

CORINTHIAN COLLEGES INC  
Form DEF 14A  
October 06, 2011

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**CORINTHIAN COLLEGES, INC.**

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(Name of Registrant as Specified In Its Charter)

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

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    - (2) Form, Schedule or Registration Statement No.:
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-

October 6, 2011

Dear Fellow Stockholder:

On behalf of the Board of Directors, you are cordially invited to attend the Annual Meeting of Stockholders of Corinthian Colleges, Inc. for its fiscal year ended June 30, 2011 to be held at the DoubleTree Hotel located at 201 East MacArthur Boulevard, Santa Ana, California 92707, on November 15, 2011 at 9:30 a.m., California time. The formal notice of the Annual Meeting appears on the following page. The attached Notice of Annual Meeting and Proxy Statement describe the matters that we expect to be acted upon at the Annual Meeting.

This year, we are pleased to be using the Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to most of our stockholders a "Notice of Internet Availability of Proxy Materials" instead of a printed copy of the Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended June 30, 2011. The Notice of Internet Availability contains instructions on how stockholders can access those documents over the Internet and vote their shares. The Notice of Internet Availability also contains instructions on how stockholders can receive a printed copy of our proxy materials, including the Proxy Statement and our 2011 Annual Report. All stockholders who do not receive a Notice of Internet Availability will receive a printed copy of the proxy materials by mail. We believe this process will expedite stockholders' receipt of proxy materials, lower the costs of our Annual Meeting and reduce the environmental impact of our Annual Meeting.

During the Annual Meeting, stockholders will view a presentation by Corinthian's senior management and vote on the matters set forth in the Notice of Annual Meeting on the following page. Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented.

You may submit your proxy or voting instructions over the Internet or (if you receive a printed copy of the proxy materials) by telephone or by marking, signing, dating and mailing the proxy card or voting instruction form you received in the pre-addressed return envelope provided. Regardless of the number of shares you own, we urge you to promptly submit your proxy or voting instructions in order to ensure your representation and the presence of a quorum at the Annual Meeting. If you properly submit a proxy or voting instructions without specifying your choices, your shares will be voted in accordance with the recommendations of the Board of Directors contained in the Proxy Statement.

We look forward to seeing you on November 15, 2011 and urge you to submit your proxy or voting instructions as soon as possible.

Sincerely,

Jack D. Massimino  
*Chairman of the Board and  
Chief Executive Officer*

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## CORINTHIAN COLLEGES, INC.

6 Hutton Centre Drive, Suite 400  
Santa Ana, CA 92707  
(714) 427-3000

### NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 15, 2011

TO THE STOCKHOLDERS OF CORINTHIAN COLLEGES, INC.:

The Annual Meeting of Stockholders of Corinthian Colleges, Inc. ("Corinthian" or the "Company") will be held at 9:30 a.m., California time, on November 15, 2011, at the DoubleTree Hotel located at 201 East MacArthur Boulevard, Santa Ana, California 92707, for the following purposes:

1. To elect the ten director nominees named in this Proxy Statement to the Company's Board of Directors for a one-year term expiring at the Annual Meeting of Stockholders in 2012;
2. To approve the amendment and restatement of the Corinthian Colleges, Inc. 2003 Performance Award Plan (the "2003 Plan"), which authorizes the issuance of an additional 4,250,000 shares under the 2003 Plan, and certain other amendments described elsewhere herein;
3. To ratify the appointment by the Audit Committee of the Board of Directors of Ernst & Young LLP as the Company's independent auditors for its fiscal year ending June 30, 2012;
4. To approve, by a nonbinding advisory vote, executive compensation paid by the Company to its named executive officers;
5. To recommend, by a nonbinding advisory vote, the frequency of holding future nonbinding stockholder advisory votes on executive compensation; and
6. To transact such other business as may properly come before the meeting or any postponements or adjournments thereof.

The Board of Directors has fixed the close of business on September 20, 2011 as the record date for determining stockholders entitled to notice of, and to vote at, the meeting.

By order of the Board of Directors,

Stan A. Mortensen  
*Corporate Secretary*

Santa Ana, California  
October 6, 2011

**ALL STOCKHOLDERS ARE URGED TO ATTEND THE MEETING IN PERSON OR BY PROXY. WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE VOTE YOUR SHARES PROMPTLY. TO VOTE YOUR SHARES, SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS OVER THE INTERNET OR (IF YOU RECEIVE A PRINTED COPY OF THE PROXY MATERIALS) CALL THE TOLL-FREE TELEPHONE NUMBER AS DESCRIBED IN THE INSTRUCTIONS ON YOUR PROXY CARD OR VOTING INSTRUCTION FORM, OR SIGN, DATE AND RETURN THE PROXY CARD OR VOTING INSTRUCTION FORM YOU RECEIVED IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE PROVIDED FOR THAT PURPOSE. THIS WILL NOT LIMIT YOUR RIGHT TO VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING (AND, IF**

**YOU ARE NOT A STOCKHOLDER OF RECORD, YOU HAVE OBTAINED A LEGAL PROXY FROM THE BROKER, BANK OR OTHER NOMINEE THAT HOLDS YOUR SHARES GIVING YOU THE RIGHT TO VOTE THE SHARES IN PERSON AT THE ANNUAL MEETING).**

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## PROXY STATEMENT

The accompanying proxy is solicited by the Board of Directors of Corinthian Colleges, Inc., a Delaware corporation (the "Company" or "Corinthian"), for use at the Annual Meeting of Stockholders to be held at 9:30 a.m., California time, on November 15, 2011, at the DoubleTree Hotel located at 201 East MacArthur Boulevard, Santa Ana, California 92707, and any postponements or adjournments thereof.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on November 15, 2011.** This Proxy Statement and 2011 Annual Report are available electronically on the Company's website at [www.cci.edu](http://www.cci.edu) under the heading "Investors Financial Information." In addition, you may access these materials at [www.edocumentview.com/COCO](http://www.edocumentview.com/COCO).

### General

This year, we are pleased to be using the Securities and Exchange Commission ("SEC") rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials ("Notice of Internet Availability") instead of a printed copy of this Proxy Statement and our Annual Report on Form 10-K (our "2011 Annual Report") for the fiscal year ended June 30, 2011. The Notice of Internet Availability contains instructions on how stockholders can access a copy of this Proxy Statement and our 2011 Annual Report over the Internet and vote their shares. The Notice of Internet Availability also contains instructions on how stockholders can receive a printed copy of our proxy materials, including this Proxy Statement and our 2011 Annual Report. All stockholders who do not receive a Notice of Internet Availability will receive a printed copy of the proxy materials by mail. We believe this process will expedite stockholders' receipt of proxy materials, lower the costs of the Annual Meeting and reduce the environmental impact of the Annual Meeting.

We are first mailing the Notice of Internet Availability to our stockholders on or about October 6, 2011. For stockholders receiving a printed copy of our proxy materials, this Proxy Statement, the accompanying form of proxy or voting instructions and our 2011 Annual Report were first sent to stockholders on or about October 6, 2011. Our 2011 Annual Report is not incorporated into this Proxy Statement and is not considered proxy soliciting material.

