

BRIDGEPOINT EDUCATION INC

FORM 8-K (Current report filing)

Filed 07/09/15 for the Period Ending 07/07/15

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CIK	0001305323
Symbol	BPI
SIC Code	8200 - Services-Educational Services
Industry	Schools
Sector	Services
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 7, 2015

BRIDGEPOINT EDUCATION, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-34272

(Commission File Number)

59-3551629

(IRS Employer Identification No.)

**13500 Evening Creek Drive North
San Diego, California**

(Address of principal executive offices)

92128

(Zip Code)

(858) 668-2586

(Registrant's telephone number, including area code)

None

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.05. Costs Associated with Exit or Disposal Activities.

On July 7, 2015, Bridgepoint Education, Inc. (the "Company") committed to the implementation of a plan to close Ashford University's campus in Clinton, Iowa (the "Clinton Campus") after the 2015-2016 academic year, at the end of May 2016. The Ashford University Board of Trustees' decision to close the Clinton Campus follows an ongoing review of the University's strategic direction and is a result of the University's inability to meet campus enrollment requirements despite its best efforts to continue maintaining and operating the Clinton Campus. The closure of the Clinton Campus is intended to realign the Company's operations to focus on its core mission of leveraging technology to create innovative solutions that advance learning. Approximately 99% of Ashford University's current students attend classes online, and will not be impacted by the closure of the Clinton Campus.

Ashford University estimates recording a total of approximately \$49 million to \$55 million in restructuring and asset impairment charges related to the closure of the Clinton Campus. This estimate consists of non-cash impairment of asset charges of approximately \$40 million and future cash expenditures relating to (i) student transfer agreement costs of approximately \$8 million, (ii) severance and retention charges of approximately \$3 million and (iii) other contract cancellation costs and professional service fees of approximately \$1 million. The above estimates are based upon several assumptions that are subject to change, including student decisions regarding transfer and the circumstances surrounding the disposition of the campus.

Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking statements," including, but not limited to, statements regarding the expected timing and anticipated effects of the closure of the Clinton Campus and other statements that are not purely statements of historical fact. These forward-looking statements are based on information available at the time such statements are made and the current good faith beliefs, expectations and assumptions of the Company's management. Such statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, including, but not limited to, uncertainties regarding the costs associated with the closure of the Clinton Campus and the factors described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the Securities and Exchange Commission (the "SEC") on March 10, 2015, and in subsequent reports on Form 10-Q and Form 8-K and other filings made by the Company with the SEC. Investors are cautioned not to place undue reliance on any forward-looking statements. All forward-looking statements speak only as of the date such statements are made, and the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable securities laws.

Item 8.01. Other Events.

On July 9, 2015, the Company issued a press release announcing the Ashford University Board of Trustees' decision to close the Clinton Campus at the end of the 2015-2016 academic year. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Bridgepoint Education, Inc. dated July 9, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 9, 2015

Bridgepoint Education, Inc.

By: /s/ Diane L. Thompson

Name: Diane L. Thompson

Title: Senior Vice President, Secretary and General Counsel

**Bridgepoint Education's Ashford University Announces One Year
Teach-Out Plan for Clinton, Iowa Campus**

Ashford's online degree programs will not be impacted by campus closure

SAN DIEGO (July 9, 2015) Bridgepoint Education, Inc. (NYSE: BPI) announced today that Ashford University's Clinton, Iowa campus will close after the 2015-2016 academic year, at the end of May 2016. Despite best efforts to continue maintaining and operating the campus, the inability to meet campus enrollment requirements was a key factor in the Ashford University Board of Trustees' difficult decision to call for the campus closure.

"It is the priority of both Bridgepoint Education and Ashford University to provide a quality education to students," said Chris Henn, Bridgepoint Education's chief operating officer. "And, after carefully considering the continued and significant enrollment shortfall at the campus, Ashford's Board of Trustees determined that closing the Clinton campus would be the most responsible course of action. Neither Ashford nor Bridgepoint want to compromise the campus student experience."

To help facilitate the transition, Ashford is implementing a one year teach-out plan for the one percent of its students who attend classes in Clinton. The University's online students will not be impacted by the closure of the campus. Remaining open for two more semesters will allow the approximately 35 percent of existing campus students who are on track to complete their degrees the opportunity to attend the May 2016 commencement in Clinton. The University will work with all other campus students to help them understand their options and the process for transitioning to another school or to the online modality.

Approximately 60 percent of returning campus students are pursuing a degree program that is also available online at Ashford University, and those students will be permitted to transfer to Ashford's online modality. For those campus students who do not choose to complete an Ashford degree program online,

Ashford will be seeking transfer agreements with nearby colleges and universities that will support their educational goals and degree programs.

The impacted Ashford campus employees will also have access to individualized assistance. The University plans to provide each employee with numerous career service opportunities. Ashford's Iowa Online Center and its employees will continue to operate from its current location and will not be impacted by the closure next year of the Clinton campus.

Moving forward, the University will focus on its online modality which, it believes, represents the next generation of learning. Ashford intends to concentrate on its core mission of leveraging technology to create innovative solutions that advance learning. Currently, online students account for nearly 99 percent of Ashford's total student population, and the University intends to continue serving non-traditional students who want the flexibility offered by online education.

"We will always be proud of our campus and its many student, faculty, and staff accomplishments," said Dr. Richard Pattenau, president of Ashford University. "Ashford has opened the door to a college education to tens of thousands of previously underserved Americans, and that is what we intend to continue doing."

About Bridgepoint Education

Bridgepoint Education, Inc. (NYSE:BPI) harnesses the latest technology to reimagine the modern student experience. Bridgepoint owns two academic institutions - Ashford University and University of the Rockies. Together, these programs, technologies, and resources represent a unique model for advancing education in the 21st century. Bridgepoint stands for greater access, social learning, and exposure to leading minds. For more information, visit www.bridgepointeducation.com, www.facebook.com/BridgepointEducation, or call Shari Winet, Vice President of Public Relations, at 858.668.2580.

About Ashford University

Where heritage meets innovation - that's Ashford University. At Ashford, students discover relevant degree programs, innovative technology, and cherished tradition. Ashford offers associates, bachelor's, and master's online degree programs, allowing students to balance life by providing the flexibility to do school work anywhere, anytime. For more information, please visit www.ashford.edu, www.facebook.com/ashforduniversity, www.twitter.com/AshfordU, or call Shari Winet, Vice President of Public Relations, at 858.513.9240 x11601.

Note Regarding Forward-Looking Statements

This news release contains forward-looking statements, including, without limitation, statements regarding management's intentions, hopes, beliefs or expectations. These statements are subject to risks and uncertainties that could cause actual outcomes to differ materially from those expressed in or suggested by such statements, including, without limitation, risks and uncertainties related to adverse administrative, economic, legislative or regulatory changes affecting Bridgepoint Education, Inc. and its institutions, including Ashford University.

Additional information regarding risks and uncertainties faced by Bridgepoint and its institutions, including Ashford, is included from time to time in Bridgepoint's filings with the Securities and Exchange Commission (the "SEC"), including, but not limited to, Bridgepoint's Annual Report on Form 10-K for the fiscal year ended

December 31, 2014, filed with the SEC on March 10, 2015, and its quarterly reports on Form 10-Q and current reports on Form 8-K. You should not place undue reliance on any forward-looking statements, which speak only as of the date they are made. Bridgepoint and Ashford assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable securities laws.