

From: Davis, J. Spencer <Spencer.Davis@bridgepointeducation.com>
Sent: Wednesday, January 27, 2010 10:19 PM (GMT)
To: Devine, Dan <ddevine@bridgepointeducation.com>
Cc: Salucci, Diane <Diane.Salucci@bridgepointeducation.com>
Subject: Some Investor Relations Ideas
Attach: BPI 2010 Key Issues Messaging - final - 01 22 10.doc

Dan,

Following up on our conversation today.

I thought you might be interested in the email I sent Ross yesterday (please see below).

Additionally, I've attached a Key Issues Messaging document that Diane S. sent around awhile back that has several good ideas and data tidbits.

Thanks,

Spencer

1/27/10

Ross,

Would you like me to pass the following on to Andrew and Dan?

As we discussed yesterday there are some immediate ways we can add color/depth during conversations with analysts/investors.

1. We can "make public" some key data points. For instance, at the upcoming Deutsche Bank conference, I recommend that during the presentation we say that on average our students have about \$13,648 in Title IV debt upon graduation (should triple check with TR).
 - a. This fact is key, because the investment community is very focused on Gainful Employment, they are concerned about whether the level of debt for students attending BPI institutions is "sky high" and will put students dramatically over the proposed 8% rule.
 - b. We don't know if this will even become a rule or not.....or even precisely how we would have to calculate debt/income.....that said, making the above public will greatly relax investors concerns about the general level of debt of our students (E.g. I've heard estimates way over \$30,000).
2. Related. We often have said we focus on working adult students.
 - a. More color. At the Deutsche Bank conference let's make public that about 70% of new students are employed and about 84% of our graduates are employed (all figures should be double-checked by BPI experts).
3. Another general way we can add color/depth.....without divulging specifics.....we can give some idea of process within BPI.
 - a. For instance, when we are asked what we are doing about the DOE's and NegReg's concern about E/A compensation we could say something patterned like this:
 - i. We have had 34 meetings and have establish 6 task teams to thoroughly review these concerns and we have developed a number of plans that we are ready to employ should there be a change in the regulations. We are ready and willing to comply as needed in the future. Part of our planning includes that we've decided NOT to introduce changes until the regulations are more clear, but we are ready.of course, I'm just making up the figures, but I think you get what I mean.

4. This type of patterned process response works in a number of situations. Another example:
 - i. What are you going to do with your cash?
 1. We know the key things we can do: repurchase stock, pay dividends, invest , or make capital expenditures.
 - a. Fortunately our model doesn't require a lot of capital expenditures, so we develop cash even more quickly than some peers.
 - b. With ~18 million shares in float, purchasing shares would thin the market for our stock. Should we reach a time when much more of our 54 million shares are in the float, repurchases will make much more sense.
 - c. Dividends are fine, but we know not to start a dividend program unless we can continue it for a long time. Dividends are still taxed.....and some think dividend taxes will be increased.....thus making the return to shareholders even less effective.
 - d. We are always watching out for investments and if we see items that will give our shareholders an ample return we'll be very interested.
 - e. In other words, we know how to use cash and we're watching for opportunities to do the right thing for our shareholders.
 - f. But, by just letting investors/analysts know we know how to properly use cash we answer much of their concern.
5. Management "process" answers give a lot of comfort to analysts and investors.....and increase confidence that management knows what it is doing.....a leaves the impression that management is managing the company well.

I will continue to be on the "look-out" for things we can say and/or make public that will deepen the color and depth of our interactions with analysts and investors.

Thanks,

Spencer

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