### Record Date and Outstanding Shares

The Board of Directors has fixed the close of business on September 20, 2011, as the record date (the "Record Date") for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any postponements or adjournments thereof. As of the Record Date, Corinthian had approximately 84,843,281 shares of Common Stock outstanding. Each of the outstanding shares of Common Stock is entitled to one vote on all matters to come before the Annual Meeting.

### Voting of Record Holders

Beth Wilson and Kenneth S. Ord, the persons named as proxies to vote the shares represented by each properly submitted proxy, were selected by the Board of Directors to serve in such capacity. Ms. Wilson and Mr. Ord are both executive officers of Corinthian. The shares represented by each properly submitted proxy will be voted in accordance with the directions indicated thereon, or if no direction is indicated, such proxy will be voted in accordance with the recommendations of the Board of Directors contained in this Proxy Statement.

Each stockholder giving a proxy has the power to revoke it at any time before the shares it represents are voted. Revocation of a proxy is effective if, before voting begins at the Annual Meeting, either (i) the Secretary of Corinthian receives from the stockholder an instrument bearing a later date

than the proxy, revoking the proxy or (ii) the stockholder properly submits another proxy bearing a later date. Additionally, a stockholder may change or revoke a previously submitted proxy by voting in person at the Annual Meeting. For shares you hold beneficially in "street name," you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a "legal proxy" from your broker, trustee or nominee giving you the right to vote your shares, by attending the Annual Meeting and voting in person. Please note that attendance at the Annual Meeting will not by itself constitute revocation of a proxy.

#### **Required Vote**

*Directors.* A plurality of the votes represented by shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors is required for the election of directors. This means that the ten director nominees receiving the most votes "for" election will be elected. You may vote "for" or "withhold" with respect to the election of directors. Because directors are elected by plurality, withheld votes will have no effect on the outcome of the election of directors. Additionally, the Company's Corporate Governance Principles, which are available on the Company's website at [www.cci.edu](http://www.cci.edu) under the heading "Investors," set forth our procedures if a director-nominee is elected, but receives a majority of "withhold" votes. Under these principles, in an uncontested election any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election is required to tender his or her resignation following certification of the stockholder vote. The Nominating and Corporate Governance Committee is then required to make recommendations to the Board with respect to any such letter of resignation. The Board is required to take action with respect to this recommendation and to disclose its decision and the reasons therefor.

*Amendment and Restatement of the 2003 Performance Award Plan.* The affirmative vote of a majority of the shares of Common Stock represented in person or by proxy and entitled to vote on the proposal is required to approve the amendment and restatement of the Corinthian Colleges, Inc. 2003 Performance Award Plan (the "2003 Plan"). Abstentions with respect to the proposal to approve the amendment and restatement of the 2003 Plan are treated as shares present or represented and entitled to vote and, therefore, will have the same effect as a vote against this proposal.

*Ratification of Auditors.* The affirmative vote of a majority of the shares of Common Stock represented in person or by proxy and entitled to vote on the proposal is required to ratify the appointment by the Audit Committee of the Board of Directors of Ernst & Young LLP as Corinthian's independent auditors. Abstentions with respect to the proposal to ratify Ernst & Young LLP as the Company's independent auditor are treated as shares present or represented and entitled to vote on the proposal and, therefore, will have the same effect as a vote against this proposal.

*Advisory Vote on Executive Compensation.* The affirmative vote of a majority of the shares of Common Stock represented in person or by proxy and entitled to vote on the proposal is required to approve, by a nonbinding advisory vote, the compensation paid by the Company to its named executive officers. Abstentions with respect to this nonbinding advisory vote are treated as shares present or represented and entitled to vote and, therefore, will have the same effect as a vote against this proposal.

*Advisory Vote on Frequency of Future Advisory Votes on Executive Compensation.* Generally, approval of any matter presented to stockholders requires the affirmative vote of a majority of the shares of Common Stock represented in person or by proxy and entitled to vote on the proposal. However, because this vote is advisory and nonbinding, if none of the frequency options (every one, two or three years) receive such affirmative majority approval, the option receiving the greatest number of votes will be considered the frequency recommended by the stockholders. Abstentions will not be counted in determining the frequency option receiving the greatest number of votes.

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Notwithstanding the vote standards described above, Proposal 3 (the ratification of auditors), Proposal 4 (advisory vote on executive compensation) and Proposal 5 (advisory vote on frequency of future advisory votes on executive compensation) are advisory only and are not binding on the Company. The Board of Directors will consider the outcome of the vote on each of these items in considering what action, if any, should be taken in response to the vote by stockholders.

See "Quorum and Broker Non-Votes" below for a discussion concerning the impact of broker non-votes on determining the outcome of the proposals.

### **Voting by Street Name Holders**

If you are the beneficial owner of shares held in "street name" by a broker, bank or nominee, the broker, bank or nominee, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If your shares are held in a brokerage account and you do not give instructions, the broker will nevertheless be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items (in which case, the shares will be treated as "broker non-votes"). See "Quorum and Broker Non-Votes" below. As a beneficial owner of shares, you are also entitled to attend the Annual Meeting; however, you may not vote your shares in person at the Annual Meeting unless you obtain from the broker, bank or nominee that holds your shares a "legal proxy" giving you the right to vote the shares in person at the Annual Meeting.

### **Quorum and Broker Non-Votes**

The required quorum for transaction of business at the Annual Meeting will be a majority of the shares present in person or by proxy and entitled to vote at the Annual Meeting that are outstanding as of the Record Date. The election inspectors appointed for the meeting will determine whether or not a quorum is present. If you properly submit a proxy or voting instructions, even if you abstain from voting, then your shares will be counted for purposes of determining the presence of a quorum.

As described above, if your shares are held in a brokerage account and you do not give instructions, the broker will nevertheless be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items. We believe that brokers have "discretionary" voting authority with respect to Proposal 3 to be voted on at the Annual Meeting but do not have "discretionary" voting authority with respect to Proposals 1, 2, 4 and 5 to be voted on at the Annual Meeting. Accordingly, if you hold your shares in street name through a brokerage account and you do not submit voting instructions to your broker, your broker may exercise its discretion to vote your shares on Proposal 3 but will not be permitted to vote your shares on any of the other items at the Annual Meeting. If your broker exercises this discretion, your shares will be counted as present for the purpose of determining the presence of a quorum at the Annual Meeting and will be voted on Proposal 3 in the discretion of your broker, but your shares will constitute "broker non-votes" on each of the other items at the Annual Meeting. Broker non-votes will be treated as not present and not entitled to vote with respect to each of the other items at the Annual Meeting (even though those shares are considered entitled to vote for quorum purposes and will be entitled to vote on Proposal 3) and, therefore, will not be counted in determining the outcome of the vote on those items.

### **2011 Summary Annual Report**

Our 2011 Annual Report contains financial and other information pertaining to the Company and is being furnished to stockholders simultaneously with this Proxy Statement.



