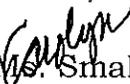


LAUREATE
EDUCATION INC®

June 4, 2013

Ms. J. Carolyn Small
Postsecondary Registration Administrator
Iowa College Student Aid Commission
603 E. 12th Street 5th Floor
Des Moines, IA 50319

Dear Ms.  Small:

Enclosed, please find a compact disc containing the approval application submitted by Walden University. Walden seeks to obtain approval to conduct recruitment activities in Iowa.

Also, while reviewing the application please note that:

- The Statement of Financial Responsibility application has been included in this submission.

If you have any questions, please contact me at john.sabatini@laureate.net or by phone at 410-843-8278.

Thank you in advance for your review.

Kind Regards,



Dr. John A. Sabatini, Jr.
Divisional Vice President

Cc: Caitlin E. Drake, Manager, Licensure

Name of school and address of the principal office as defined in Iowa Code Section 490.140 or 510.141: [(261B.4(2))] and [(261B.4(1))]

Name of School: Walden University

Street: 100 Washington Avenue South Suite 900

City: Minneapolis State: MN Zip: 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Type of corporation:

For-profit

Non-profit

Address of this school in all in other states, and in foreign countries:

Suite	Street	City	State	Zip	Country	Telephone
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Address of all locations in Iowa where instruction is to be provided

Suite	Street	City	State	Zip	Country	Telephone
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Tuition charges, fees and other costs payable to the school by a student. [(261B.4(3))]

Please find attached the Walden University charges, fees and other costs payable to the school by a student on pages 233 through 247 of the 2012-2013 Student Handbook.

Refund policy of the school for the return of refundable portions of tuition, fees, or other charges [(261B.4 (4))] If the refund policy is attached, please summarize the policy below.

The Walden University Refund Policy is available on page 245-248 of the Walden Student Handbook. Upon approval, the following Iowa specific refund policy will be added to the handbook.

Iowa Residents will receive a prorated refund of tuition for an official withdrawal according to the following formula:

Students who drop during first week of classes: 100%

Students who withdraw after first week of classes:

$(60\% \text{ of the number of days in the term}) - (\text{number of days completed}) \div (60\% \text{ of the length of the term}) \times (\text{total cost of the term tuition}) \times (0.9) = \text{amount of the refund}$

The following example illustrates how the policy would apply.

Refund Example:

A student has a \$2,225 tuition charge and withdrew on the eleventh day of the term (Thursday of the second week) of an 84 calendar day quarter.

The student refund:

84 days in a quarter, 60% = 50 days

Tuition = \$2,225

50 days – 11 days = 39

39/ 50 = 78%

78% x \$2,225 = \$1,735.50

\$1,735.50 x 90% = \$1,561.95 refund to student

For an Iowa resident who is a student and is a member of the Iowa National Guard or Reserve Forces of the United States and who is ordered to state military service or federal service or duty, the student may:

1. Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees; or

2. Make arrangements with only some of the student's instructors for grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

The same options apply to a student who is the spouse of a service member described above if the service member has a dependent child.

Students may contact the Office of the Registrar or the Office of Veterans Affairs for assistance in completing this process.

Degrees granted by the school [(261B.4(5))]

For a complete list of degrees granted by the institution please see the attached University Catalog in the evidence file.

Offered in Iowa [(261B.4 (11))]

All Walden University programs are offered solely as online programs and offered to students in Iowa.

Name, business address and telephone number of the chief executive officer of the school: [(261B.4(7))]

Name: Cynthia G. Baum, Ph.D.

Street: 100 Washington Avenue South Suite 900

City: Minneapolis State: MN Zip: 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Provide a copy or description of the means by which the school intends to comply with 261B.9 [(261B.4(8))].

Code section 261B.9 is as follows:

261B.9 DISCLOSURE TO STUDENTS.

Prior to the commencement of a course of instruction and prior to the receipt of a tuition charge or fee for a course of instruction, a school shall provide written disclosure to students of the following information accompanied by a statement that the information is being provided in compliance with this section:

1. The name or title of the course.
2. A brief description of the subject matter of the course.
3. The tuition charge or other fees charged for the course. If a student is enrolled in more than one course at the school, the tuition charge or fee for all courses may be stated in one sum.
4. The refund policy of the school for the return of the refundable portion of tuition, fees, or other charges. If refunds are not to be paid, the information shall state that fact.
5. Whether the credential or certificate issued, awarded, or credited to a student upon completion of the course or the fact of completion of the course is applicable toward a degree granted by the school and, if so, under what circumstances the application will be made.
6. The name of the accrediting agency recognized by the United States department of education or its successor agency which has accredited the school.

Walden University provides information that meets the disclosure criteria, which can be found in the 2012-2013 Catalog and Student Handbook on the pages listed below.

- The name or title of the course. PP. 2-724 of the Walden University Catalog
- A brief description of the subject matter of the course. PP. 725-1457 of the Walden University Catalog
- The tuition charge or other fees charged for the course. If a student is enrolled in more than one course at the school, the tuition charge or fee for all courses may be stated in one sum. P. 233-247 of the Walden Handbook
- The refund policy of the school for the return of the refundable portion of tuition, fees, or other charges. If refunds are not to be paid, the information shall state that fact. P. 245-248 of the Walden Handbook
- Whether the credential or certificate issued, awarded, or credited to a student upon completion of the course or the fact of completion of the course is applicable toward a degree granted by the school and, if so, under what circumstances the application will be made. P.45-83 of the Walden Handbook
- The name of the accrediting agency recognized by the United States department of education or its successor agency which has accredited the school. P.11 of the Walden Handbook

Name, address, and telephone number of a contact person in Iowa. [(261B.4(10))]

Name: Capitol Corporate Services Inc.

Suite: 210
Street: 1503 42nd Street

City: West Des Moines

State: IA
Zip: 50266

Country: United States

Telephone Number (including country or area code): 800-345-4647

Name, address, and title of the other officers and members of the legal governing body of the school:
[(261B.4 (6))]

Officer Number 1
Name: Dr. Eric Riedel, Chief Academic Officer

Street: 100 Washington Avenue South Suite 900

City: Minneapolis State: MN Zip: 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Officer Number 2
Name: Dr. Kate Steffens, Dean, Richard W. Riley College of Education and Leadership

Street: 100 Washington Avenue South Suite 900

City: Minneapolis State: MN Zip: 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Officer Number 3
Name: Paul Thomas, Vice President, College of Management and Technology

Street: 100 Washington Avenue South Suite 900

City: Minneapolis State: MN Zip: 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Officer Number 4
Name: Dr. Melanie Storms, Vice President, College of Social and Behavioral Sciences and College of Health Sciences

Street: 100 Washington Avenue South Suite 900

City: Minneapolis **State:** MN **Zip:** 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Officer Number 5

Name: Debra Tervala, Vice President, College of Undergraduate Studies

Street: 100 Washington Avenue South Suite 900

City: Minneapolis **State:** MN **Zip:** 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Board of Directors

Paula Singer (Chairperson)	President and CEO - Laureate Global Products and Services
Sean R. Creamer	Executive Vice President, Chief Operating Officer, Arbitron, Inc.
Donna M. Dorsey	Principal in Dorsey & Associates Consulting
Dr. William G. Durden	President, Dickinson College
Dr. Charles O. Heller	President, Annapolis Capital Group
John E. Kobara	Executive Vice President and Chief Operating Officer, California Community Foundation
Jonathan Kaplan	CEO, Laureate Online Education
Dr. Anita McDonald	Chancellor, Penn State DuBois
Lee McGee	Consultant for Laureate Education, Inc.
Dr. Estanislado Y. Paz	Founding President, Association of Latino Administrators and Superintendents
Dr. Barbara Solomon	Professor and Vice President Emerita, University of Southern California

Owner

Names and addresses of persons owning more than 10% of the school: [(261B.4(6))]

Name: Laureate Education, Inc.

Suite: _____

Street: 650 S. Exeter Street

City: Baltimore

State: Maryland

Zip: 21202-4382

Country: USA

Telephone Number (including country or area code): (866)452-8732

For owners 2 or more, add pages as needed

Name all agencies accrediting the institution. For each agency, include name, address, telephone number, and whether the agency is recognized by the U.S. Department of Education. [(261B.4(9))]

Attach copies of accreditation certificates of status for each agency. If the Iowa location is not accredited, provide accrediting agency certification that the Iowa location will be granted accreditation upon approval by the College Student Aid Commission.

Please see the enclosed accreditation correspondence.

Provide documentation that every location of applicant school is approved by the accrediting agency and in good standing, for all locations throughout the world.

Accrediting agency 1

Name: Walden University is accredited by the Higher Learning Commission and a member of the North Central Association of Colleges and Schools (NCA), www.ncahlc.org

Suite: 7-500

Street: 230 South LaSalle Street

City: Chicago

State: IL

Zip: 60604

Country: USA

Telephone Number (including country or area: 800-621-7440

Contact Person: Tim Gallimore, Ph.D.

Is this agency recognized by the U. S. Department of Education? Yes No

Describe the procedures followed by the school for permanent preservation of student records. [(261B.4(12))]

All Walden University academic records are maintained by the registrar's office in accordance with the guidelines of the American Association of Collegiate Registrars and Admissions Officers (AACRAO), as well as the rights afforded to students through the Family Educational Rights and Privacy Act (FERPA). The university maintains official student records primarily in electronic form. All portions of the electronic student academic record needed to produce official transcripts are maintained on a permanent basis. Other information in electronic and paper form is retained or disposed of according to the schedules recommended by AACRAO.

Students are notified of their FERPA rights on page 301 of the attached Walden University Student Handbook.

Provide the contact information to be used by students and graduates who seek to obtain transcript information.

Name: Registrar's Office

Street: 650 South Exeter Street

City: Baltimore

State: Maryland

Zip: 21202

Country: United States

Telephone Number. (including country or area code): (800)925-3368

List the states and approval or registration agencies for all states in which the school operates or maintains a presence.

State	Agency Name	Address	Contact Person	Telephone Number
Minnesota	Minnesota Office of Higher Education	1450 Energy Park Drive, Suite 350 St. Paul, MN 55108-5227	George R. Roedler Jr.	651-642-0567

Describe the academic and instructional methodologies and delivery systems to be used by the school and the extent to which the school anticipates each methodology and delivery system will be used, including, but not limited to, classroom instruction, correspondence, internet, electronic telecommunications, independent study, and portfolio experience evaluation. [(261B.4(13))]

Since 1970, Walden University has provided high-quality degree programs to adult learners at a distance. Walden's programs empower adult learners to develop real-world skills that are applicable to their daily responsibilities and critical to career advancement. With this foundation of experience, Walden's faculty has developed several distance-learning formats to help students balance their learning objectives with a busy schedule.

Walden's bachelor's, master's, and some doctoral programs are course-based. The online classroom environment is asynchronous, meaning a student can contribute to discussions when it's convenient for them (within an assigned period). Weekly discussion topics, required readings, and assignments will all be listed in the course syllabus provided by the professor.

Walden University's platform for delivery of on-line learning, Blackboard, and the program structure developed by Walden University provide for significant real-time and asynchronous interaction and engagement between faculty and students. In each course, faculty members review, participate in and respond to formal classroom discussion posts from students within proscribed guidelines. As students participate in classroom discussions, instructors engage students in further discussion, challenging students to think in new and creative ways. Further, faculty members continuously encourage students to apply Walden's mission of positive social change to their academic and professional work by providing resources and readings. Informally, students and faculty may participate in conversations developed in the Class Café, providing an opportunity for networking, brainstorming, and personal growth. Faculty members are encouraged to respond to student inquiries as quickly as possible but are required to respond within 48 hours. All student assignments are submitted through the online classroom and, faculty provide feedback and grades to students within 10 calendar days. Blackboard allows faculty members to provide feedback on each assignment, while also allowing them to make suggestions for

continued success. Faculty members also encourage student engagement by providing students with email addresses, Blackboard contacts, and phone numbers, as well as designating specific office hours for one on one phone meetings. At all times, students are welcome to contact their faculty members and advisors for additional academic and career support.

