Risk Factors Comparison 2023-12-01 to 2022-12-12 Form: 10-K

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We provide the following cautionary discussion of risks and uncertainties relevant to our business. These are factors that, individually or in the aggregate, could cause our actual results to differ materially from expected and historical results. We note these factors for investors within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider the following to be a complete discussion of all potential risks or uncertainties. You should consider carefully the risks and uncertainties described below in addition to other information contained in this Annual Report on Form 10- K, including our consolidated financial statements and related notes. Risks Related to the Extensive Regulation of Our Business Our failure to comply with the extensive regulatory requirements for school operations could result in financial requirements or penalties, restrictions on our operations and loss of external financial aid funding. As detailed in " Business- Regulatory Environment, " our institutions are subject to extensive regulatory requirements imposed by a wide range of federal and state agencies, as well as by our institutional accreditor. These requirements, which are subject to frequent change, cover virtually every aspect of our schools' operations. The approvals granted by these entities permit our schools to operate and to participate in a variety of government- sponsored financial aid programs, including Title IV Programs, from which we derived approximately 67 % of our revenues, on a cash basis, in fiscal year ~~2022~~ **2023** . If our institutions fail to comply with any of these regulatory requirements, our regulators could take an array of actions, including, without limitation, ~~revocation~~ **issuing fines or penalties, requiring reimbursement for discharged loan obligations, requiring a letter** of **credit, halting certain business practices, or suspending or terminating our eligibility to participate** the **Title IV Programs** ~~approval granted by the agency~~ . Any such adverse action could adversely affect our cash flows, results of operations and financial condition, and could include the imposition of significant operating restrictions upon us **. It could also result in negative publicity that could negatively affect student enrollment** . We cannot predict with certainty how each regulatory body will apply its requirements or whether each of our schools will be able to comply with all of the requirements in the future. Failure to maintain eligibility to participate in Title IV Programs could materially and adversely affect our business. Title IV Program requirements, as described in " Business- Regulatory Environment- Title IV Programs, " are complex, at times imprecise, and subject to changing interpretations. In the event an institution violates these requirements, ED could impose sanctions or limitations, or terminate an institution' s Title IV Program eligibility. Forms of noncompliance that could result in sanctions or limitations, or cause the institution to lose its eligibility to participate in some or all Title IV Programs, include, without limitation, failures to: maintain state authorizations; maintain institutional accreditations; satisfy ED' s administrative capability standards; satisfy ED' s loan default rate thresholds; correctly calculate and timely return unearned Title IV Program funds received for students who withdraw before completing their educational programs; correctly determine whether students are making satisfactory academic progress in their programs and, as such, remain eligible to receive Title IV Program funds; satisfy ED' s financial responsibility standards; and comply with the 90 / 10 rule, the substantial misrepresentation rules or the incentive compensation rule. **Certain actions or reviews may also be triggered automatically based on ED' s standards.** Types of sanctions or limitations ED might impose upon an institution include, without limitation: requiring the repayment of Title IV Program funds; imposing a less favorable payment system for the institution' s receipt of Title IV Program funds; placing an institution on provisional certification status; commencing a proceeding to impose a fine or to limit, suspend, or terminate the institution' s participation in Title IV Programs; or declining to renew the institution' s program participation agreement. Such sanctions or limitations, including the loss of Title IV Program eligibility by any of our current or future institutions, could have a material adverse effect on our academic or operational initiatives, cash flows, results of operations, or financial condition. **Failure to maintain state authorizations or institutional accreditation could also preclude participation in Title IV Programs.** For more information, see " Business- Regulatory Environment- Title IV Programs. " Current and future Title IV Program regulations arising out of negotiated rulemakings could materially and adversely affect our business. ED is almost continuously engaged in negotiated rulemakings, which is the process by which it revisits, revises, and expands the complex and voluminous Title IV Program regulations. These regulations also are frequently challenged through litigation, creating significant uncertainty as to when and what part of the regulations have taken effect, how they should be implemented, and how they will be interpreted and enforced. **New Borrower Defense to Repayment or Gainful Employment regulations, in particular, may increase risks of financial liability or reputational harm.** We devote significant effort to understanding the effects of these regulations on our business and to developing compliant solutions that also are congruent with our business, culture, and mission to serve our students and industry relationships. However, we cannot predict with certainty how these new and developing regulatory requirements will be applied or whether each of our schools will be able to comply with all of the requirements in the future. Significant negotiated rulemakings that could materially and adversely affect our business are discussed in " Business- Regulatory Environment- Title IV Program ~~Rulemaking~~ **Rulemakings** . " The loss of funds from Veterans' benefits programs could materially and adversely affect our business. As discussed in " Business- Regulatory Environment- Other Federal and State Student Aid Programs, " to participate in veterans' benefits programs, including the Post- 9 / 11 GI Bill, the Montgomery GI Bill, the REAP, and VA Vocational Rehabilitation, our institutions must comply with certain requirements applicable to these programs. If we fail to comply with these requirements, we could lose our eligibility to participate in veterans' benefits programs, which could have a material adverse effect on our operations, cash flows, results of operations, or financial condition. Future legislative or regulatory initiatives that could negatively impact the funding we receive from veterans' benefits programs