**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Corinthian's Board of Directors is currently comprised of ten members. The Company's Certificate of Incorporation provides that elections of directors are for one-year terms only. Accordingly, all ten directors will be elected at this Annual Meeting, each for a term of one year expiring at Corinthian's Annual Meeting of Stockholders in 2012 and until their respective successors are elected and qualified. Each of these ten director nominees, Terry Hartshorn, Paul St. Pierre, Linda Arey Skladany, Robert Lee, Jack Massimino, Alice Kane, Hank Adler, Sharon Robinson, Tim Sullivan and John Dionisio, are presently serving as directors of Corinthian and each of the nominees, other than Dr. Robinson who joined the Board in January 2011, was previously elected to the Board by our stockholders. Dr. Robinson was initially identified as a potential nominee by a third party who is not a director, officer or, to the Company's knowledge, a stockholder of the Company and, following the unanimous recommendation of the Nominating and Corporate Governance Committee (the "Nominating Committee"), was elected to the Board of Directors effective January 27, 2011.

The Board of Directors, following the unanimous recommendation of its Nominating Committee recommends that the stockholders vote in favor of the election of the nominees named in this Proxy Statement to serve as directors of Corinthian. See "Nominees for Election for a One-Year Term Expiring at the 2012 Annual Meeting" below.

Peter Waller, who served as a member of the Board of Directors starting in August 2008 and as the Company's Chief Executive Officer starting July 1, 2009, resigned from both positions on November 29, 2010. Additionally, the Board elected Sharon P. Robinson, Ed.D, as a director on January 27, 2011. Dr. Robinson's business experience and qualifications are provided below.

Each of the director nominees has consented to be named in this Proxy Statement and to serve as a director if elected. If at the time of the Annual Meeting any of the nominees should be unable or decline to serve, the persons named as proxies to vote the shares represented by each properly submitted proxy will vote for such substitute nominee or nominees as the Board of Directors recommends, or vote to allow the vacancy created thereby to remain open until filled by the Board of Directors, as the Board of Directors recommends. The Board of Directors has no reason to believe that any nominee will be unable or decline to serve as a director if elected.

The Nominating Committee believes that the continuing service of qualified incumbents promotes stability and continuity in the boardroom, contributing to the Board's ability to work as a collective body while giving the Company the benefit of the familiarity and insight into the Company's affairs that its directors have accumulated during their tenure. Accordingly, the Nominating Committee has often re-nominated incumbent directors who continue to satisfy the Nominating Committee's criteria for membership on the Board, who the Nominating Committee believes continue to make important contributions to the Board, and who consent to continue their service on the Board. The nominees standing for re-election at the 2011 Annual Meeting were chosen based upon their records of professional integrity, dedication, collegial approaches to board deliberation and decision-making, strong work ethics and diverse professional backgrounds. The specific experience, qualifications, attributes and skills of each nominee that led to the Board's conclusion that the nominees should serve on the Board of Directors of the Company are described in each nominee's biographical information below.

**Nominees for Election for a One-Year Term Expiring at the 2012 Annual Meeting**

The names of the nominees for the office of director and certain information concerning such nominees are set forth below:

*Paul R. St. Pierre*, age 66, served as Corinthian's Executive Vice President, Marketing & Admissions until his retirement in June 2003. Mr. St. Pierre has been a member of the Board of Directors since the Company's inception in July 1995, and was elected Vice Chairman of the Board of Directors in January 2003. Mr. St. Pierre is a member of the Compliance and the Nominating Committees of the Board of Directors. Prior to the Company's founding in 1995, he was employed by a subsidiary of National Education Corporation ("NEC") from 1991 to 1995. His first assignment at NEC was as School President for its San Bernardino, California campus. Subsequently, he held corporate assignments as Director of Special Projects, Vice President of Operations for the Learning Institutes Group (the largest colleges owned by NEC) and as Vice President, Marketing & Admissions for NEC. With decades of operational and marketing experience in private sector education and more than fifteen years as a director of the Company, Mr. St. Pierre brings to the Board in-depth knowledge of the Company and the industry that is important to the Board's oversight of the Company's business and assistance in helping develop, implement and assess the Company's operating plan and long-term strategy.

*Linda Arey Skladany, Esq.*, age 66, became a member of the Board of Directors effective upon the completion of Corinthian's initial public offering in February 1999. She is the Chairperson of the Nominating Committee of the Board. Ms. Skladany retired in April 2003 from her position as Senior Associate Commissioner for External Relations at the United States Food and Drug Administration, a position she had held since June 2002. Prior to that time, she was Vice President for Congressional Relations at Parry, Romani, DeConcini & Symms, a Washington D.C. lobbying firm, from 1995 to June 2002. She was appointed to senior policy positions within the Departments of Education, Justice and Transportation from 1981 to 1985, and served as Commissioner and Acting Chair of the Occupational Safety and Health Review Commission from 1988 to 1989. Ms. Skladany served as Special Assistant to the President and Deputy Director for Public Liaison in the White House from 1985 to 1987. Earlier, she had worked as a teacher in public education and a university administrator. Ms. Skladany has previously served a four-year term on the Board of the College of William and Mary, her alma mater, where she chaired the Student Affairs Committee. Ms. Skladany has extensive regulatory and legislative experience gained through more than twenty years of work in federal agencies and in Congressional relations, all of which allows her to provide the Company with valuable insight into government affairs, regulatory compliance and Congressional relations. In addition, her twelve years of service on the Board provide her with an in-depth understanding of the Company's business.

*Robert Lee*, age 63, became a member of the Board of Directors in October 2006. Mr. Lee is a member of the Audit Committee and is the Chairperson of the Compliance Committee of the Board. Mr. Lee retired from Pacific Bell ("PacBell") in 1998 after a 26-year distinguished career. At the time of his retirement, Mr. Lee was a Corporate Executive Vice President and President of the Business Communications Services Division. In that role, he was responsible for an operation that generated \$3 billion in annual revenue, served one million customers and had 15,000 employees. During his career at PacBell, Mr. Lee served in a variety of senior marketing and general management positions, including Executive Vice President, California markets group and Executive Vice President, Marketing and Sales. Mr. Lee has been a director of Broadvision, Inc. since 2004 and serves as its compensation committee chair and a member of its nominating and audit committees. He serves as a director of Blue Shield of California, and is a member of its nominating and audit committees and chair of its compensation committee. From 1999 to 2007, Mr. Lee served on the board of directors of Web.com and as the chair of its compensation committee, and from 2001 to 2007 he served on the board of Netopia, Inc. and as a member of its audit committee. Mr. Lee is a seasoned executive with more than 25 years leading large organizations, including through service on the boards of several other public

and private companies. His experience as a senior executive and director bring important knowledge to the Board's oversight of the Company's business and operations, strategy and corporate governance practices.

*Jack D. Massimino*, age 62, is the Company's Chairman of the Board and its Chief Executive Officer, a position he held from November 2004 through June 2009, and again beginning November 29, 2010 following Peter Waller's resignation from that position. He was appointed Chairman of the Board in August 2008. Mr. Massimino initially joined the Board of Directors immediately upon the completion of Corinthian's initial public offering in February 1999. He was President and Chief Executive Officer of Talbert Medical Management Corporation, a publicly-traded physician practice management company, from 1995 through late 1997. Prior to his employment with Talbert, Mr. Massimino was Executive Vice President and Chief Operations Officer of FHP International Corporation, a multi-state, publicly-traded HMO, with revenues of approximately \$4 billion at the time of his service. Mr. Massimino currently sits on the board of Jobs for America's Graduates. With experience as the chief executive officer of two publicly-traded corporations, including the Company for an aggregate of more than five years, Mr. Massimino brings to the Board in-depth knowledge of the Company's operations and strategy that is important to the Board's role of overseeing long-term strategy development, implementation and assessment, enterprise risk management and corporate governance practices. He also possesses a strong ability to motivate and manage others, develop leaders and drive change and growth.