Several programs at Walden include a final project in the form of an ePortfolio. The ePortfolio includes assignments that align with required program outcomes and is submitted and evaluated throughout the students' program. During their time at Walden students are able to submit supplementary evidence, artifacts and rationale statements to document having met program outcomes.

Provide the name of every other State of Iowa agency required to approve the applicant school in Iowa, the school's contact person at the agency and the current status of that approval. Attach documentation in the form of a letter or certificate for each agency.

Agency Name	Contact Person	Telephone Number	Approval Status
Iowa Department of Education	Kris Crabtree-Groff, Ed.D.	515-725-0101	Application Pending
Iowa Board of Nursing	Lorinda Inman	515-281-3256	Application to be submitted upon Commission approval.

Is the school subject to a limitation, suspension or termination (LST) order issued by the U.S. Department of Education?

Yes No

If yes, explain below.

Provide the name and contact information for a U. S. Department of Education official who can verify the LST statement.

The institution is not subject to a limitation, suspension or termination (LST) order issued by the U.S. Department of Education.

Do you:

Enroll students in Iowa? Yes No

Employ Iowa faculty? Yes No

Walden University currently has 419 Iowa residents enrolled at the institution. Please see the attached student spreadsheet for details of program enrollment.

Do you intend to:

Enroll students in Iowa? Yes No * Please see the answer below.

Employ Iowa faculty? Yes No

Describe current operations or plans to enroll students in Iowa or employ Iowa faculty.

Walden University advertises nationwide by mailing marketing materials descriptive of the mission and academic offerings of the university to perspective students. Periodically Walden recruits students on-the-ground in Iowa through an educational partnership with Mercy Medical Center in Cedar Rapids. In

addition, a partnership agreement has been initiated with the University of Iowa Hospitals and Clinics in Iowa City. Walden's field representative also attends select health science conferences in Iowa, providing prospective students with additional university information.

Name, address, and telephone number of full-time employees in Iowa.

Walden University currently employs several faculty and staff members that reside in Iowa. Please find a spreadsheet detailing employees residing in Iowa attached.

Will your school comply with Iowa Code section 261B.7 limiting the use of references to the Secretary of State, State of Iowa, or College Student Aid Commission in promotional material (See the Iowa Code for details)

Yes No

Will your school comply with the requirements of Iowa Code section 261.9(1)"e" to "g"? (See the Iowa Code for details.) Yes No

Please find below the applicable evidence that complies with 261.9(1)e-g. The Walden University Student Handbook & Catalog are disseminated to students upon registration with the institution. The Walden University handbook and catalog is continuously updated and available on the institution's website. The Employee Handbook is disseminated to all employees, including faculty and staff, upon joining the organization. In addition, Walden University disseminates to employees and students through email, as well as the student, faculty and employee portals, Walden's Alcohol and Drug Abuse Prevention Program and the Annual Security Report.

Section 261.9(1)"e"- A policy that prohibits unlawful possession, use, or distribution of controlled substances by students and employees.

- Policy
 - Please find the Walden University substance abuse policy on page 289 of the handbook.
 - Please find the employee substance abuse policy on page 27 of the Employee Handbook enclosed.
- Sanctions for violation of the policy
 - Please find the Walden University review process for Code of Conduct violations on pages 294-300 of the Student Handbook enclosed.
 - Please find the employee substance abuse policy on page 27 of the Employee Handbook enclosed.
- Information pertaining to drug or alcohol counseling and rehabilitation programs
 - Walden University provides counseling and rehabilitation information to students and employees through the Alcohol and Drug Abuse Prevention Program.
 - Students may contact the Walden University Student Assistance Program for counseling, treatment and support group resources for alcohol and drug abuse and addiction.
 - Walden University employees and their families are provided with substance abuse support through the Employee Assistance Program. Employees may access this information on page 27 of the Employee Handbook.

Section 261.9(1)"f" – A policy, which is disseminated during student registration or orientation, addressing the following four areas relating to sexual abuse.

- Counseling

- Students have access to counseling services by contacting their associate dean as noted on page 297 of the Walden University Handbook. In addition, students may contact the Walden University Student Assistance Program for additional support, which is documented on page 2 of the Annual Security Report.
- Information regarding sexual abuse is provided to Walden employees on page 14 of the Handbook. Counseling resources are documented on page 80 through the Employee Assistance Program.
- **Campus Security**
 - Walden University is an online institution and does not operate a physical campus.
 - The Annual Security Report addresses safety and security relating to Walden Residencies.
- **Education, including prevention, protection, and the rights and duties of students and employees of the institution**
 - The Walden University Annual Security Report attached provides information to students and employees on the prevention and reporting of sexual assault at academic residencies.
- **Facilitating the accurate and prompt reporting of sexual abuse to the duly constituted law enforcement authorities.**
 - The Walden University Handbook documents the obligation to report incidents on page 294.
 - Information regarding reporting of sexual assault is available on page 2 of the Annual Security Report.
 - The Employee Handbook documents the obligation to report incidents on page 15.

Section 261.9(1)"g"

For an Iowa resident who is a student and is a member of the Iowa National Guard or reserve forces of the United States and who is ordered to state military service or federal service or duty, the student may:

- Work with their faculty members, academic advisors and the Veteran Affairs Office to arrange for a Military Leave of Absence. A description of the Military Leave of Absence policy and procedure, including how to make arrangements for course grades, can be found on pages 138-139 of the Walden Student Handbook.
- As noted on page 139 of the Walden Student Handbook, students who are forced to drop or withdraw from their classes due to military obligations will be credited the full cost of those classes for the term.

Does the school agree to file annual reports that the Commission requires from all Iowa colleges and universities?

Yes No

Attach a copy of the applicant school's most recent audit prepared by a certified public accounting firm no more than 12 months prior to the application and state below where, in the audit report, there is evidence that the auditor is providing an unqualified opinion.

Please find the Walden University Audited Financial Statement attached.

Describe how students will be provided with access to learning resources, including appropriate library and other support services requisite for the schools' degree programs.

Walden University strives to ensure that students have the appropriate academic and support resources to lead to success in their academic programs. The Center for Student Success is responsible for the academic support programs of the university, including student orientation, academic residencies, the Writing Center, career services, Student Success courses, academic integrity, and the Walden University Library. Through the Walden Writing Center, students have access to support programs such as Grammarly and Turnitin. These programs allow students to grow academically, while receiving real-time support. In addition, students have the opportunity to schedule time with tutors focusing on math and writing skills. One of the many individualized resources Walden offers, the tutoring service coordinates private sessions between students and tutors focusing on materials covered in their individual courses. Within each classroom students will find the Class Café discussion forum. Students are able to communicate with one another in an informal setting, creating networking relationships and new academic initiatives.

The Walden University Library includes a full complement of online books, journals and a staff of reference librarians who live in various parts of the country in order to maximize reference services coverage for Walden's student population. The Walden University Library has established service standards including 24 hour response via e-mail and within 1 hour for telephone contacts. The library is fully online, with over 142,722 eBooks, 53,605 full-text journals, and 2.7 million dissertations available to its students 24 hours per day. Document delivery service is available to students working on their doctoral capstone projects, when the Walden Library does not own an article or book needed for research. The library has agreements with various publishers and university libraries to supply these materials at no cost to students. In addition, the library provides course guides that contain links to required library readings for all courses.

Provide evidence that faculty within an appropriate discipline are involved in developing and evaluating curriculum for the program(s) to be registered in Iowa.

Walden University faculty members in the relevant academic disciplines participate in the design and planning of programs and courses provided by Walden University through distance learning. For each academic program, Walden University selects a faculty member to serve as "academic champion" in the program development process. This academic champion, along with other faculty members with experience related to the program; participate in the initial planning through the final approval of the academic program. Faculty members are responsible for ensuring that the program aligns with the department and university mission and vision statements and learning outcomes. Further, the academic champion is responsible for ensuring the overarching academic perspective for each program and monitors all aspects of program development, providing content expertise as appropriate.

Walden University Program Directors, with support from the Associate Dean and Lead Faculty, provide appropriate oversight of academic programs. Together the team works to provide continuing guidance and supervision of the program and to conduct regular program reviews. The Program Director also provides oversight for individual courses within the program and is responsible for evaluating any course issues that may arise. The Program Director also leads the team in determining changes or additions needed to the program, maintaining the quality and integrity of the program curriculum. In addition, the Program Director is responsible for the oversight of program faculty issues, concerns, and mentoring and, together with the academic leadership team, works with each faculty member in the program to ensure successful execution of program curriculum. The Program Director is also committed to student success, and ensures that the program offers career support and program specific information regularly. As students progress through their program, the Program Director works hand in hand as a supervisor for

student research and capstone projects. Overall, the Program Director strives to develop and maintain community among faculty and students, while mentoring, teaching, and supervising student research.

Provide evidence that the school has adequate physical facilities appropriate for the program(s) to be offered and are located in the state. Include a copy of a signed agreement for a facility purchase or lease or option to purchase or lease. Please include a photograph of the location.

Walden University, which is a distance education provider, educates in an online platform, and does not maintain a physical campus.

Include a statement, signed by the chief executive officer of the applicant school, on school letterhead, demonstrating the school's commitment to the delivery of programs located in Iowa, and agreeing to provide alternatives for students to complete programs at other institutions if the applicant school closes the program before students have completed their courses of study.

Walden University maintains a commitment to ongoing support, both financial and technical, and to a continuation of the program for a period sufficient to enable student to complete a degree. Walden has been providing educational programs for over forty years and has demonstrated a continuing commitment to the continuation of degree programs, allowing students to complete their program. Walden has implemented a comprehensive strategic planning process to ensure continuity of its educational services. Likewise, Walden's annual budget process ensures appropriate financial resources are dedicated to University programs, furthering Walden's ability to continually offer programs.

Provide an organizational plan that shows the location and physical address, telephone number, fax number and contact information for all internet-based and site-based educational locations, administrative, and service centers operated by the applicant and any parent organization.

Name of School: Walden University

Street: 100 Washington Avenue South Suite 900

City: Minneapolis **State:** MN **Zip:** 55401

Country: United States

Telephone Number (including country or area code): (800)925-3368

Provide documentation showing the school's policy for the resolution of student and graduate comments and complaints. Provide complete contact information to which complainants may be referred.

Walden University has appointed a university ombudsperson to act as a resource for student concerns and policy issues as well as to assist in the academic appeals process. The ombudsperson serves as an objective party for the university, advocating for fairness. The job of the ombudsperson is to aid in the timely impartial resolution of problems in a non-adversarial, non-litigious manner. Students are encouraged to consult the ombudsperson as a first resort when they are attempting to resolve issues

informally or do not know where to address a problem or how to approach the appropriate person or committee.

The Walden ombudsperson observes the confidentiality of any and all parties involved in complaints and other concerns brought to him or her to the extent possible, insofar as it does not interfere with the institution's legal obligation or ability to investigate issues, or to take corrective action when it is found that misconduct has occurred. The ombudsperson will speak to relevant university representatives on a need-to-know basis in order to address any such concerns.

Students can contact the university ombudsperson at ombuds@waldenu.edu.

Provide a copy of a current Certificate of Authority provided by the applicant's home state and the Iowa Secretary of State.

Please find Walden University's Certificate of Authority attached.

Provide the U.S. Department of Education cohort default rate for each associated organizational entity for which the U.S. Department of Education reports a cohort default rate.

Cohort Default Rates

2009
4.2

Provide the average debt upon graduation of individuals completing programs at each branch location and the entire organization.

The median loan debt for Iowa residents who graduated from Walden University between July 1, 2011 and June 30, 2012 is \$24,750.

Provide the U. S. Department of Education cohort graduation rate for each branch location and the total organization, showing rates for graduates of diploma, two-year, and four-year, programs if those rates are reported to the U. S. Department of Education National Center for Education Statistics.

Walden University began offering bachelor's degrees in 2008. Due to the recent introduction of these programs, the cohort four-year graduation rate is not yet available.

