those errors and clarify any misperceptions that may have resulted.

After reviewing a transcript of Mr. Smith's March 5<sup>th</sup> interview with Harris Miller of the Career College Association, I found factual inaccuracies and mischaracterizations of our company, particularly in statements made by and about former Ashford University employee, Tammy Barker.

Below are four instances I would like to bring to your attention as you continue to research and edit your film.

1. **MR. SMITH:** *Tammy Barker is an enrollment advisor, was an enrollment advisor at Bridgepoint. She told us, "I started at \$42,000. I was so good at exceeding my enrollment quotas that I was making \$56,500 in six months. If you produced, you got paid, but the pressure was intense if you went dry," and that suggests telemarketing and also is illegal.*

- Ms. Barker was not "an enrollment advisor at Bridgepoint." She worked as an Ashford University enrollment advisor for approximately 9.5 months, from October 20, 2008, until August 5, 2009.
- Ashford University does not have "enrollment quotas." We work with potential students that contact Ashford University for additional information on our degree programs.
- Ashford University has several criteria that are used to assess enrollment advisor performance, and these criteria are applied to all enrollment advisors equally.

- Mr. Smith’s statement that Ms. Barker’s quote “. . . suggests telemarketing and also is illegal” is wrong. First, Ashford University prohibits the use of telemarketing practices, which typically involve unsolicited calls. Ashford University enrollment advisors are permitted only to place calls to individuals who have requested that they be contacted by opting in through the Ashford website or advertisement. These individuals have expressed specific interest in obtaining information about Ashford University and its programs. In addition to an initial in-depth, two-week training course for every new Ashford University enrollment advisor, new employees receive an additional eight hours of training, including training for ethics and compliance, as well as online training modules focused on ethics and compliance, to ensure not only that they understand Ashford’s stringent policies and compliance requirements, but also understand the depth of Ashford University’s commitment to ethical behavior. Ashford has zero tolerance for violations of its policies or unethical behavior. Any infractions are likely to result in disciplinary action, up to and including dismissal.
  - Our training and enrollment advisor materials have been thoroughly reviewed by outside counsel to ensure that we meet both the letter and spirit of existing state and federal laws.
2. **MR. MILLER:** *I can't speak to specific situations. I can tell you that the law is very clear: you cannot compensate someone based primarily on the number of enrollments. The law is very clear.*
- The law is very clear, but Mr. Miller inadvertently misspoke in his use of the word “primarily.” The safe harbor provisions of the Higher Education Act of 2002 and Department of Education rules require that enrollment advisors not be compensated “solely” on the basis of enrollments. Ashford University operates fully within both the letter and spirit of these requirements.
3. **MR. SMITH:** *I want to go back to these high-pressure sales techniques, tactics. Tammy Barker again, the former Bridgepoint enrollment advisor, said, "We were told to dig deep, to get to their pain, get to what's bothering them and then convince them that a college degree is going to solve all their problems." Is that an appropriate kind of tactic?*
- Again, Ms. Barker is not a “former Bridgepoint enrollment advisor.” She worked as an Ashford University enrollment advisor for approximately 9.5 months, from October 20, 2008, until August 5, 2009.
  - Regarding Ms. Barker’s quote: “*We were told . . .*” There is no such instruction nor is there anything similar in the content of any approved Ashford University training sequence, presentations or materials.

- To prevent the types of tactics alleged by Ms. Barker and implied by Mr. Smith, Ashford University closely monitors the conversations of its enrollment advisors with prospective students to make certain those conversations are well within AU’s training and procedural guidelines. Conversations with prospective students may also be randomly taped, subject to applicable statutes governing call monitoring, to ensure that enrollment advisors follow our policies. If an enrollment advisor is in violation of our policies, he or she is disciplined in accordance with our professional standards for enrollment advisors. Discipline measures do include involuntary termination, if the individual does not adhere to our standards.
4. **MR. SMITH:** *You talk about it, across the board, there are students getting loans, but the percentages in the for-profit sector are very high. Phoenix brought in, 82 percent of its money was from Title IV contributions, Bridgepoint 87 percent.*
- The Bridgepoint reference is ambiguous and out-of-date. Title IV funding was the source of 85.5% of Ashford University’s revenues in 2009.
  - An Americans for Democratic Action (ADA) research study conducted in October 2009 reported that “cost is the biggest frustration when it comes to higher learning.... People strongly support including for-profit colleges and universities, in this case, in federal government tuition aid.” (*Research on American Institutions of Higher Education,* ADA Education Fund, October 2009.)
  - Ashford University’s success is based on providing its students, of whom 73% are working adults, with affordable, accessible, high-quality postsecondary education.

It has also come to our attention that Mr. Smith has interviewed Michael Clifford, a prominent investor in the postsecondary education sector. In the past, Mr. Clifford has knowingly mischaracterized his relationship with Bridgepoint, going so far on occasion as to say that he “founded” Bridgepoint Education Inc. This is simply not true, and we have repeatedly asked Mr. Clifford to refrain from making such statements.

Bridgepoint Education, launched in January 2004, stands firm on the principle that education improves lives. Our mission is to offer innovative approaches to the challenges faced in higher education today. Our educational institutions, such as Ashford University, tackle core educational issues, including affordability and access, while maintaining overall academic quality. Through both online and campus-based programs, Ashford University offers access to both traditional and adult learners seeking high quality, convenient higher education degree programs.

Given Frontline's (and Mr. Smith's) longstanding commitment to accurate reporting, I am hopeful that you will address the errors and mischaracterizations listed above. If you have any additional questions regarding Bridgepoint or our educational institutions, please contact me at 858.668.2580.

Sincerely yours,

Shari Rodriguez  
Director of Public Relations  
Bridgepoint Education, Inc.

cc: Mr. David Fanning  
Ms. Raney Aronson-Rath