*Hank Adler*, age 65, has served on the Board of Directors since August 2004. He is the Chairperson of the Board's Audit Committee and a member of the Compliance Committee. Mr. Adler is currently an assistant professor of accounting at Chapman University. He was previously a partner with Deloitte & Touche, LLP, from which he retired in 2003 after 30 years with that firm. He specialized in tax accounting and served as client service and tax partner for a variety of public and private companies. Mr. Adler is a certified public accountant, licensed in the State of California, and is a member of the Audit Committee Roundtable. Mr. Adler has been a director of KBS REIT since 2005 and serves as its audit committee chair and a member of its conflicts committees. He also serves as a director of KBS REIT II and KBS REIT III and serves as the audit committee chair and a member of the conflicts committee of each. Mr. Adler was previously a board member of Hoag Hospital Memorial Presbyterian. Mr. Adler has over a quarter-century of experience in public accounting, giving him an expertise in finance and financial reporting processes that enables him to understand the impact of business decisions on the Company's financial statements and results. His experience serving on the Company's Board and on other boards has provided him with a deep understanding of the Company's business and operations that is important to the Board's oversight of the Company's corporate governance, risk management and strategy development and implementation.

*John M. Dionisio*, age 63, was appointed to the Board in April 2008. Mr. Dionisio is a member of the Audit Committee and the Compensation Committee of the Company's Board of Directors. He is currently president and chief executive officer of AECOM Technology Corp., a NYSE-listed company, and has served on its board of directors since 2003. During his 36-year career with AECOM and its predecessor companies, Mr. Dionisio has held a number of senior management positions, including executive vice president and chief operating officer, as well as president and chief executive officer of its DMJM Harris business. Mr. Dionisio earned a master's of science degree in civil engineering from Polytechnic Institute of New York and a bachelor's of science degree in civil engineering from The City College of New York. Mr. Dionisio's experience as the chief executive officer and director of another public company provides him with important insight into the Board's role in strategy development, risk management, compensation matters and corporate governance.

*Alice T. Kane*, age 63, was appointed to the Board of Directors in July 2005. She is a member of the Compliance Committee and is the Chairperson of the Compensation Committee of the Board of Directors. Ms. Kane has more than 30 years of experience in the financial services industry. Ms. Kane

recently joined the law firm Dewey & LeBoeuf LLP as a partner, and she was previously the General Counsel of North America for the Zurich Financial Services Group, a position she held from 2005 to 2011. Prior to joining Zurich, she co-founded Q-Cubed Alternative Advisor LLC, a quantitative equity hedge fund, where she was Chair and Managing Director from September 2004 to October 2005. From September 2002 to March 2004, Ms. Kane was Chairman of Blaylock Asset Management, a start-up minority- and women-owned institutional manager. Starting in 1998, Ms. Kane served as Chairman and President of three mutual fund and variable annuity businesses with combined assets of over \$30 billion with American General Financial Group. She began her career at New York Life Insurance Company in 1972, where she ultimately served as Executive Vice President of its \$40 billion asset management business and as a member of the executive management committee. She also served as Executive Vice President and General Counsel of New York Life from 1986 to 1995. Ms. Kane also serves on three not-for-profit boards: the Tourette Syndrome Association (on which she has served on the Finance Committee and the Government Relations Committee), the Keck Graduate School of Applied Life Sciences (on which she has served on the Investment Committee, the Advancement Committee, the Budget and Finance Committee and the Audit / Risk Management Committee), and the Devereux Glenholme School. Ms. Kane was formerly a member of the National Association of Securities Dealers (NASD) Board of Governors. Ms. Kane was also previously a director of Guess?, Inc. from 1998 to 2010, where she was a member of the Audit Committee and chair of the Nominating and Governance Committee. Ms. Kane's executive management experience and legal career over the course of more than 30 years brings to the Board an invaluable perspective on various corporate and financial matters impacting the Company.

*Terry O. Hartshorn*, age 66, was appointed to the Board of Directors in September 2005, and is currently the lead independent director of the Board. Mr. Hartshorn is a member of the Audit Committee and the Nominating Committee of the Company's Board of Directors. Mr. Hartshorn was a member of the Board of Directors of PacifiCare Health Systems, Inc. from March 1985 until PacifiCare was purchased by UnitedHealth Group in December 2005. He was Chairman of the Board of PacifiCare from 1993 to 1998. He was President and Chief Executive Officer of UniHealth from 1994 to 1997. Mr. Hartshorn also served as President and Chief Executive Officer of PacifiCare from 1976 to 1993 and Secretary of PacifiCare from 1977 to 1981. Since 1997, Mr. Hartshorn has been an investor, advisor and personal coach for start-up and early stage companies in a variety of industries and serves as a director of LifeScript. He also served as a member of the board of St. Joseph's Ballet from 2000 through 2008, and as a board member of Mariner's Church from 2007 to 2008. Mr. Hartshorn's decades of experience in the roles of chairman of the board, president and chief executive officer of publicly-traded companies, and his advisory role in a variety of industries, provide valued leadership on the Board and insight into its role in strategy development and corporate governance.

*Timothy J. Sullivan*, age 67, was appointed to the Board of Directors in January 2008. Mr. Sullivan is a member of the Nominating Committee and the Compensation Committee of the Company's Board of Directors. Mr. Sullivan is president emeritus of the College of William and Mary. His career at the College of William and Mary spans more than 35 years and includes serving for 12 years as its president and, earlier, as dean and as executive director of its law school. Mr. Sullivan earned a bachelor's degree from the College of William and Mary and a juris doctorate degree from Harvard University. He served as chair of the Council of Presidents of the Association of Governing Boards from 2002 to 2005. Mr. Sullivan became a member of the board of Mariner's Museum in 2009 and serves on the finance and the programs committees. Mr. Sullivan was also a member of the board of directors of Towne Bank from 2000 to 2009. Mr. Sullivan's distinguished career at the College of William and Mary gives him a comprehensive understanding of post-secondary education and makes him a valuable resource to the Board. His experience serving on a publicly-traded company's board has provided him with a deep understanding of the Board's oversight of the Company's corporate governance and risk management.