Iowa College Student Aid Commission

Postsecondary Registration

Walden University

Exhibit List

Exhibit 1: Walden University Student Handbook

Exhibit 2: Walden University Refund Policy

Exhibit 3: Walden University Catalog

Exhibit 4: Accreditation Correspondence

Exhibit 5: Home State Approval

Exhibit 6: Iowa Resident Enrollment

Exhibit 7: Iowa Resident Employees of Walden University

Exhibit 8: Laureate Education, Inc. Employee Handbook

Exhibit 9: Walden University Alcohol and Drug Abuse Prevention Program

Exhibit 10: Annual Security Report

Exhibit 11: CEO-President Statement

Exhibit 12: Certificate of Authority

Exhibit 13: Financial Statement

EXHIBIT 1:

Walden University Student Handbook

Please view on the attached CD

Walden University

2012–2013
Handbook

March 2013

WALDEN UNIVERSITY

A higher degree. A higher purpose.

EXHIBIT 2:

Walden University Refund Policy

academically related activity, as determined by the university, is used as the withdrawal date for the term.

Prior to withdrawing from all courses in the term, it is suggested that students contact the Office of Financial Aid to determine the amount of federal aid that must be returned. Federal student aid may not cover all unpaid charges due to university upon the student's withdrawal.

Tuition Refunds

Refunds resulting from a student's withdrawal from courses and/or the university are based upon the effective withdrawal date (as confirmed by the Office of the Registrar).

Residency fees are non-refundable after 10 calendar days before the residency start date.

Tuition Refund Schedule*

<i>Tuition Type</i>	<i>Calendar Days 0-3</i>	<i>Calendar Days 0-7</i>	<i>Calendar Days 8-14</i>	<i>Calendar Days 15-21</i>	<i>Calendar Day 22-</i>
Full Semester or Quarter	100% refund	100% refund	80% refund	60% refund	No refund
14-Week	100% refund	100% refund	80% refund	60% refund	No refund
10-Week	100% refund	100% refund	80% refund	60% refund	No refund
8-Week	100% refund	100% refund	80% refund	60% refund	No refund
6-Week	100% refund	100% refund	80% refund	No refund	N/A
5-Week	100% refund	100% refund	No refund	No refund	N/A
4-Week	100% refund	100% refund	No refund	N/A	N/A
3-Week	100% refund	No refund	No refund	N/A	N/A
2-Week	100% refund	No refund	No refund	N/A	N/A
Residency	For Domestic Residencies After registering themselves online, students may cancel a residency without penalty, provided the cancellation request is made at least 30 calendar days prior to the start of the residency. Cancellation between 30 to 11 days before the start date will result in the student receiving a refund minus a 5 percent cancellation				

	<p>fee. If a student cancels within 10 days of the start date, no refund will be issued. Students may cancel a residency via their myWalden university portal.</p> <p>For International Residencies</p> <p>After registering themselves online, students may cancel an international residency without penalty, provided the cancellation request is made at least 84 calendar days (12 weeks) prior to the start of the residency. Cancellation between 84 and 42 days before the start date will result in the student receiving a refund minus a 5% cancellation fee. If a student cancels within 42 days (6 weeks) of the start date, no refund will be issued. Students may cancel a residency via their myWalden university portal.</p> <p>Emergencies</p> <p>After the cancellation deadline, students who experience an emergency and need to cancel must submit a Residency Petition form to request a refund of residency registration fees. Students will be asked to provide documentation supporting the student's need to cancel the registration. Documentation needs to provide evidence that the reason for late cancellation was unforeseeable. Petitions and supporting documentation must be submitted to Academic Residencies no later than 14 calendar days after the residency ends. There are no exceptions to this policy.</p> <p>Students who do not cancel before the cancellation date and who do not have approval through the petition process will be billed and expected to pay for the residency, whether or not they attend.</p>
Dissertation Writing Intensive	<p>After registering, students may cancel the Dissertation Writing Intensive without penalty, provided the cancellation request is made at least 30 calendar days prior to the start of the intensive. Cancellation between 30 to 11 days before the start date will result in the student receiving a refund minus a 5% cancellation fee. If a student cancels within 10 days of the start date, no refund will be issued. Students may cancel the Intensive via their myWalden university portal.</p>

*Not valid for Tennessee or North Dakota residents. The Tuition Refund Schedules below are applicable for students residing in Tennessee and North Dakota, respectively.

Tuition Refund Schedule for Tennessee Residents Only

Tuition Type	Length of Term in Days	Through Day 7 (100% refund)	Through 10% of Enrollment Period (75% refund)	Through 25% of Enrollment Period (25% refund)	After 25% of Enrollment Period
Full Semester (16 week)	112	Day 7	Day 8 thru 11	Day 12 thru 28	No Refund
Full Quarter (12 week)	84	Day 7	Day 8	Day 9 thru 21	No Refund
14-Week	98	Day 7	Day 8 thru 10	Day 11 thru 26	No Refund

10-Week	70	Day 7	Day 8	Day 9 thru 18	No Refund
8-Week	56	Day 7	Day 8	Day 9 thru 14	No Refund
6-Week	42	Day 7	Day 8	Day 9 thru 11	No refund
5-Week	35	Day 7	Day 8	Day 9	No refund
4-Week	28	Day 7	Day 8	No refund	No refund
3-Week	21	Day 7	Day 8	No refund	No refund
2-Week	14	Day 7	Day 8	No refund	No refund

Tuition Refund Schedule for North Dakota Residents Only

<i>Tuition Type</i>	<i>Calendar Days 0–7</i>	<i>Calendar Days 8–14</i>	<i>Calendar Days 15–21</i>	<i>Calendar Day 22–56</i>
Full Semester	100% refund	75% refund	75% refund	75% refund through day 28; 50% refund through day 56
Full Quarter	100% refund	75% refund	75% refund	50% refund through day 42
14-Week	100% refund	75% refund	75% refund	75% refund through day 25; 50% refund through day 49
10-Week	100% refund	75% refund	75% refund through day 18	50% refund through day 35
8-Week	100% refund	75% refund	50% refund	50% refund through day 28
6-Week	100% refund	75% refund through day 11	50% refund	No refund
5-Week	100% refund	50% refund	50% refund through day 17	No refund
4-Week	100% refund	50% refund	No refund	No refund
3-Week	100% refund	50% refund through day 12	No refund	No refund
2-Week	100% refund	No refund	No refund	No refund

Financial Aid Programs

Federal Programs

Walden University is certified by the U.S. Department of Education as being eligible to participate in the Pell Grant program, the Federal Supplemental Educational Opportunity Grant (FSEOG) program, the Teacher Education Assistance for College and Higher Education (TEACH) Grant, and the Federal Direct Loan Program.

The following section details the policies related to financial aid programs. Federal regulations that govern the administration of federal programs are subject to change. Notification of any change will be provided to all students prior to the effective date of the new or revised policy.

- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Direct Loans
- Federal Graduate PLUS Loans
- Federal Direct Parent PLUS Loans
- Private Education Loans

EXHIBIT 3:

Walden University Student Catalog

Please view on the attached CD

Walden University

2012–2013

Catalog

March 2013

WALDEN UNIVERSITY

A higher degree. A higher purpose.

EXHIBIT 4:

Walden University Accreditation Correspondence

Search Find Accredited Institutions

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Currently or Previously Affiliated Institutions - 06/20/2013

Information provided on the Statement of Affiliation Status reflects the most recent actions of the Commission. The Commission has a multi-level decision process. Any institutional changes that are currently under review are not made public until final action has been taken.

****During the transition to the new Pathways model for reaffirmation of accreditation, some scheduled events are not displayed on this version of the Statement of Affiliation Status. Institutions can refer to the transition maps in the Open and Standard Pathways booklets for the timing of reviews. Institutions that have questions about other scheduled events should contact their HLC staff liaison.****

Walden University

100 Washington Ave. South
Suite 900
Minneapolis, MN 55401
(612) 338-7224 (Main Phone)

<http://www.waldenu.edu>

Statement of Affiliation Status [Click here for definitions...](#)

Chief Executive Officer: Dr. Cynthia Baum, President
HLC Institution ID: 1574
Current Accreditation Status: Accredited
Candidacy Date(s): 1987
Accreditation Date(s): (1990-.)

Summary of Commission Review

Last Reaffirmation of Accreditation: 2012 - 2013
Next Reaffirmation of Accreditation: 2022 - 2023

Last Date of Information Change: 04/15/2013

Control: Private FP
Degrees Awarded (details below): Bachelor's, Master's, Specialist, Doctoral

Stipulations on Affiliation Status:

No Commission approval is required to offer degree programs at the bachelor's, master's, and doctoral levels in the disciplines of social, behavioral, and health sciences; education; business; public policy and administration, including interdisciplinary programs, and to courses in other disciplines that support these programs. Accreditation at the specialist level is limited to the Education Specialist degree.

Approval of New Degree Locations:

Prior Commission approval required.

Approval of Distance and Correspondence Courses and Programs:

The institution has been approved under Commission policy to offer up to 100% of its total degree programs through distance education. The processes for expanding distance education are defined in other Commission documents.

Organizational Profile [Click here for definitions...](#)

Enrollment Headcount (last updated: 05/06/2013)

	Full-Time	Part-Time
Undergraduate:	892	7803
Graduate:	29710	11803
Dual enrollment (high school) programs:	0	

Degree Programs (last updated: 05/06/2013)

	Programs Offered	Degrees Awarded in Last Reported Year
Associate Degrees	0	0
Bachelors Degrees	19	711
Masters Degrees	36	5468
Specialist Degrees	11	189
Doctoral Degrees	14	545

Certificate Programs (last updated: 05/06/2013)

	Programs Offered	Certificates Awarded in Last Reported Year
Certificates	43	93

Off-Campus Activities (last updated: 05/06/2013)

In-State:	Campuses:	None
	Additional Locations:	None
Out-of-State:	Campuses:	None
	Additional Locations:	None
Out-of-U.S.:	Campuses:	None
	Additional Locations:	None

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About HLC	Accreditation	Policies & Statements	Document Library	HLC Institutions	Peer Review
<ul style="list-style-type: none"> History & Background Personnel & Governance Programs & Services External Relations Employment Opportunities 	<ul style="list-style-type: none"> Overview Criteria, Eligibility & Candidacy Pathways PEAQ AOP Institutional Change Monitoring & Reporting 	<ul style="list-style-type: none"> Institutional Policies Policy Updates Federal Compliance Position Statements 	<ul style="list-style-type: none"> Alpha Document List Team Visit Guidelines, Templates & Examples Substantive Change Applications Position Statements 	<ul style="list-style-type: none"> Directory Accreditation Personnel Institutional Actions Visit List Complaints Public Disclosures Mark of Affiliation 	<ul style="list-style-type: none"> Peer Review Team Resources Peer Reviewer Application Peer Reviewer Data Update System

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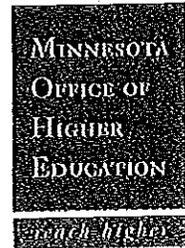
EXHIBIT 5:

Walden University Home State Approval

1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227

Tel: 651.642.0567
800.657.3866
Fax: 651.642.0675

info.ohe@state.mn.us
www.ohe.state.mn.us



November 16, 2011

Dr. John A. Sabatini, Jr.
Divisional V.P., Inst. Oversight & Acad. Integrity
Laureate Education Inc.
650 S Bxeter St
Baltimore, MD 21202

Dear Dr. Sabatini:

I am pleased to inform you that your Private Institutions Registration Renewal application is complete and that Walden University is on the list of private post-secondary education institutions maintained by the Minnesota Office of Higher Education. The list includes private post-secondary education institutions operating in Minnesota whose name and degrees are approved by the Office of Higher Education and can be found on the web at: <http://www.ohe.state.mn.us/sPagesOHI/PIRA11.cfm>

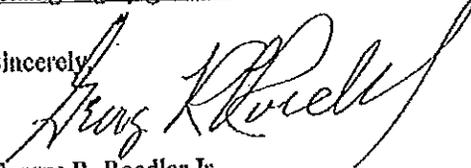
We would like to remind you that the Private Institutions Registration statute (Minn. Stat. 136A.67) prohibit institutions, their officials, and employees from advertising or representing that they are approved or accredited by this office or by the state of Minnesota. Registered or approved institutions may indicate that they are registered, but only with the language specified by statute. You are not required to make any references to registration with the Office of Higher Education in publications or promotional materials *except in catalogs, applications and enrollment materials* in which, the following language must be included in its entirety:

"Walden University is registered as a private institution with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions.