*Sharon P. Robinson, Ed.D.*, age 67, was appointed to the Board of Directors on January 27, 2011 and is a member of the Compensation Committee of the Company's Board of Directors. Dr. Robinson currently serves as President and Chief Executive Officer of the American Association of Colleges for Teacher Education a position she has held since 2005. Previously, she held a number of senior management positions at Educational Testing Service beginning in 1997, most recently as Executive Vice President and President of its Educational Policy Leadership Institute. From 1993 to 1997, Dr. Robinson was Assistant Secretary of Education with the U.S. Department of Education's Office of Education Research and Improvement, and before that, she was Director of the National Center for Innovation for the National Education Association. Dr. Robinson earned a doctorate degree in educational administration and supervision, a master of arts degree in education curriculum and instruction and a bachelor's degree in English and education from the University of Kentucky. She has served, or currently serves, on the Board of Trustees of the Woodrow Wilson National Fellowship Program, Southern Education Foundation, National Education Association Foundation for the Improvement of Education, and the Management and Training Corp., for which she serves as compensation committee chair, and she serves as a director for Jobs for America's Graduates. Dr. Robinson brings to the Board invaluable experience in understanding regulatory oversight and how it affects academics and operations. She can assist the Board in identifying trends that may impact the Company's operations, services or business model, in developing regulatory compliance models, and in delivering high-quality academic services.

**THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR ALL OF THE NOMINEES FOR ELECTION AS DIRECTORS.**

**Director Compensation**

Prior to August 17, 2010, the following compensation arrangements applied to members of the Board of Directors of the Company who were not employed by the Company (referred to herein as "non-employee directors"):

Each non-employee director was paid an annual retainer of \$40,000 for his or her services as a director, and \$1,500 for each Board of Directors meeting attended. Each member of the Compensation Committee (other than the Chairperson) received \$1,500 for each Compensation Committee meeting attended; and the Chairperson of the Compensation Committee received \$4,000 for each Compensation Committee meeting attended. Each member of the Audit Committee (other than the Chairperson) received \$2,000 for each Audit Committee meeting attended; and the Chairperson of the Audit Committee received \$5,000 for each Audit Committee meeting attended. Each member of the Nominating and Corporate Governance Committee (other than the Chairperson) received \$1,500 for each Nominating and Corporate Governance Committee meeting attended; and the Chairperson of the Nominating and Corporate Governance Committee received \$3,000 for each Nominating and Corporate Governance Committee meeting attended. Each member of the Compliance Committee (other than the Chairperson) received \$2,000 for each Compliance Committee meeting attended; and the Chairperson of the Compliance Committee received \$5,000 for each Compliance Committee meeting attended. All non-employee directors were also reimbursed for their reasonable out-of-pocket expenses incurred in attending Board of Directors meetings and committee meetings.

Each non-employee director also received an annual option to purchase 10,500 shares of Common Stock following the August Board meeting in that year, and the lead independent director of the Board received an additional annual grant of an option to purchase 5,000 shares of Common Stock. All options were granted at a per share exercise price equal to the closing market price of a share of Common Stock on the date of grant of the option and vested immediately, but were not exercisable until the one-year anniversary of the grant date; provided, however, such one-year exercise limitation did not apply in the event of a dissolution or certain change-in-control events affecting the Company. Each non-employee director also received an annual grant of 1,500 deferred stock units ("DSUs")

following the August Board meeting in that year, which vested upon grant but could not be sold, and remain tax deferred, until the earlier to occur of (i) five years after the date of grant, (ii) the director's separation from service on the Board, (iii) the director's death or disability, or (iv) a change-in-control of the Company. New non-employee directors received an initial grant of 5,000 options to purchase Common Stock, which vested immediately but was not exercisable until the one-year anniversary of the grant date. Additionally, each new non-employee director elected or appointed at any time other than at the August Board meeting in that year also received (A) a pro-rated stock option grant in an amount equal to the product of (1) the percentage of the year remaining until the next regularly scheduled August Board meeting, and (2) 10,500, and (B) a pro-rated grant of DSUs in an amount equal to the product of (1) the percentage of the year remaining until the next regularly scheduled August Board meeting, and (2) 1,500.

Under the Nominating Committee's charter, it is responsible for (among other things) reviewing the compensation and benefits of non-employee directors and recommending to the Board for approval of any changes to such director compensation and benefits. During fiscal 2010, the Compensation Committee and the Nominating Committee jointly retained Exequity LLP ("Exequity") to serve as those committees' independent compensation consultant. In this capacity, Exequity reviewed the compensation for non-employee directors at the Company's peers and general industry trends, and provided observations and input to the Nominating Committee with respect to the program value and structure. The Nominating Committee reviewed such data and observations and made recommendations to the Board regarding proposed revisions to non-employee director compensation, which the Board approved on August 17, 2010. Beginning on August 17, 2010, the following compensation arrangements applied to the Company's non-employee directors:

Each non-employee director is paid an annual retainer of \$60,000 for his or her services as a director. Each member of the Compensation Committee (other than the Chairperson) receives an additional annual retainer of \$10,000; the Chairperson of the Compensation Committee receives an additional annual retainer of \$25,000. Each member of the Audit Committee (other than the Chairperson) receives an additional annual retainer of \$10,000; the Chairperson of the Audit Committee receives an additional annual retainer of \$25,000. Each member of the Nominating Committee (other than the Chairperson) receives an additional annual retainer of \$10,000; the Chairperson of the Nominating Committee receives an additional annual retainer of \$15,000. Each member of the Compliance Committee (other than the Chairperson) receives an additional annual retainer of \$10,000; the Chairperson of the Compliance Committee receives an additional annual retainer of \$20,000. Non-employee directors will also receive \$1,500 for each Board meeting attended in excess of six Board meetings in a fiscal year, and each Committee member will receive \$1,500 for each Committee meeting attended in excess of six meetings in a year. All non-employee directors are reimbursed for their reasonable out-of-pocket expenses incurred in attending Board of Directors meetings and committee meetings.

Each non-employee director will also receive an annual grant of DSUs with a target value of \$90,000, calculated based upon the average closing market price of the Common Stock during the month prior to the month in which the grant is made, but in no event to exceed 15,000 DSUs. The lead independent director will also receive an additional annual grant of DSUs with a target value of \$30,000, calculated in the same manner. With respect to grants made prior to October 28, 2010, these DSUs would vest upon grant but could not be sold, and would remain tax-deferred, until the earlier to occur of (i) five years after the date of grant, (ii) the director's separation from service on the Board, (iii) the director's death or disability, or (iv) a change-in-control of Corinthian. On October 27, 2010, the Board, upon the recommendation of the Nominating Committee made after reviewing and considering the input of Exequity, its independent compensation consultant, approved certain changes to the vesting and delivery schedule of DSUs. With respect to grants made after October 27, 2010, DSUs vest in four equal quarterly installments during the year following the grant date, but may not be

sold, and remain tax-deferred, until the earlier to occur of (i) three years after the date of grant, (ii) the director's separation from service on the Board, (iii) the director's death or disability, or (iv) a change-in-control of Corinthian. Directors also may voluntarily elect to receive their annual retainer in an equivalent amount of additional DSUs in lieu of cash. It is contemplated that these annual DSU grants will occur at the time of the Annual Stockholders' Meeting.

Directors are subject to a share ownership guideline under which they should hold, for as long as they continue to serve on the Board, Company Common Stock with a value equal to three times the annual cash retainer for the Company's non-employee directors, with no time limit to meet the ownership guideline, but with a requirement to hold 100% of net after-tax profit in shares acquired on option exercise or following DSU distribution until the guideline is met. The Board expects to periodically re-evaluate this ownership guideline in connection with changes in Board compensation.