Private Institution Registration must be renewed annually but remains in effect unless voluntarily surrendered by a school or withdrawn by this office. (See Minn. Rules 4840.0700)

We believe this program helps to support a healthy climate in Minnesota for a vital and diverse sector of private post-secondary education. We greatly appreciate your cooperation in this program. Please do not hesitate to contact me at (651) 259-3975 george.roedler@state.mn.us or Brian Geraghty - (651) 259-3976 brian.geraghty@state.mn.us should you have any concerns or questions about this program.

Sincerely,


George R. Roedler Jr.
Manager, Institutional Registration and Licensing

GRR:btg

Cc: Jonathan Kaplan

EXHIBIT 6:

Walden University Iowa Resident Enrollment

Walden Program	# of IA Students Enrolled in Fall 2012
BS in Accounting	2
BS in Business Administration	7
BS in Child Development	1
BS in Communicatio	1
BS in Computer Information Systems	1
BS in Criminal Justice	4
BS in Forensic Psychology	2
BS in Health Studies	4
BS in Healthcare Management	2
BS in Human Services	1
BS in Information Technology	2
BS in Instructional Design & Technology	2
BS in Interdisciplinary Studies	1
BS in Nursing	33
BS in Political Science & Public Administration	1
BS in Psychology	7
BS in Public Health	3
Master of Arts in Teaching	2
Master of Business Admin	17
Master of Healthcare Admin	3
Master of Public Admin	7
Master of Public Health	1
Master of Science in Nursing	108
MS in Accounting	2
MS in Adult Learning	1
MS in Clinical Psychology	1
MS in Early Childhood Studies	3
MS in Education	36
MS in Forensic Psychology	8
MS in Health Informatics	6
MS in Higher Education	1
MS in Human Resource Mgmt	2
MS in Human Services	2
MS in Information Systems	2
MS in Information Technology	2
MS in Instruct Design & Tech	2
MS in Leadership	2
MS in Management	3
MS in Marriage, Couples & Family Counseling	2

Walden Program	# of IA Students Enrolled in Fall 2012
MS in Mental Health Counseling	55
MS in Project Management	1
MS in Psychology	10
EdS in Early Childhood	1
EdS in Educational Leadership & Administration (Principal Licensure)	2
Doctor of Business Administration	7
Doctor of Education	13
Doctor of Nursing Practice	4
PhD in Education	5
PhD in Human Services	3
PhD in Management	4
PhD in Psychology	12
PhD in Public Health	4
PhD in Public Policy & Administration	9
Graduate Certificate in Early Childhood Administration, Management and Leadership	1
Post-Baccalaureate Certificate in Instructional Design & Technology	1
Grand Total	419

EXHIBIT 7:

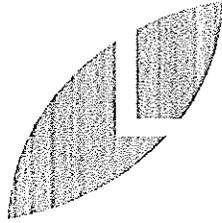
Walden University Iowa Resident Employees

Employee Name	City	State	Zip	Faculty / Staff	FT/PT	Highest Degree	Degree Subject Area
Bazan, Kelly A.	Waukee	IA	50263	Faculty	PT	Masters - MA	Education
Binder, David A.	Ankeny	IA	50023	Faculty	PT	Masters - MBA	International Business
Bryan, Lisa J.	Sioux City	IA	51104	Faculty	PT	Doctoral - PhD	Political Science
Bryant, Jill K.	Cedar Rapids	IA	52403	Faculty	PT	Doctoral - PhD	Education
Collins, Charles S.	Cherokee	IA	51012	Faculty	PT	Masters - MSED	School Counseling
Donaldson, Judith A.	Cedar Falls	IA	50613	Faculty	PT	Doctoral - EdD	Technology
Fisher, Lorraine R.	Davenport	IA	52806	Faculty	FT	Doctorate	Education
Gatica, Stefanie S.	Ankeny	IA	50023	Faculty	PT	Doctoral - DNP	Nursing
Hilton, Adriel A.	West Union	IA	52175	Faculty	PT	Doctoral - PhD	Higher Education
Hilton, Adriel A.	West Union	IA	52175	Faculty	PT	Doctoral - PhD	Higher Education
Holmquist, Traci M.	Sioux City	IA	51104	Faculty	PT	Doctoral - EdD	Education Administration
Knox, Karen L.	Cedar Falls	IA	50613	Faculty	PT	Doctoral - PhD	Public Health
Leialoha, Shelly R.	Clarinda	IA	51632	University Supervisor	PT	Doctoral - PhD	Special Education
Letsch, Cynthia P.	Grimes	IA	50111	Faculty	PT	Doctoral - JD	Law
Meany-Walen, Kristin	Gilbertville	IA	50634	Faculty	PT	Doctoral - PhD	Counseling
Murray, Michelle K.	Mason City	IA	50401	Faculty	PT	Masters - MA	Communication
Nance, Jeffrey D.	Marion	IA	52302	University Supervisor	PT	Masters - MSED	Counseling
Paulson, Jon	Sioux City	IA	51105	Program Director	FT	Doctoral - PhD	Communication
Rainforth, Maxwell V.	Fairfield	IA	52556	Faculty	PT	Doctoral - PhD	Psychology
Sarkar, Sreeroopa	Waukee	IA	50263	Program Director	FT	Doctoral - PhD	Academic Psychology
Seymour, Jennifer R.	Ames	IA	50014	Faculty	PT	Doctoral - PhD	Curric, Instruct & Prof Dev
Tatkon-Coker, Andrea L	Mason City	IA	50401	Faculty	PT	Doctoral - DBA	Business Administration
Thompson, Debra S.	Oskaloosa	IA	52577	University Supervisor	PT	Doctoral - PhD	Elementary Education
Trevino, Maria G.	Des Moines	IA	50310	Faculty	PT	Doctoral - PhD	Psychology
Versteeg, Jennie E.	Des Moines	IA	50310	Dir Library Services	FT	Masters - MA (2), MS	English (MA), Child Development (MS), Library and Information Science (MA)

EXHIBIT 8:

Laureate Education, Inc.

Employee Handbook



LAUREATE
EDUCATION INC[®]

LAUREATE EDUCATION, INC.

EMPLOYEE HANDBOOK



LAUREATE
EDUCATION INC[®]

EXHIBIT 9:

Walden University Alcohol and Drug Abuse Prevention Program

WALDEN UNIVERSITY

ALCOHOL AND DRUG ABUSE PREVENTION PROGRAM

INTRODUCTION

The Drug-Free Schools and Communities Act Amendments of 1989, as articulated in the Education Department General Regulations (EDGAR) Part 86, the “Drug-Free Schools and Campuses Regulations”, require institutions of higher education (IHEs) to develop and implement programs to prevent the abuse of alcohol and the use of illicit drugs by students and employees. In addition, IHEs are required to provide annual notification of the provisions of their alcohol and drug abuse prevention programs to students, faculty and employees and to conduct biennial reviews of the programs and their effectiveness.

WALDEN UNIVERSITY’S ALCOHOL AND DRUG ABUSE PREVENTION PROGRAM

Walden University has developed this Alcohol and Drug Abuse Prevention Program (the “Walden ADAP Program”) to meet the requirements of the Drug-Free Schools and Communities Act Amendments of 1989, as articulated in the Education Department General Regulations (EDGAR) Part 86, the “Drug-Free Schools and Campuses Regulations”.

WALDEN UNIVERSITY’S ALCOHOL AND DRUG ABUSE PREVENTION PROGRAM REQUIRED ELEMENTS

1. WALDEN UNIVERSITY’S ALCOHOL AND DRUG ABUSE PREVENTION POLICY

Walden University maintains a drug-free university. Students, faculty, and employees are strictly prohibited from misusing controlled substances, intoxicants, alcohol, and prescription drugs while working, participating in the online classroom, or attending residencies or other university-sponsored activities.

2. INFORMATION RELATING TO THE LEGAL SANCTIONS FOR UNLAWFUL POSSESSION OF ALCOHOL AND DRUGS

a. ALCOHOL LAW PENALTIES. The legal drinking age in all 50 states of the United States and the District of Columbia is 21 years of age. The legal drinking age in the U.S. Virgin Islands, Puerto Rico and Guam is 18 years of age. Persons under the legal drinking age who purchase, possess or consume alcoholic beverages may be subject to fines or imprisonment depending on state laws. Persons who knowingly furnish alcohol to minors are also subject to fines or imprisonment.

Specific information on state and local legal penalties for alcohol violations may be obtained on state law enforcement websites.

b. DRUG LAW PENALTIES Under federal law, a conviction for possession of illicit drugs carries a prison sentence of up to three years and a fine to \$250,000. Special federal sentencing provisions for possession of crack cocaine require a mandatory prison sentence of five (5) to twenty (20) years. The range of penalties for conviction of unlawful distribution of illicit drugs under federal law is summarized in the schedules of federal drug trafficking penalties that can be found online at: <http://www.usdoj.gov/dea/agency/penalties.htm>. The severity of the sanctions imposed for both possession and distribution offenses depend on the quantity of drugs, prior convictions, and whether death or serious injury resulted. Sanctions may be increased for offenses which involve distribution to minors or occur on or near a school or campus. In addition, other federal laws required or permit forfeiture of personal or real property used to illegally possess, facilitate possession, transport, or for concealment of a controlled substance. A person's right to purchase or receive a firearm or other federal benefits, such as student loans, grants, contracts, or professional or commercial licenses, may also be revoked or denied as a result of a drug conviction.

Specific information on state and local legal penalties for drug violations may be obtained on state law enforcement websites.

3. INFORMATION RELATING TO HEALTH RISKS FROM DRUGS AND ALCOHOL

- Students of Walden University should be aware and informed that health risks associated with the use of illicit drugs and the abuse of alcohol can result in, but are not limited to a lowered immune system, damage to critical nerve cells, physical dependency, lung damage, heart problems, liver disease, physical and mental depression, increased infection, irreversible memory loss, personality changes and thought disorders.
- Alcohol consumption causes a number of marked changes in behavior. Even low doses significantly impair the judgment and coordination required to drive a car safely, increasing the likelihood that the driver will be involved in an accident. Low to moderate doses of alcohol also increases the incidence of a variety of aggressive acts, including spouse and child abuse.
- Moderate to high doses of alcohol cause marked impairments in higher mental functions, severely altering a person's ability to learn and remember information. Very high doses cause respiratory depression and death.

- Mothers who drink alcohol during pregnancy may give birth to infants with Fetal Alcohol Syndrome. These infants have irreversible physical abnormalities and mental retardation. In addition, research indicates that children of alcoholic parents are at greater risk than other youngsters of becoming alcoholics.
- Marijuana contains THC (Delta-9-tetrahydrocannabinol) which accounts for most of its psychoactive or mind altering effects. The short-term effects of using marijuana include sleepiness, memory and concentration problems, impaired motor coordination, increased heart rate, dry mouth and throat, and decreased social inhibitions. The long term effects of using marijuana include impaired lung functioning, sexual problems, breast tissue development in men, and possible immune system damage.
- Stimulants increase the activity of the central nervous system. Examples include amphetamines, methamphetamines, cocaine, and crack which cause short term elevations in mood, self-confidence, energy, heart rate and blood pressure. Potential difficulties associated with the more powerful stimulants such as these include possible physical addiction, psychoses, severe depressions, and anxiety syndromes such as panic attacks and obsessions. Additional health risks include seizures and cardiac arrest.
- Hallucinogens are substances that distort perception of reality. The most well known hallucinogens include: phencyclidine (PCP), lysergic acid diethylamide (LSD), mescaline, and psilocybin. Under the influence of these drugs, the senses of direction, distance, and time become disoriented. They can produce unpredictable, erratic, and violent behavior in users that sometimes lead to serious injury and death. At high doses, LSD can cause convulsions, coma, heart and lung failure, and even death.
- Sedatives/Tranquilizers are drugs used to reduce anxiety and tension. In some cases, they are used as sleep aids as well. Like alcohol, these drugs are central nervous system depressants. Examples include barbiturates such as amytal, nembutal, and seconal, as well as benzodiazepines such as activan, halcion, librium, and xanax. Rohypnol, a date rape drug, also falls into this category. Although specific effects may vary according to the particular drug, these drugs typically induce a state of relaxation and drowsiness. At high doses, dizziness, slurred speech, impaired coordination, and amnesia may occur. Health hazards include risk for addiction and coma and/or death from overdose.
- Narcotics are painkillers or analgesics. These drugs include morphine, heroin, codeine, and dilaudid, all of which are derived from opium. Synthetic narcotics include drugs such as demerol, percodan, and darvon. These drugs tend to reduce sensory feeling and sensitivity of all kinds, to pleasure as well as pain. In large doses, they induce drowsiness, mental clouding, lethargy, and

even sleep. They are highly addictive. Overdose risks include convulsions, coma, and death.

- Anabolic steroids are synthetic derivatives of the male hormone testosterone. These derivatives of testosterone promote the growth of skeletal muscle and increase lean body mass. The long-term, high dose effects of steroid use are largely unknown. Major side effects of anabolic steroid use include liver tumors, jaundice, fluid retention, high blood pressure, acne, and trembling. Aggression and mood swings as well as other psychiatric side effects may result from their abuse.
- Students and employees should note that the above listing is not intended as all-inclusive. Further information may be gathered from a physician.

4. COUNSELING, TREATMENT AND SUPPORT GROUP RESOURCES FOR ALCOHOL AND DRUG ABUSE AND ADDICTION

Walden University Student Assistance Program
Phone: **866.465.8942**
Online: www.guidanceresources.com enter ID SAP4EDU

Alcoholics Anonymous
Phone: (212) 870-3400
Online: www.aa.org

Narcotics Anonymous
Phone: (818) 773-9999
Online: www.na.org

5. DISCIPLINARY SANCTIONS

Walden University will not excuse misconduct by students whose judgment is impaired due to substance abuse. Students found in violation of Walden's Drug and Alcohol Abuse Prevention policy shall be subject to the provisions of the student Code of Conduct set forth in the Walden University Student Handbook and Catalog.

Revised April, 2012

EXHIBIT 10:

Walden University Annual Security Report

Annual Security Report
Walden University
Relating to Walden University Residencies
For Reporting Year, 2012 and Statistics Year, 2011

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the “Clery Act”), codified at 20 USC 1092 (f) as a part of the Higher Education Act of 1965, is a federal law that requires colleges and universities to disclose annual campus crime statistics and security policies. As an accredited university offering programs of study on-online, Walden University does not maintain a campus and, as such, the required disclosure requirements for campuses are not applicable. However, for purposes of the Clery Act, learning spaces utilized by Walden University at required residencies that are used in direct support of, or in relation to, the university’s educational purposes are considered “non-campus buildings or property” and the University is required to disclose crime statistics and security policies related to these learning spaces. Therefore, this Annual Security Report specifically relates to Walden University residencies.

Annual Security Report for Walden University Residencies

1. Availability of Security Report and Crime Statistics

This Annual Security Report is required by federal law and contains policy statements and crime statistics for Walden University residencies. This report is available on the Walden University website. This report will be distributed to all Walden students, faculty and residency staff participating in residencies and paper copies may be requested at Walden University residencies. This report will also be provided to any prospective student or prospective employee upon request.

2. Statement Addressing Issuing of Timely Warnings

In the event that a situation arises at a Walden University residency, that, in the judgment of the Walden University residency staff or academic administration, constitutes an ongoing or continuing threat, a “timely warning” will be issued. The warning will be issued by e-mail through the Walden University residency timely warning system to students, faculty, and staff who are attending that particular residency. Anyone with information warranting a timely warning should report the circumstances to residency staff immediately.

3. How to Report Criminal Offenses

To report criminal offenses or emergencies that occur at Walden University residencies, individuals should dial 911. It is the policy of Walden University to encourage anyone who is the victim or witness to any crime to promptly report the incident to the local police and, if applicable, to the security personnel at the residency location. You may also report suspicious activity or other incidents to residency staff or faculty. Police reports are public records under state law and cannot be held in confidence.

4. Policy for Preparing the Annual Disclosure of Crime Statistics

In preparation for Walden's annual disclosure of crime statistics, Walden University residency staff will compile a report of any criminal offenses required to be reported in the annual disclosure which may occur at each residency. These individual reports will be compiled by the Walden administration into the required annual disclosure of crime statistics and filed as required with the campus safety and security survey. The crime statistics report is included in this report and on the Walden University website.

5. Residency Security Procedures, Practices and Crime Prevention

As part of the Walden University residency materials, students, faculty and residency staff will be provided with information regarding security procedures, practices and crime prevention during Walden University residencies.

6. Prevention of and Reporting Procedures for Sexual Assault at Residencies

It is the policy of Walden University to promote awareness of rape, acquaintance rape and other forcible and non-forcible sex offenses and to encourage anyone who is the victim or witness to any sex offense to promptly report the incident to the local police and, if applicable, to the security personnel at the residency location. To report a sex offense that occurs at Walden University residencies, individuals should dial 911. If requested, residency staff will assist the student in notifying the local police and security personnel at the location. Victims of any sex offense should attempt to preserve all evidence for proof of a criminal offense. Students who are victims of a sexual offense may contact the Walden University Student Assistance Program Phone: **866.465.8942** Online: www.guidanceresources.com enter ID SAP4EDU. If applicable and requested by the student, residency staff will provide the victim of a sex offense with options for a change in the student's accommodations or academic situations.

If applicable, disciplinary action will be taken in accordance with the Walden Student Code of Conduct. Walden University will, upon written request, disclose to the alleged victim of a sex offense, the results of any disciplinary hearing conducted by the university against a student who is the alleged perpetrator of a crime or offense. If the alleged victim is deceased as a result of the crime or offense, the information will be provided to the victim's immediate family, if so requested. Following a final determination of disciplinary action relating to a sex offense, the university may impose sanctions up to and including dismissal from the university.

As part of the Walden University residency materials, students, faculty and residency staff will be provided with information regarding awareness and prevention of rape, acquaintance rape and other forcible and non-forcible sex offenses during Walden University residencies.

7. Registered Sex Offender Information

The Dru Sjodin National Sex Offender Public Website (NSOPW), coordinated by the U.S. Department of Justice, is a cooperative effort between jurisdictions hosting public sex offender registries ("Jurisdictions") and the federal government and is offered free of charge to the public. These jurisdictions include the 50 states, U.S. Territories, the District of Columbia, and participating tribes. The Website provides an advanced search tool that allows a user to

submit a single national query to obtain information about sex offenders; a listing of public registry websites by state, territory, and tribe; and information on sexual abuse education and prevention. The Dru Sjodin National Sex Offender Public Website (NSOPW) may be accessed at <http://www.nsopw.gov>.

8. Emergency Response and Evacuation Procedures

Emergency response and evacuation procedures will be directed by the security personnel and staff of the Walden University residency location.

9. Policies Regarding Alcoholic Beverages and Illegal Drugs

The following Drug and Alcohol policy is contained in Walden University's Student Handbook:

Drug and Alcohol Policy

Walden University maintains a drug-free university. Students, instructors, and staff are strictly prohibited from misusing controlled substances, intoxicants, alcohol, and prescription drugs while working, participating in the online classroom, or attending residencies or other university sponsored activities.

Information Relating to the Legal Sanctions for Unlawful Possession of Alcohol and Drugs

a. Alcohol Law Penalties. The legal drinking age in all 50 states of the United States and the District of Columbia is 21 years of age. The legal drinking age in the U.S. Virgin Islands, Puerto Rico and Guam is 18 years of age. Persons under the legal drinking age who purchase, possess or consume alcoholic beverages may be subject to fines or imprisonment depending on state law. Persons who knowingly furnish alcohol to minors are also subject to fines or imprisonment.

Specific information on state and local legal penalties for alcohol violations may be obtained on state law enforcement websites.

b. Drug Law Penalties. Under federal law, a conviction for possession of illicit drugs carries a prison sentence of up to three years and a fine to \$250,000. Special federal sentencing provisions for possession of crack cocaine require a mandatory prison sentence of five (5) to twenty (20) years. The range of penalties for conviction of unlawful distribution of illicit drugs under federal law is summarized in the schedules of federal drug trafficking penalties that can be found online at: <http://www.usdoj.gov/dea/agency/penalties.htm>. The severity of the sanctions imposed for both possession and distribution offenses depend on the quantity of drugs, prior convictions, and whether death or serious injury resulted. Sanctions may be increased for offenses which involve distribution to minors or occur on or near a school or campus. In addition, other federal laws required or permit forfeiture of personal or real property used to illegally possess, facilitate possession, transport, or for concealment of a controlled substance. A person's right to purchase or receive a firearm or other federal benefits, such as student loans, grants, contracts, or professional or commercial licenses, may also be revoked or denied as a result of a drug conviction. Specific information on state and local legal penalties for drug violations may be obtained on state law enforcement websites.

Information Relating to Health Risks from Drugs and Alcohol

- Employees, including faculty, of Walden University should be aware and informed that health risks associated with the use of illicit drugs and the abuse of alcohol can result in, but are not limited to a lowered immune system, damage to critical nerve cells, physical dependency, lung damage, heart problems, liver disease, physical and mental depression, increased infection, irreversible memory loss, personality changes and thought disorders.
- Alcohol consumption causes a number of marked changes in behavior. Even low doses significantly impair the judgment and coordination required to drive a car safely, increasing the likelihood that the driver will be involved in an accident. Low to moderate doses of alcohol also increases the incidence of a variety of aggressive acts, including spouse and child abuse.
- Moderate to high doses of alcohol cause marked impairments in higher mental functions, severely altering a person's ability to learn and remember information. Very high doses cause respiratory depression and death.
- Mothers who drink alcohol during pregnancy may give birth to infants with Fetal Alcohol Syndrome. These infants have irreversible physical abnormalities and mental retardation. In addition, research indicates that children of alcoholic parents are at greater risk than other youngsters of becoming alcoholics.
- Marijuana contains THC (Delta-9-tetrahydrocannabinol) which accounts for most of its psychoactive or mind altering effects. The short-term effects of using marijuana include sleepiness, memory and concentration problems, impaired motor coordination, increased heart rate, dry mouth and throat, and decreased social inhibitions. The long term effects of using marijuana include impaired lung functioning, sexual problems, breast tissue development in men, and possible immune system damage.
- Stimulants increase the activity of the central nervous system. Examples include amphetamines, methamphetamines, cocaine, and crack which cause short term elevations in mood, self-confidence, energy, heart rate and blood pressure. Potential difficulties associated with the more powerful stimulants such as these include possible physical addiction, psychoses, severe depressions, and anxiety syndromes such as panic attacks and obsessions. Additional health risks include seizures and cardiac arrest.
- Hallucinogens are substances that distort perception of reality. The most well known hallucinogens include: phencyclidine (PCP), lysergic acid diethylamide (LSD), mescaline, and psilocybin. Under the influence of these drugs, the senses of direction, distance, and time become disoriented. They can produce unpredictable, erratic, and violent behavior in users that sometimes lead to serious injury and death. At high doses, LSD can cause convulsions, coma, heart and lung failure, and even death.

- Sedatives/Tranquilizers are drugs used to reduce anxiety and tension. In some cases, they are used as sleep aids as well. Like alcohol, these drugs are central nervous system depressants. Examples include barbiturates such as amytal, nembutal, and seconal, as well as benzodiazepines such as activan, halcion, librium, and xanax. Rohypnol, a date rape drug, also falls into this category. Although specific effects may vary according to the particular drug, these drugs typically induce a state of relaxation and drowsiness. At high doses, dizziness, slurred speech, impaired coordination, and amnesia may occur. Health hazards include risk for addiction and coma and/or death from overdose.
- Narcotics are painkillers or analgesics. These drugs include morphine, heroin, codeine, and dilaudid, all of which are derived from opium. Synthetic narcotics include drugs such as demerol, percodan, and darvon. These drugs tend to reduce sensory feeling and sensitivity of all kinds, to pleasure as well as pain. In large doses, they induce drowsiness, mental clouding, lethargy, and even sleep. They are highly addictive. Overdose risks include convulsions, coma, and death.
- Anabolic steroids are synthetic derivatives of the male hormone testosterone. These derivatives of testosterone promote the growth of skeletal muscle and increase lean body mass. The long-term, high dose effects of steroid use are largely unknown. Major side effects of anabolic steroid use include liver tumors, jaundice, fluid retention, high blood pressure, acne, and trembling. Aggression and mood swings as well as other psychiatric side effects may result from their abuse.
- Students and employees should note that the above listing is not intended as all-inclusive. Further information may be gathered from a physician.