#### Director Compensation Table Fiscal 2011

The following table presents information regarding the compensation paid during fiscal 2011 to individuals who were members of the Company's Board of Directors at any time during fiscal 2011 and who were not also employees of the Company during such period. The compensation paid to Jack D. Massimino and Peter C. Waller, both of whom were directors and employed by the Company during at least a portion of fiscal 2011, is presented below in the Summary Compensation Table and the related explanatory tables.

Name	Fees	Stock	Option	Total
	Earned or Paid in Cash	Awards	Awards	
(a)	(b)	(c)	(d)	(h)
Linda Arey Skladany	79,250	64,500	-0-	143,750
Paul R. St. Pierre	76,500	64,500	-0-	141,000
Hank Adler	91,250	64,500	-0-	155,750
Terry O. Hartshorn	76,500	86,000	-0-	163,000
Alice Kane	98,250	64,500	-0-	162,750
Robert Lee	87,500	64,500	-0-	152,000
Timothy Sullivan	79,000	64,500	-0-	143,500
John Dionisio	79,500	64,500	-0-	144,000
Sharon P. Robinson(4)	30,000	72,300	-0-	102,300

(1) In accordance with the Securities and Exchange Commission's (the "SEC") disclosure rules, the amounts reported in Column (c) of the table above reflect the fair value on the grant date of the stock awards granted to the Company's non-employee directors during fiscal year 2011. These values have been determined under the principles used to calculate the grant date fair value of equity awards for purposes of the Company's financial statements. For a discussion of the assumptions and methodologies used to calculate the amounts reported in Column (c), please see the discussions contained in Note 7 (Common Stockholders' Equity) to the Company's Consolidated Financial Statements included as part of the Company's 2011 Annual Report, which note is incorporated herein by reference.

(2) As described above, during fiscal year 2011 each of our continuing non-employee directors received an annual award of 15,000 DSUs. In addition, the lead independent director of the Board, Mr. Hartshorn, received an additional 5,000 DSUs (for a total annual award of 20,000 DSUs). In accordance with the Board-approved director

compensation arrangement described above, directors were not granted options to purchase the Company's Common Stock in fiscal year 2011.

- (3) As of June 30, 2011, the end of the Company's fiscal year 2011, the Company's non-employee directors held the following aggregate numbers of outstanding unexercised equity awards: (i) Linda Arey Skladany, 109,000 options and 18,000 DSUs; (ii) Paul R. St. Pierre, 274,400 options and 18,000 DSUs (of which 185,400 stock options were granted to Mr. St. Pierre while he was an employee of the Company prior to his retirement on June 30, 2003, and the remaining 89,000 stock options were granted to Mr. St. Pierre after his retirement solely for his services as a director); (iii) Hank Adler, 69,000 options and 18,000 DSUs; (iv) Terry O. Hartshorn, 106,000 options and 23,000 DSUs; (v) Alice Kane, 59,000 options and 18,000 DSUs; (vi) Robert Lee, 43,000 options and 18,000 DSUs; (vii) Timothy Sullivan, 32,125 options and 18,875 DSUs; (viii) John Dionisio, 29,500 options and 18,500 DSUs; and (ix) Sharon P. Robinson, 15,000 DSUs.
- (4) Dr. Robinson was appointed to the Board on January 27, 2011.

#### **Attendance at Meetings**

The Board of Directors met in person or conducted telephonic meetings a total of ten times during fiscal year 2011. During that same period, the Board acted three times by unanimous written consent. Each director who was a member of the Board at the time of the applicable meetings attended more than 75% of all Board meetings and applicable committee meetings held during the fiscal year. In addition, regular executive sessions of non-employee directors are held at least twice during each fiscal year.

Board members are encouraged to attend the Annual Meeting of Stockholders. Seven Board members who were on the Board of Directors at the time of last year's Annual Meeting of Stockholders attended the Annual Meeting, and three Board members were unable to attend.

#### **Board Leadership Structure**

The Board believes there is no single, generally accepted approach to providing Board leadership, and that leadership structure may vary as circumstances warrant. In the past, the Board has, at times, separated the positions of Chief Executive Officer and Chairman of the Board to facilitate management succession and leadership development. Prior to Peter Waller's resignation as Chief Executive Officer in November 2010, the positions of Chairman of the Board and Chief Executive Officer were separated. When Mr. Waller resigned as Chief Executive Officer and the Board re-appointed Jack Massimino to that position, it determined that he should maintain his position as Chairman of the Board as well. The Board of Directors believes this is the appropriate leadership structure for the Company at this time because it capitalizes on Mr. Massimino's experience as both a director of the Company for over ten years and as the Company's former Chief Executive Officer for more than an aggregate of five years. This dual role also promotes focused leadership and clarity in the overall direction of the Company's business strategy, and direct accountability between the Board and executive management. The Board of Directors acknowledges that the best leadership model for the Company may change based on the Company's needs at any given point in time, particularly with regard to management development and succession. Accordingly, the Board of Directors may, depending on the circumstances, determine that a different leadership structure would be in the best interests of the Company in the future.

Additionally, the Board of Directors has chosen Mr. Hartshorn to serve as the lead independent director to promote the independence of the Board and appropriate oversight of management. The lead independent director acts as a liaison between the independent directors and management and is responsible for assisting the Chairman and Chief Executive Officer in establishing the agenda for Board meetings and for performing such other duties as may be specified by the Board from time to time.



## Risk Oversight

The Board has an active role, as a whole and through its committees, in overseeing management of the Company's risks. Management is responsible for identifying the material risks facing the Company and implementing appropriate risk management strategies. The Board's role includes oversight of management's day-to-day risk management activities and consideration of long-range strategic issues and risks to the Company. At regular Board meetings, the Chief Executive Officer and Chairman of the Board, in consultation with other members of management, proposes agenda items for the Board's approval of key issues of strategy, risk and integrity to be scheduled and discussed during the course of the fiscal year. In addition, the Board and its committees are periodically updated throughout the year on potential areas of risk exposure and processes to mitigate risks in the course of its review of the Company's strategy and business plan and through reports to the Board and its committees by senior members of management.

The Board's committees, all comprised solely of independent directors, assist the Board in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee oversees the Company's risk assessment and risk management policies, particularly the management of financial risks. The Compensation Committee oversees the management of risks relating to the structure of the Company's compensation plans, policies and overall philosophy. See "Risk Assessment and Mitigation." The Compliance Committee assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's regulatory compliance obligations, and coordinates its activities with other committees of the Board. In addition, the Nominating Committee monitors risks associated with the effectiveness of the Board and the implementation of the Company's corporate governance principles. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, each committee regularly reports to the entire Board regarding such risks, which allows the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

The Board of Directors believes that the processes it has established to administer the Board's risk oversight function would be effective under a variety of leadership frameworks and therefore do not have a material effect on the Company's leadership structure described above under "Board Leadership Structure."

## Committees of the Board of Directors

The Board of Directors has established an Audit Committee, a Compensation Committee, a Nominating Committee and a Compliance Committee.