Counseling, Treatment and Support Group Resources for Alcohol and Drug Abuse and Addiction

Walden University Student Assistance Program
 Phone: **866.465.8942**
 Online: www.guidanceresources.com enter ID SAP4EDU

Walden Employee Assistance Program
 Employees should contact: Business Health Services (BHS)
 Phone: **800-765-3277**
 Online: www.bhsonline.com User name: Laureate

Alcoholics Anonymous
 Phone: (212) 870-3400
 Online: www.aa.org

Narcotics Anonymous
 Phone: (818) 773-9999
 Online: www.na.org

Disciplinary Sanctions for Alcohol or Drug Related Violations

Walden University will not excuse misconduct by students, faculty or employees whose judgment is impaired due to substance abuse. Individuals found in violation of this policy are subject to disciplinary action as provided in the applicable student or employee handbook.

9. Further Questions

Individuals with questions concerning information contained in this Annual Security Report should contact the Walden University residency staff.

**The Walden University Residencies Crime Statistics Reporting
Table is Located on the Next Page**

Walden University Residencies Crime Statistics Reporting Table

Walden University "Non-Campus Buildings or Property"* Crime Statistics For the Year 2011					
OFFENSE	YEAR	ON-CAMPUS PROPERTY	ON-CAMPUS STUDENT HOUSING FACILITIES	NONCAMPUS PROPERTY	PUBLIC PROPERTY
MURDER/NON-NEGLIGENT MANSLAUGHTER	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
NEGLIGENT MANSLAUGHTER	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
SEX OFFENSES, FORCIBLE	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
SEX OFFENSES, NON-FORCIBLE	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
ROBBERY	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
AGGRAVATED ASSAULT	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
BUGLARY	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
MOTOR VEHICLE THEFT	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
ARSON	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
ARRESTS: WEAPONS: CARRYING, POSSESSING, ETC	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
DISCIPLINARY REFERRALS;, ETC	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
ARRESTS: DRUG ABUSE VIOLATIONS	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
DISCIPLINARY REFERRALS: DRUG ABUSE VIOLATIONS	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
ARRESTS: LIQUOR LAW VIOLATIONS	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
DICIPLINARY REFERRALS: LIQUOR LAW VIOLATIONS	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A

* Walden University non-campus buildings or property are learning spaces utilized by Walden University at required residencies that are used in direct support of, or in relation to, the University's educational purposes.

HATE CRIMES: SIMPLE ASSAULT	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
HATE CRIMES: LARCENY THEFT	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
HATE CRIMES: INTIMIDATION	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A
HATE CRIMES: DESTRUCTION/DAMAGE/VANDALISM OF PROPERTY	2010	N/A	N/A	0	N/A
	2011	N/A	N/A	0	N/A

* Walden University non-campus buildings or property are learning spaces utilized by Walden University at required residencies that are used in direct support of, or in relation to, the University's educational purposes.

There were 0 reported hate crimes for the year 2011.

EXHIBIT 11:

Walden University

CEO – President Statement

WALDEN UNIVERSITY

June 4, 2013

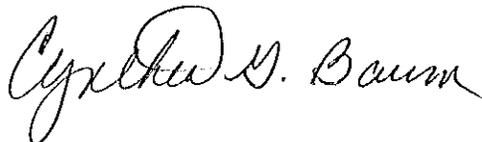
Iowa College Student Aid Commission
603 E. 12th Street 5th Floor
Des Moines, IA 50319

To Whom It May Concern:

Walden University maintains a commitment to ongoing support, both financial and technical, and to a continuation of the program for a period sufficient to enable students to complete a degree.

Walden has been providing educational programs for over forty years and has demonstrated a continuing commitment to the continuation of degree programs, allowing students to complete their program. Walden has implemented a comprehensive strategic planning process to ensure continuity of its educational services. Likewise, Walden University's annual budget process ensures appropriate financial resources are dedicated to University programs, further strengthening the commitment to program completion.

Sincerely,



Cynthia G. Baum, Ph.D.
President, Walden University
Cynthia.baum@waldenu.edu

EXHIBIT 12:

Walden University Certificate of Authority

IOWA

No: W00830253
Date: 03/06/2013

SECRETARY OF STATE

489FLC-452587
WALDEN UNIVERSITY, LLC

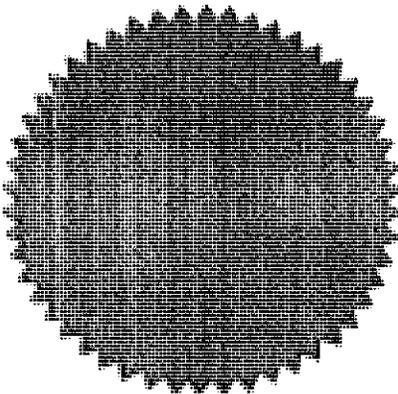
ACKNOWLEDGEMENT OF DOCUMENT FILED

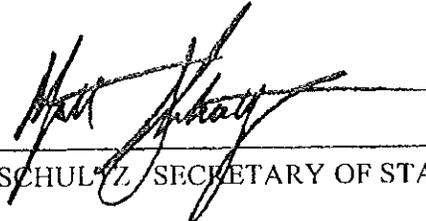
The Secretary of State acknowledges receipt of the following document:

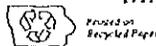
Certificate of Authority

The document was filed on Mar 6 2013 2:42PM, to be effective as of Mar 6 2013 2:42PM.

The amount of \$100.00 was received in full payment of the filing fee.




MATT SCHULZ, SECRETARY OF STATE



452587



MATT SCHULTZ
Secretary of State
State of Iowa

LIMITED LIABILITY COMPANY
APPLICATION FOR
CERTIFICATE OF AUTHORITY

RECEIVED
SECRETARY OF STATE
IOWA
CAUTION
\$100.00
DIANEZ
3/5/13

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:
Pursuant to section 802 of the Iowa Revised Uniform Limited Liability Company Act, the undersigned applies for a certificate of authority to transact business in Iowa and hereby states:

- The name of the limited liability company: Walden University, LLC
- The name the limited liability company will use in Iowa, if different than the legal name of the company named above:
(Refer to note #6 on the back of this form)
- The limited liability company is formed under the laws of the state (or foreign country) of:
Florida
- The duration of the limited liability company is: perpetual
- The street and mailing address of its registered office in Iowa and the name of its registered agent at that office:
Capitol Corporate Services, Inc.
Name
1503 42nd Street, Suite 210 West Des Moines IA 50266
Address City State Zip
The registered office and registered agent comply with the requirements of section 489.113.*
- The address of the office required to be maintained in the state of its formation by the law of that state (if such an address is not required, the address of the principal office of the limited liability company):
650 South Exeter Street
Address
Baltimore MD 21202
City State Zip
- (A) This foreign limited liability company is governed by an operating agreement that establishes or provides for the establishment of designated series of transferable interests having separate rights, powers, or duties with respect to specified property or obligations of the foreign limited liability company, or profits and losses associated with the specified property or obligations. YES NO
(B) All debts, liabilities, and obligations incurred, contracted for, or otherwise existing with respect to a particular series, if any, are enforceable against the assets of such series only, and not against the assets of the foreign limited liability company generally. YES NO
- The effective date and time of this application, if different than the date and time of filing:
(Refer to note #5 on the back of this form)
Date _____ Time _____
- A certificate of existence or a record of similar import, signed by the secretary of state or other official having custody of the company's publicly filed report in the state or other jurisdiction under whose law the company is formed, accompanies this application.
Signature Deborah L. Zimlo Date 3/5/13
Type or print name and title: Deborah L. Zimlo, Vice President and Secretary

2

FILED
IOWA
SECRETARY OF STATE

3-6-13
2:42-PM
W830253



State of Florida



Department of State

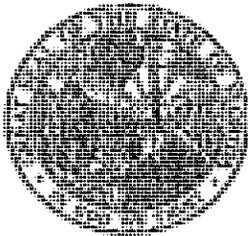
I certify from the records of this office that WALDEN UNIVERSITY, LLC, is a limited liability company organized under the laws of the State of Florida, filed on April 1, 2009, effective August 28, 1992.

The document number of this company is L09000031621.

I further certify that said company has paid all fees due this office through December 31, 2013, that its most recent annual report was filed on February 26, 2013, and its status is active.

I further certify that said limited liability company has not filed Articles of Dissolution.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Fifth day of March, 2013



CR2EO22 (1-11)

Ken Retzner

Ken Retzner
Secretary of State

EXHIBIT 13:

Walden University Financial Statement

Walden E-Learning, LLC and Subsidiary

(a wholly-owned subsidiary of Laureate Education, Inc.)

**Consolidated Financial Statements and
Supplementary Information**

December 31, 2012



CONFIDENTIAL

Walden E-Learning, LLC and Subsidiary
(a wholly-owned subsidiary of Laureate Education, Inc.)
Index
December 31, 2012

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Supplementary Information Required by U.S. Department of Education	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	18-19



CONFIDENTIAL



Independent Auditor's Report

To the Board of Managers, Member and
Management of Walden E-Learning, LLC and Subsidiary

We have audited the accompanying consolidated financial statements of Walden E-Learning, LLC and Subsidiary (collectively, the "Company", a wholly owned subsidiary of Laureate Education, Inc.), which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of income, changes in member's equity and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP, 100 E. Pratt Street, Suite 1900, Baltimore, MD 21202
T: (410) 783-7600, F: (410) 783-7680, www.pwc.com*



CONFIDENTIAL

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Note 10 -- Title IV Program Participation is required by the US Department of Education and is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Note 9 -- Related Party Transactions is required by the US Department of Education and accounting principles generally accepted in the United States of America. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2013 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

April 16, 2013



Walden E-Learning, LLC and Subsidiary
(a wholly-owned subsidiary of Laureate Education, Inc.)
Consolidated Balance Sheet
December 31, 2012

(in thousands of dollars)

Assets	
Current assets	
Cash	\$ 77,095
Student tuition and fees receivable, less allowance for doubtful accounts of \$15,768	25,564
Note and interest receivable from Parent (unsecured)	279,404
Prepaid expenses and other current assets	1,738
Prepaid income taxes to Parent	54,663
Accounts receivable from Parent and affiliates	1,190
Deferred tax assets	8,198
Total current assets	<u>447,850</u>
Property and equipment, net	50,661
Deferred project costs, net	39,076
Goodwill	2,812
Total assets	<u>\$ 540,399</u>
Liabilities and Member's Equity	
Current liabilities	
Accounts payable and accrued expenses	\$ 27,137
Accounts payable to affiliates	1,151
Student deposits	7,905
Deferred student tuition and fees	62,911
Current portion of capital lease obligations	1,175
Other current liabilities	302
Total current liabilities	<u>100,581</u>
Deferred tax liabilities	6,201
Capital lease obligations, less current portion	4,641
Other long-term liabilities	282
Total liabilities	<u>111,905</u>
Commitments and contingencies (Note 7)	
Member's equity	
Contributed capital	71,517
Retained earnings	350,977
Total member's equity	<u>428,494</u>
Total liabilities and member's equity	<u>\$ 540,399</u>

The accompanying notes are an integral part of these consolidated financial statements.



Walden E-Learning, LLC and Subsidiary
(a wholly-owned subsidiary of Laureate Education, Inc.)
Consolidated Statement of Income
Year Ended December 31, 2012

(In thousands of dollars)

Revenues	
Doctoral programs	\$ 213,556
Masters programs	214,382
Undergraduate programs	78,479
Other revenues	32,083
Total revenues	<u>638,500</u>
Operating Expenses	
Program delivery	
Instructional delivery	139,173
Academic support	31,365
Technology	22,603
Course management team	4,760
Course instructional design	7,144
Business intelligence team	3,222
Total program delivery expenses	<u>208,347</u>
Marketing and recruiting	141,618
General and administrative	
Financial services	13,019
Human resources	4,105
Product management	7,035
Executive and legal	10,232
Total general and administrative expenses	<u>34,391</u>
Total operating expenses	<u>384,356</u>
Operating income	164,144
Interest and other income	16,889
Income before income taxes	<u>171,033</u>
Provision for income taxes	(67,777)
Net income	<u>\$ 103,256</u>

The accompanying notes are an integral part of these consolidated financial statements.



Walden E-Learning, LLC and Subsidiary
(a wholly-owned subsidiary of Laureate Education, Inc.)
Consolidated Statement of Changes in Member's Equity
Year Ended December 31, 2012

(In thousands of dollars)

	<u>Member's Equity</u>		
	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as of December 31, 2011	\$ 70,563	\$ 253,721	\$ 324,284
Parent contribution of employee compensation expense	954	-	954
Net Income	-	103,256	103,256
Balance as of December 31, 2012	\$ 71,517	\$ 356,977	\$ 428,494

The accompanying notes are an integral part of these consolidated financial statements.



Walden E-Learning, LLC and Subsidiary
(a wholly-owned subsidiary of Laureate Education, Inc.)
Consolidated Statement of Cash Flows
Year Ended December 31, 2012

(In thousands of dollars)

Cash flows from operating activities	\$ 103,256
Net income	103,256
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	21,237
Gain on sale of property and equipment	(138)
Loss on disposal of deferred project costs	6
Provision for student tuition and fees receivable	21,641
Parent contribution of employee compensation expense	954
Deferred income tax provision	(3,581)
Changes in operating assets and liabilities:	
Student tuition and fees receivable, gross	(29,401)
Interest receivable from Parent	(664)
Prepaid expenses and other current assets	(989)
Accounts payable and accrued expenses	(4,215)
Accounts payable/receivable to/from Parent and affiliates, net	(6,684)
Prepaid income taxes to Parent	1,110
Student deposits	1,257
Deferred student tuition and fees	4,872
Other long-term liabilities	375
Net cash provided by operating activities	<u>109,036</u>
Cash flows from investing activities	
Proceeds from Parent on note receivable	16,385
Payments to Parent on note receivable	(92,544)
Purchases of property and equipment	(7,337)
Additions to deferred project costs	(11,788)
Net cash used in investing activities	<u>(95,284)</u>
Cash flows from financing activities	
Payments for capital leases	(231)
Net cash used in financing activities	<u>(231)</u>
Net increase in cash	13,521
Cash at beginning of year	<u>63,674</u>
Cash at end of year	<u>\$ 77,095</u>
Supplemental disclosure of cash flow information	
Cash paid to Parent for income taxes	\$ 70,356
Cash paid for interest	\$ 69
Non-cash investing and financing activity	
Conversion of interest receivable to note receivable	\$ 16,716
Purchases of property and equipment through capital leases	\$ 6,391
Purchases of property and equipment and deferred projects in accrued expenses	\$ 916

The accompanying notes are an integral part of these consolidated financial statements.



Walden E-Learning, LLC and Subsidiary
(a wholly-owned subsidiary of Laureate Education, Inc.)
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

(In thousands of dollars)

1. Organization and Principles of Consolidation

Organization

Walden E-Learning, LLC and Subsidiary (the "Company") operates an institution of higher education under the name Walden University. This institution is accredited by The Higher Learning Commission, a member of the North Central Association of Colleges and Schools and provides undergraduate and graduate degree programs at the bachelors, masters and doctorate level.

The Company is a wholly-owned subsidiary of Laureate Education, Inc. (the "Parent" or "Laureate"). However, the accompanying consolidated financial statements do not reflect the Parent's cost to acquire the Company, as such basis adjustments have not been pushed down to these financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Walden E-Learning, LLC and its wholly-owned subsidiary, Walden University, LLC ("Walden"). All significant intercompany accounts and transactions are eliminated in consolidation.

2. Summary of Significant Accounting Policies

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

A substantial portion of the cash balance represents amounts in excess of federally insured limits. The Company has not experienced losses related to amounts in excess of insured limits. The Company considers all highly liquid investments with a maturity date of three months or less, when purchased, to be cash equivalents. No cash equivalents existed as of December 31, 2012.



Walden E-Learning, LLC and Subsidiary
(a wholly-owned subsidiary of Laureate Education, Inc.)
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

(In thousands of dollars)

Student Tuition and Fees Receivable, Less Allowance for Doubtful Accounts

The Company uses estimates to determine the amount of the allowance for doubtful accounts necessary to reduce the student tuition and fees receivable to net realizable value. The Company estimates the amount of the required allowance by reviewing the status of past-due accounts and analyzing historical bad debt trends. Receivables are generally due on the date on which the related class commences. The Company writes off receivables deemed to be uncollectible when all collection efforts have been exhausted. Accounts receivable balances are not collateralized. Following are the changes in the allowance for doubtful accounts for the year ended December 31, 2012:

Balance as of December 31, 2011	\$ 7,655
Additions charged to expense	21,641
Write-offs	<u>(13,538)</u>
Balance as of December 31, 2012	<u>\$ 15,758</u>

Student Deposits

The Company classifies all cash received on behalf of students from the U.S. Department of Education ("DOE") Higher Education Act's Federal Family Education Loan Program ("Title IV") programs as student deposits in the consolidated balance sheet until such time as the amounts are refunded to students or applied against an outstanding student tuition and fees receivable balance.

Property and Equipment

Property and equipment is recorded at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which typically range from three to seven years. Leasehold improvements are amortized using the straight-line method over the lesser of the lease term or the estimated useful life of the assets. Expenditures for repairs and maintenance are charged to expense as incurred.

Deferred Project Costs

Deferred project costs include the direct cost of internally developing proprietary educational products and materials that have extended useful lives. These costs are capitalized and amortized over the estimated useful life of the asset, which is typically five years.

Goodwill

Goodwill, which has a balance of \$2,812 as of December 31, 2012, represents the cost in excess of the fair value of identifiable net assets acquired in a purchase business combination. Under current applicable accounting guidance, goodwill is not amortized.

Goodwill is evaluated annually for impairment and on an interim basis if events or changes in circumstances between annual tests indicate that an asset may be impaired. Goodwill is potentially impaired when the carrying amount of the goodwill exceeds its fair value. No impairment of goodwill was identified in connection with the Company's 2012 annual impairment test.



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Long-Lived Depreciable Assets

Long-lived depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be fully recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans or changes in anticipated future cash flows. If an impairment indicator is present, the Company evaluates recoverability by a comparison of the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. If the asset is impaired, the impairment recognized is measured by the amount by which the carrying amount exceeds the fair value of the asset. Fair value is generally determined by estimates of discounted cash flows. The discount rate used in any estimate of discounted cash flows is the rate required for a similar investment of like-risk.

Assets to be disposed of are reported at the lower of carrying values or fair values, less estimated costs of disposal.

Stock-Based Compensation

Stock-based compensation expense is based on the grant-date fair value estimated in accordance with the stock-based compensation guidance. Stock-based compensation expense, less estimated forfeitures, is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. Laureate uses the Black-Scholes Merton option pricing model to calculate the fair value of stock options. The fair value of restricted stock awards is the grant date fair value of Laureate's common stock. The Company's consolidated statement of income for the year ended December 31, 2012 includes an expense allocation of \$997 associated with stock-based compensation awards related to the Parent's stock that were granted to Company employees.

Revenue Recognition and Deferred Student Tuition and Fees

Student tuition and fee revenues are recognized ratably over the related academic terms, net of scholarships provided by the Company. For the year ended December 31, 2012, the Company's revenues were reduced by \$41,851 as a result of scholarships the Company offered to students. Student tuition and fees received in advance of revenue recognition are recorded as deferred student tuition and fees in the accompanying consolidated balance sheet.

Financial Instruments

The Company's financial instruments, including cash, student tuition and fees receivable, notes receivable from Parent, accounts receivable and payable with affiliates and accounts payable to third parties are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Concentrations of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, student tuition and fees receivable, accounts receivable from affiliates and notes receivable from Parent. While the Company holds its cash in what the Company believes are high-quality financial institutions, its balances may exceed federally insured limits at any time. The Company's student tuition and fee receivables are derived from students enrolled in Walden's undergraduate and graduate degree programs.



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Plodged Assets

Pursuant to an Amended and Restated Collateral Agreement dated as of June 16, 2011 between the Company and Citibank, N.A., as collateral agent (as successor to Goldman Sachs Credit Partners L.P.), the Company has plodged specific assets as collateral for a loan from various debt holders to the Parent. These assets include all of the Company's receivables (except Title IV student loans) as well as the Company's copyrights, patents and trademarks. The foregoing plodge was reaffirmed pursuant to (a) a certain reaffirmation agreement dated as of December 22, 2011 by the Company and the other reaffirming entitles thereto in favor of Citibank, N.A., as collateral agent in connection with the new series of term loans and (b) a certain reaffirmation dated as of December 22, 2011 by the Company and the other reaffirming entitles thereto in favor of Citibank, N.A., as collateral agent in connection with an increase in the revolving credit facility.

Statement of Cash Flows

The Company makes certain assumptions related to payments made to the Parent and payments received from the Parent for notes receivable, interest receivable, prepaid taxes and intercompany transactions in order to accurately reflect the substance of transactions on the consolidated statement of cash flows.

Advertising Costs

Advertising costs, including amounts allocated under the shared services agreement (Note 9) are expensed as incurred and totaled \$80,652 for the year ended December 31, 2012. Advertising expenses are included within marketing and recruiting expenses in the consolidated statement of income.

Income Taxes

The Company is party to a tax-sharing agreement with the Parent and is part of the Parent's consolidated group for federal income tax purposes. The Company's income taxes are provided using the liability method as if it were a separate taxpayer pursuant to the tax sharing agreement with the Parent. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases including net operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company applies the separate return method to calculate the income tax provision as if the Company were a separate taxpayer and not part of the Parent's consolidated tax return for federal or state income tax purposes.

Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through April 10, 2013, the date the financial statements were available to be issued. During the period from January 1, 2013 to April 10, 2013, the Company had no material subsequent events.



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Recently Issued Accounting Standards

In July 2012, the FASB issued ASU No. 2012-02, *Intangibles – Goodwill and Other (Topic 350): Testing Goodwill for Impairment (ASU 2012-02)*. The amendments in this ASU are intended to reduce the cost and complexity of the annual goodwill impairment test by providing entities an option to perform a qualitative assessment of the likelihood of goodwill impairment, in order to determine whether further impairment testing is necessary. Further impairment testing would only be required if, after assessing the totality of events or circumstances, an entity determines it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. An entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. An entity may resume performing the qualitative assessment in any subsequent period. ASU 2012-02 is effective for annual goodwill impairment tests performed for fiscal years beginning after September 15, 2012. The Company does not expect any material impact on its financial statements from adoption.

In December 2010, the FASB issued ASU No. 2010-28, *Intangibles—Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts (ASU 2010-28)* to amend ASC 350 to modify Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts for recognized goodwill. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. ASU 2010-28 is effective for annual reporting periods beginning after December 15, 2012. The Company does not expect any material impact on its financial statements from adoption.

3. Property and Equipment

Property and equipment consists of the following at December 31, 2012:

Leasehold improvements	\$ 10,411
Furniture and fixtures	4,340
Computer hardware, software and other equipment	70,296
Construction in progress - phone lease	6,391
	<u>91,438</u>
Less: Accumulated depreciation	<u>(40,777)</u>
	<u>\$ 50,661</u>

Depreciation and amortization of property and equipment was \$10,667 for the year ended December 31, 2012. Additionally, the Company recorded a gain of \$138 on the sale of property and equipment costs during the year ended December 31, 2012.



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4. Deferred Project Costs

Deferred project costs consist of the following at December 31, 2012:

Deferred project costs	\$ 69,338
Less: Accumulated amortization	<u>(30,262)</u>
	<u>\$ 39,076</u>

Amortization of deferred project costs was \$10,670 for the year ended December 31, 2012.