The Board of Directors has determined that Mr. Adler, Ms. Skladany, Ms. Kane, Mr. Hartshorn, Mr. St. Pierre, Mr. Sullivan, Mr. Dionisio, Mr. Lee and Dr. Robinson are "independent" under applicable Nasdaq listing standards, including that each such director is free of any relationship that would interfere with his or her individual exercise of independent judgment in carrying out the responsibilities of a director. Due to their positions with the Company, Mr. Massimino does not qualify, and, during the period of his service on the Board, Mr. Waller did not qualify, as independent directors. During fiscal 2011, Mr. Adler, Mr. St. Pierre, Mr. Hartshorn, Mr. Lee, Mr. Sullivan, Mr. Dionisio, Ms. Skladany, and Ms. Kane served on committees of the Board.

*Audit Committee.* The Audit Committee is currently comprised of Mr. Adler (chairperson), Mr. Hartshorn, Mr. Lee and Mr. Dionisio. Each of these directors is an "independent director" as defined in the Nasdaq listing standards and in Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended. The Board of Directors has determined that Mr. Adler is an "audit committee financial expert," as such term is defined in Regulation S-K, Item 407(d)(5) promulgated under the Securities Exchange Act of 1934, as amended. The Audit Committee operates under a written charter adopted by the Board of Directors. A copy of the Audit Committee's Charter can be

viewed under the heading "Investors" on the Company's website at [www.cci.edu](http://www.cci.edu). The Audit Committee is responsible for, among other things, reviewing the results and scope of the audit and other services provided by the Company's independent auditors, consulting with the Company's independent auditors and retaining the Company's independent auditors. The Audit Committee met four times during the fiscal year ended June 30, 2011.

*Compensation Committee.* The Compensation Committee was comprised of Ms. Kane (chairperson), Mr. Dionisio, Ms. Skladany and Mr. Sullivan from July 1, 2010 to January 27, 2011. On January 27, 2011, Ms. Skladany resigned from the Compensation Committee. In August 2011, after the end of fiscal 2011, Dr. Robinson was appointed to the Compensation Committee. Each of these directors is an "independent director" as defined in applicable Nasdaq rules. The Compensation Committee operates under a written charter adopted by our Board of Directors, a copy of which is available on the Company's website at [www.cci.edu](http://www.cci.edu) under the heading "Investors." The Compensation Committee has the authority to supervise all of the matters related to the compensation of executive officers of the Company, including determining policies and practices, changes in compensation and benefits for management, and all other matters relating to executive compensation. The Compensation Committee also administers the Company's 1998 Performance Award Plan, as amended, the 2003 Plan, the Company's 2004 New-Hire Award Plan, and the Employee Stock Purchase Plan.

The Compensation Committee may form subcommittees and delegate to its subcommittees such power and authority as it deems appropriate. The Compensation Committee currently has no such subcommittees and has no current intention to delegate any of its authority to any subcommittee. The Company's executive officers, including the Named Executive Officers (as identified below), do not have any role in setting the form or amount of compensation paid to the Named Executive Officers and other senior executive officers. However, the Company's Chief Executive Officer does make recommendations to the Compensation Committee with respect to compensation paid to the other executive officers, in some instances after receiving input from other executive officers.

Pursuant to its charter, the Compensation Committee is authorized to retain such independent compensation consultants and other outside experts or advisors as it believes to be necessary or appropriate to carry out its duties. During fiscal 2011, the Compensation Committee retained the services of Exequity as its independent compensation consultant to provide advice in determining certain compensation matters for the Company's senior executive officers.

The Compensation Committee met eleven times during the fiscal year ended June 30, 2011.

*Nominating and Corporate Governance Committee.* The Nominating Committee of the Board is currently comprised of Ms. Skladany (chairperson), Mr. Hartshorn, Mr. St. Pierre and Mr. Sullivan. Each of these directors is an "independent director" as defined in applicable Nasdaq rules. The Nominating Committee operates under a written charter adopted by our Board of Directors, a copy of which is available on the Company's website at [www.cci.edu](http://www.cci.edu) under the heading "Investors." The Nominating Committee's functions include identifying qualified individuals to become Board members, recommending the composition of the Board of Directors' committees, monitoring a process to assess Board effectiveness, and reviewing and making recommendations regarding director compensation. The Nominating Committee met five times during the fiscal year ended June 30, 2011.

*Compliance Committee.* The Compliance Committee is currently comprised of Mr. Lee (chairperson), Mr. Adler, Ms. Kane and Mr. St. Pierre. Each of these directors is an "independent director" as defined in the applicable Nasdaq rules. The Compliance Committee operates under a written charter adopted by our Board of Directors. A copy of the Compliance Committee Charter can be viewed under the heading "Investors" on the Company's website at [www.cci.edu](http://www.cci.edu). The Compliance Committee is responsible for, among other things, reviewing the Company's processes to ensure that an appropriate framework of policies, procedures, reporting, ethical standards and employee accountability

is established and functioning to achieve regulatory compliance. This includes reviewing with management the appropriate allocation of resources to achieve the desired results and reviewing the Company's efforts to nurture a culture of compliance and embed compliance awareness and accountability throughout the Company. The Compliance Committee met five times during the fiscal year ended June 30, 2011.

#### **Director Nomination Process**

The Nominating Committee does not apply any specific, minimum qualifications in considering potential board members. Instead, in its assessment of potential board member candidates, the Nominating Committee reviews the nominees' experience and independence, the current needs of the Board, and such other factors as the Nominating Committee may determine are pertinent at the time. The Nominating Committee does not have a formal policy regarding the consideration of diversity in identifying director nominees, but from time to time looks for individuals with specific qualifications so that the Board as a whole may maintain an appropriate diversity of backgrounds. The Nominating Committee will also take into account the ability of a person to devote the time and effort necessary to fulfill his or her responsibilities. Nominees may be suggested to the Nominating Committee by other directors, members of management and Company stockholders. The Nominating Committee also has in the past engaged third-party consultants to help identify and evaluate potential director nominees. In considering nominees to the Board, the Nominating Committee will select individuals who have the highest personal and professional integrity and who have demonstrated exceptional ability and judgment to be most effective, in conjunction with the other members of the Board, in collectively serving the long-term interests of the stockholders.

The Nominating Committee will consider stockholder recommendations for candidates to serve on the Board. The Nominating Committee's evaluation does not vary based on whether or not a candidate is recommended by a stockholder. In order to provide the Nominating Committee time to evaluate candidates prior to submission to the stockholders for vote at the 2012 Annual Meeting, stockholders desiring to recommend a candidate must submit a recommendation to the Secretary of the Company at the Company's corporate office no later than the close of business on July 15, 2012. The recommendation must contain the following: the name, residence and business address of the nominating stockholder; a representation that the stockholder is a record holder of Company stock or holds Company stock through a broker and the number of shares held; a representation as to whether or not the stockholder holds any derivative positions or has engaged in any hedging or other transactions that impacts voting power or economic interest with respect to the Company's securities; information regarding each nominee which would be required to be included in a proxy statement, including a statement of the qualifications of the recommended person; a description of any arrangements or understandings between and among the stockholder and each nominee; and the written consent of each nominee to serve as a director, if elected.

#### **Stockholder Communications**

Any stockholder wishing to communicate with the Board, or any individual director, may write to the Board of Directors or such individual director, as applicable, c/o the Corporate Secretary of the Company, at 6 Hutton Centre Drive, Suite 400, Santa Ana, California 92707. The Corporate Secretary will forward these communications directly to the individual director specified, or if none, to the Chairman of the Board.