5. Income Taxes

The significant components of the Company's provision for income taxes for the year ended December 31, 2012 are as follows:

Current	
Federal	\$ 58,553
State	12,805
	<u>71,358</u>
Deferred	
Federal	(3,159)
State	(422)
	<u>(3,581)</u>
Total provision for income taxes	<u>\$ 67,777</u>

The tax effects of the temporary differences between financial and income tax accounting that give rise to the Company's deferred tax assets and liabilities at December 31, 2012 are as follows:

Deferred tax assets	
Allowance for doubtful accounts	\$ 6,243
Amortization of intangible assets	1,283
Deferred compensation	3,326
Nondeductible reserves	1,953
Unrealized gain	368
Total deferred tax assets	<u>13,173</u>
Deferred tax liabilities	
Depreciation of property and equipment	<u>(11,178)</u>
Total deferred tax liabilities	<u>(11,178)</u>
Net deferred tax asset	<u>\$ 1,995</u>



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The preceding amounts are reflected in the consolidated balance sheet at December 31, 2012 as follows:

Current assets	
Deferred tax assets	\$ 8,196
Non-current liabilities	
Deferred tax liabilities	<u>(6,201)</u>
Net deferred tax asset	<u>\$ 1,995</u>

Prepaid income taxes as of December 31, 2012 are \$54,663, which represent a portion of the Company's estimated 2013 federal income taxes which were prepaid to the Parent.

The Company is structured as a Single Member Limited Liability Company and files its tax returns with its Parent.

The Parent has net operating loss carryforwards available to offset future taxable income that will begin to expire in 2025.

A reconciliation of the reported income tax expense to the amount that would result by applying the U.S. federal statutory rate of 35% to income before income taxes for the year ended December 31, 2012 is as follows:

Tax expense at U.S. statutory rate of 35%	\$ 59,862
State income tax expense, net of federal tax effect	7,901
Effect of permanent differences and other	<u>14</u>
Provision for income taxes	<u>\$ 67,777</u>

6. Capital Leases

The Company has capital lease agreements for telecommunications equipment extending through December 2017. Future minimum capital lease payments under these leases, summarized by year, are as follows:

2013	\$ 1,444
2014	1,444
2015	1,444
2016	1,444
2017	<u>989</u>
Total minimum lease payments	8,745
Loss amounts representing interest	<u>(729)</u>
	<u>\$ 0,016</u>
Present value of net minimum leases included in current portion of capital lease obligations	<u>\$ 1,175</u>
Present value of net minimum leases included in capital lease obligations, less current portion	<u>\$ 4,841</u>



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7. Commitments and Contingencies

The Company has lease agreements for various office facilities extending through December 2022. Total rent expense, including amounts allocated by Parent, was \$1,923 for the year ended December 31, 2012 and is reflected in the consolidated statement of income. Future minimum lease rental payments under these leases, summarized by year, are as follows:

2013	\$	240
2014		246
2015		252
2016		259
2017		265
Thereafter		<u>1,420</u>
Total minimum lease payments	\$	<u>2,682</u>

The Company offers students financial aid through the DOE Federal Direct Student Loan Program (the "Program"). Since federal regulations, including the 90/10 ratio discussed in Note 10, governing the administration of the Program are subject to interpretation, a DOE audit could result in program discontinuance and/or certain repayment obligations.

Management believes the Company is in compliance with all laws, regulations and contracts to which it is subject and which could have a material impact on the accompanying consolidated financial statements.

The Company is a party to lawsuits arising in the ordinary course of its business activities. Management does not believe that the outcome of these matters, if adversely concluded, would have a material effect on the accompanying consolidated financial statements.

8. Employee Benefit Plan

Eligible employees of the Company participate in a defined contribution plan administered by Laureate under Section 401(k) of the Internal Revenue Code. This plan allows employees to contribute a percentage of their earnings up to an annual limit of \$17, plus an additional \$5.5 if they are age 50 or over. The Company may fund a discretionary matching contribution payable in cash equal to a percentage of the amount of the compensation that the participant elected to contribute, up to a maximum of 6% of the participant's compensation. The matching contribution percentage made for the year ended December 31, 2012 was 50% of the first 6% of the employee contribution. Additional discretionary contributions may be made at the option of Laureate. Total matching contributions for the year ended December 31, 2012 were \$1,140 and are reflected in the accompanying consolidated statement of income. No additional discretionary contributions were made to the Laureate plan for Company employees during the year ended December 31, 2012.

9. Related Party Transactions

The Company receives funds under Title IV programs administered by the DOE pursuant to the Higher Education Act of 1965 ("HEA"), as amended. The regulations under the HEA require the disclosure of all related party transactions.



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Shared Services Allocation

Under a shared services agreement with Laureate, the Company receives services for academic support, technology, financial services, marketing, product development, sales, financial and other management and administrative services to support continuing operations and to help accelerate the Company's business plan. As consideration for these services, the Company is allocated a monthly management fee that is based on Laureate's good faith estimate of the portion of the centralized costs incurred by the Laureate shared services group that are attributable to the Company. Laureate charged the Company \$112,761 under this shared services agreement during the year ended December 31, 2012 which is reflected in the accompanying consolidated statement of income.

Accounts Receivable from Parent and Affiliates

The Parent and certain affiliates owe the Company \$1,190 as of December 31, 2012 for expenses paid by the Company on behalf of those entities.

Accounts Payable to Affiliates

The Company owes certain affiliates \$1,151 as of December 31, 2012 for expenses paid on behalf of the Company by those affiliates.

Affiliate Agreements

The Company has entered into agreements with certain affiliates. The agreements provide for compensation to Walden in exchange for courses offered to affiliate students and faculty. Total revenue recognized for the year ended December 31, 2012 related to such services was \$1,081.

Prepaid Income Taxes to Parent

Prepaid income taxes to Parent as of December 31, 2012 are \$54,663, and represent amounts paid by the Company as a result of the tax sharing arrangement with the Parent based on expected profits and tax rates, as if the Company were a separate taxpayer.

Note and Interest Receivable from Parent

As of December 31, 2012, Walden has a revolving credit agreement and related interest receivable from Laureate totaling \$279,404. The note is unsecured, accrues interest at the rate of 4.5% per year, and matures on November 30, 2013. Accrued interest on this note of \$1,944 is included in the note receivable balance as of December 31, 2012 in the accompanying consolidated balance sheet. The Company believes the Parent has the ability and intent to repay the note and accrued interest in full by the maturity date.

Compensation

The Company's financial statements include an expense allocation of stock-based compensation from the Parent of \$997 for the year ended December 31, 2012, \$954 of which is recorded as contributed capital in the accompanying consolidated balance sheet as of December 31, 2012. Periodically the Parent grants share-based compensation awards, including stock options and restricted stock awards, to Company employees under the following incentive plan:

In 2007, the Board of Directors of the Parent approved the Laureate Education, Inc. 2007 Stock Incentive Plan (the "2007 Plan"). The 2007 Plan replaced all prior stock option plans. Stock option awards under the 2007 Plan are issued at no less than fair market value on the date of grant and are split into two tranches: a time-based tranche and a performance-based tranche. The time-



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based tranche vests over a five-year period and the options have a contractual life of ten years. The performance-based tranche may vest annually and become exercisable upon the Parent's Board of Directors' determination that the predetermined Parent's performance targets have been met. The options for the performance-based tranche have a contractual life of ten years. For the year ended December 31, 2012, the Parent's forecasted annual Pro-Rata EBITDA was less than 90% of the applicable 2012 earnings target and, hence, no performance options expense was recognized for the 2012 performance-based stock option tranche in 2012. On March 14, 2012, the Compensation Committee of the Parent's Board of Directors exercised its discretion and modified the unvested portion of the 2011 performance-based stock option tranche, resulting in the vesting of those share-based awards. Accordingly, in 2012, the Company recognized \$304 of additional stock option expense related to the unvested portion of the 2011 performance-based option tranche. For the year ended December 31, 2012, the Company recorded \$531 and \$304 of expense related to the time-based and performance-based options, respectively.

In addition, the Company recognized \$161 of restricted stock expenses for the year ended December 31, 2012.

Letter of Credit

The Parent posted a letter of credit ("LOC") of \$81,765 in September 2012 in response to a DOE request related to the requirements for participation of certain Laureate subsidiaries in the Title IV federal financial aid program, including the Company. The LOC extends the ability of the Company to participate in the Title IV program until October 31, 2013, at which time the Parent will be required to renew the LOC.

10. Title IV Program Participation

Walden derives a substantial portion of its revenues from Student Financial Aid ("SFA") received by its students under the Title IV programs administered by the DOE, pursuant to the HEA. To continue to participate in the SFA programs, Walden must comply with the regulations promulgated under the HEA. The regulations restrict the proportion of cash receipts for tuition and fees from eligible programs to not more than 90 percent from Title IV programs. If an institution fails to satisfy the test for one year, its participation status becomes provisional for two consecutive fiscal years. If the test is not satisfied for two consecutive years, eligibility to participate in Title IV programs is lost for at least two fiscal years.

For the year ended December 31, 2012, Walden derived 70.01% of its revenue from Title IV funds (calculated on a cash basis in accordance with applicable statutory provisions and DOE regulations).



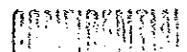
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(In thousands of dollars)

The following information for the year ended December 31, 2012 is required by the DOE and is presented for purposes of additional analysis, but is not a required part of the basic financial statements.

OPE ID: 0504200	<u>Amount Disbursed</u>	<u>Adjusted Amount*</u>
Adjusted Student Title IV Revenue		
Subsidized Loan	\$ 224,161	\$ 220,829
Unsubsidized Loan up to pre-ECASLA Loan Limits	478,679	452,648
PLUS Loan	93,903	92,477
Federal Pell Grant	21,329	19,902
FSEOG	357	355
ACG	-	-
Teach Grant	1,760	1,743
Student Title IV Revenue	<u>\$ 820,179</u>	<u>\$ 787,854</u>
Revenue Adjustment		(397,222)
Adjusted Student Title IV Revenue		<u>\$ 390,632</u>
Student Non-Title IV Revenue		
Grant funds for the student from non-federal public agencies or private sources independent of the Institution	\$ 7,458	
Funds provided for the student under a contractual arrangement with a government agency for the purpose of providing job training	16,004	
Amount of Unsubsidized Loan Over the pre-ECASLA Loan Limits	-	
Funds used by a student from savings plans for educational expenses established by or on behalf of the student that qualify for special tax treatment under the Internal Revenue Code	6	
Student payments	100,717	
Institutional Scholarships	127	
Student Non-Title IV Revenue	<u>\$ 123,309</u>	
Revenue From Other Sources (Total for the Fiscal Year)		
Activities conducted by the Institution that are necessary for education and training	\$ -	
Funds paid to the Institution by, or on behalf of, students for education and training in qualified non-Title IV eligible programs	-	
Total Revenue from Other Sources	<u>\$ -</u>	
Adjusted Student Title IV Revenue	\$ 390,632	
Total Revenue (Adjusted Student Title IV Revenue + Adjusted Non-Title IV Revenue + Total Revenue from Other Sources)	\$ 613,941	
Title IV Revenue percentage	<u>76.01 %</u>	
(Numerator \$390,632, divided by Denominator \$513,941, =76.01%)		

* Includes adjustments to remove institutional matching funds, funds returned for a student under 34 CFR 608.22 and amounts in excess of tuition and fees which are refunded to students.



**Supplementary Information Required by
U.S. Department of Education**



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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
In Accordance With Government Auditing Standards**

To the Board of Managers, Member and
Management of Walden E-Learning, LLC and Subsidiary

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Walden E-Learning, LLC and Subsidiary (collectively "the Company", a wholly owned subsidiary of Laureate Education, Inc.), as of and for the year ended December 31, 2012, and the related notes to the consolidated financial statements, which collectively comprise the Company's basic consolidated financial statements, and have issued our report thereon dated April 16, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company's internal controls over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PricewaterhouseCoopers LLP, 100 E. Pratt Street, Suite 1900, Baltimore, MD 21202
T: (410) 783-7600, F: (410) 783-7680, www.pwc.com



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

April 16, 2013