#### **Code of Ethics**

The Board of Directors has adopted a Code of Business Conduct and Ethics that is applicable to all Corinthian employees, including the Company's principal executive officer, principal financial officer, principal accounting officer or controller and all other persons performing similar functions, which

meets the requirements of Item 406 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended. A copy of the Code of Business Conduct and Ethics can be viewed under the heading "Investors" on the Company's website at [www.cci.edu](http://www.cci.edu). Waivers from, and amendments to, the Code of Business Conduct and Ethics that apply to directors, executive officers, other principal financial officers or persons performing similar functions may be timely posted in the "Investors" section of the Company's website at [www.cci.edu](http://www.cci.edu), or a Report on Form 8-K will be filed with the SEC with respect to such items.

#### **Review and Approval of Transactions with Related Persons**

The Audit Committee's Charter requires that the Audit Committee conduct an appropriate review of all proposed related person transactions (which term refers to transactions that would be required to be disclosed pursuant to Regulation S-K, Item 404(a) promulgated under the Securities Exchange Act of 1934, as amended) and that management shall not cause the Company to enter into any new related person transaction unless the Audit Committee approves such transactions. In addition, the Company's Code of Business Conduct and Ethics requires that all employees discuss any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest with the Company's General Counsel, except in the case of the Company's Chief Executive Officer, in which case such matter should be discussed with the chair of the Audit Committee. Additionally, executive officers and directors of the Company must not engage in any transaction with the Company unless it has been previously approved by the Audit Committee of the Board of Directors. For purposes of this requirement, the term "transaction" does not include compensation which is approved by the Compensation Committee of the Board for services to the Company.

#### **Transactions with Related Persons**

Ms. Skladany's husband is a partner at the law firm of Akin Gump Strauss Hauer & Feld LLP ("Akin Gump"), and in February 2011, the Company retained Mr. Skladany and other attorneys and advisors in that firm to provide it with legal advice and other services related to legislative and regulatory matters. Akin Gump is an international law firm with approximately 700 lawyers, 170 equity partners, and more than \$700 million in annual gross revenue in 2010, according to *The American Lawyer*. The Company expects that total payments to Akin Gump during any given fiscal year will not exceed approximately \$350,000. The engagement by the Company of Akin Gump has been approved by the Audit Committee. The Company and its subsidiaries had no other transactions, nor are there any currently proposed transactions, in which the Company or its subsidiaries was or is to be a participant, where the amount involved exceeded \$120,000, and where any director, executive officer or beneficial holder of more than 5% of the outstanding shares of Common Stock, or any of their immediate family members, had a material direct or indirect interest reportable under applicable SEC rules.

#### **Corporate Governance Principles**

The Board of Directors, on the recommendation of the Nominating Committee, has adopted Corporate Governance Principles to assist the Board in the discharge of its duties and to serve the interest of the Company and its stockholders. The Corporate Governance Principles can be viewed under the heading "Investors" on the Company's website at [www.cci.edu](http://www.cci.edu).

#### **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee was comprised of Ms. Kane (chairperson), Mr. Sullivan, Ms. Skladany and Mr. Dionisio from July 1, 2010 to January 27, 2011. After January 27, 2011 through the end of fiscal year 2011, the Compensation Committee was comprised of Ms. Kane (chairperson), Mr. Sullivan and Mr. Dionisio. Dr. Robinson was appointed to the Compensation Committee in August 2011, after the end of fiscal 2011. No one during the period of his or her service on the Compensation

Committee is a past or present officer or employee of the Company or had any relationship with the Company requiring disclosure under the SEC rules with respect to transactions with related persons. In addition, no executive officer of the Company serves or has served as a member of the Compensation Committee (or other committee serving an equivalent function) or board of directors of any entity, an executive officer of which served as a director or member of the Compensation Committee of the Company during fiscal 2011.

#### **Adverse Interests**

On October 19, 2010, a shareholder derivative complaint captioned *David Realty Company, derivatively on behalf of Corinthian Colleges, Inc., v. Jack Massimino, et al.*, was filed in the United States District Court for the Central District of California against all of the then-current members of the Company's Board of Directors, plus Kenneth Ord and Matt Ouimet, both of whom are current or former officers of the Company, and against the Company as a nominal defendant. On October 22, 2010, a second shareholder derivative complaint captioned *Jake Vale, derivatively on behalf of Corinthian Colleges, Inc., v. Paul St. Pierre, et al.*, was filed in the United States District Court for the Central District of California against all of the current members of the Company's Board of Directors, plus Kenneth Ord, and against the Company as a nominal defendant. The *David Realty Company* complaint asserts causes of action for breach of fiduciary duty, unjust enrichment, and breach of fiduciary duty for insider selling and misappropriation of information; the *Vale* complaint asserts causes of action for violation of Section 14(a) of the 1934 Exchange Act, breach of fiduciary duty, unjust enrichment, and indemnification and contribution. These matters have now been consolidated in the United States District Court for the Central District of California in a matter captioned *In re: Corinthian Colleges, Inc. Shareholder Derivative Litigation*, and the Company and the individual defendants have filed a motion to dismiss the consolidated action. The Company and the individual defendants believe the complaint is without merit, and the Company intends to defend this matter vigorously.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16 of the Securities Exchange Act of 1934, as amended, requires the Company's officers (as defined under Section 16), directors and persons who beneficially own greater than 10% of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the SEC. Based solely on a review of the forms it has received and those it has prepared on behalf of officers of the Company, the Company believes that all Section 16 filing requirements applicable to its officers, directors and 10% beneficial owners during or with respect to fiscal 2011 were complied with by such persons.

**COMPENSATION DISCUSSION AND ANALYSIS**

Corinthian is one of the leading post-secondary education companies in North America. Corinthian focuses on delivering value to students while steadily improving the Company's operational and financial results. In doing so, the Company believes it is serving students, employees, and shareholders alike. During fiscal 2011, the post-secondary industry continued to face challenges and uncertainty due to the regulatory and economic environment in general. In particular, new U.S. Department of Education ("ED") regulations regarding compensation for employees engaged in certain enrollment activities and regulations regarding "gainful employment" resulted in substantial industry disruption. Despite these challenges, the Company made progress on several fronts and implemented new programs and procedures in response to changing regulations. Managing Corinthian's business during this time of change requires a team of talented and experienced executives, and, accordingly, Corinthian's executive compensation philosophy is designed to attract and retain top talent, align pay and performance, and encourage value creation for investors and students.

The following contains a discussion of the material elements of compensation for the Company's current and former principal executive officers, principal financial officer, and the three other most-highly compensated individuals who served as executive officers of the Company during its 2011 fiscal year. These six individuals are referred to as the "Named Executive Officers" in this Proxy Statement. The Company's Named Executive Officers for fiscal 2011 were as follows:

<b>Name</b>	<b>Title</b>
Jack Massimino	Chairman of the Board and, as of November 29, 2010, Chief Executive Officer
Peter Waller	Former Chief Executive Officer
Kenneth Ord	Executive Vice President, Chief Administrative Officer and Chief Financial Officer
Beth Wilson	