include, without limitation: (i) proposals to restrict access to military installations for student recruitment; (ii) a reduction in appropriations for veterans' benefits programs, or an extended government shutdown; (iii) an inability to secure approvals in one or more states, delays in the process for obtaining approvals, or the revocation of an approval; (iv) changes in the interpretation and application of the 85 / 15 rule, which prohibits paying VA benefits to students enrolling in a program where more than 85 % of the students enrolled in that program have any portion of their tuition, fees, or other charges paid for them by the institution or the VA; and (v) changes in the interpretation and application of the VA rules governing the classification and treatment of blended coursework, and the eligibility of such coursework for veterans' benefits programs. Congress may change the law or reduce funding for or place restrictions on the use of funds received through Title IV Programs, which could reduce our student population, revenues and / or profit margin. Congress periodically revises the HEA and other laws, and enacts new laws, governing Title IV Programs and determining the funding level for each Title IV Program. Congress most recently reauthorized the HEA in 2008. ~~It is actively working on another~~ **Despite repeated attempts, Congress has not completed a full reauthorization since then. In addition to** HEA reauthorization, ~~but it is uncertain whether~~ **policies directly related to Title IV Programs** and ~~when~~ **funding for** ~~the~~ **those programs may be impacted by the annual budget and appropriations** process **as** ~~will~~ **well** ~~be completed~~ **as by other legislation. Additionally, a shutdown of government agencies, such as ED, responsible for administering student financial aid programs under Title IV could lead to delays in student eligibility determinations and delays in origination and disbursement of government- funded student loans to our students** . Any action by Congress that significantly **affects** ~~reduces funding for~~ Title IV Programs or the ability of our schools or students to receive funding through these programs or places restrictions on the use of funds received by an institution through these programs could have a material adverse effect on our operations, cash flows, results of operations, or financial condition. Such action may occur during HEA reauthorization as part of separate technical amendments to the HEA or during Congress' annual budget and appropriations cycle. These uncertainties could reduce our student population, revenues and / or profit margin. Continued or increased examination of the for- profit education sector could result in further legislation, appropriations, regulations, and enforcement actions that could materially and adversely affect our business. Over the last decade, Congress ~~has~~ **and state legislatures have** focused significantly on for- profit education institutions, specifically regarding participation in Title IV Programs and DOD oversight of tuition assistance for military service members attending for- profit colleges. Continued or increased Congressional activity could result in the enactment of more stringent legislation, further rulemakings affecting participation in Title IV Programs and other governmental actions, increasing regulation of the for- profit sector. ~~The likelihood of such activity could be increased as a result of elections and appointments. The composition of federal and state executive offices, executive agencies, and legislatures are subject to change based on the results of periodic elections, appointments, and other events. In some cases, candidates for elected positions in federal or state executive or legislative offices or for appointments to positions in federal or state agencies have negative opinions on for- profit education providers or may support initiatives such as eliminating or reducing student aid eligibility for for- profit education providers or providing funding to free or reduced tuition programs at public and other nonprofit postsecondary education institutions, which could adversely impact our ability to compete with such institutions. Action by Congress or other regulators may increase our administrative costs and require us to modify our practices in order for our institutions to comply with Title IV Program requirements.~~ In addition, concerns generated by this ~~Congressional~~ activity may adversely affect enrollment in for- profit educational institutions such as ours. Any laws that are adopted that limit our or our students' participation in Title IV Programs or in programs to provide funds for active duty service members and veterans or the amount of student financial aid for which our students are eligible, or any decreases in enrollment related to the Congressional activity concerning this sector, could have a material adverse effect on our operations, cash flows, results of operations, or financial condition. Our business could be harmed if we experience a disruption in our ability to process student loans under the Federal Direct Loan Program. Because all Title IV Program student loans (other than Perkins loans) are now processed under the Direct Loan (" DL ") program, any disruption in our ability to process student loans through the DL program, either because of administrative challenges on our part or the inability of ED to process the increased volume of loans through the DL program on a timely basis, could impact our students' ability to timely obtain their student loans and have a material adverse effect on our operations, cash flows, results of operations, or financial condition. Government and regulatory agencies and third parties may conduct compliance reviews, bring claims or initiate litigation against us. Because we operate in a highly regulated industry, we are subject to compliance reviews and claims of noncompliance by government agencies, regulatory agencies and third parties alleging noncompliance with applicable standards. Each of our institutions' administration of Title IV Program funds must be audited annually by independent accountants and the resulting audit report must be submitted to ED for review. Moreover, we may be subject to **program reviews from ED or** a compliance audit as a condition of **participation in** the Higher Education Emergency Relief Fund (" HEERF ") ~~award~~ . We are also subject to various lawsuits, investigations and claims, covering a wide range of matters, including, but not limited to, alleged violations of federal and state laws, including consumer protection laws applicable to activities of postsecondary educational institutions, false claims made to the federal government and routine employment matters **. We may also face borrower defense to repayment claims or complaints from students or prospective students** . While we are committed to strict compliance with all applicable laws, regulations, and accrediting standards, if the results of government, regulatory or third party reviews or proceedings are unfavorable to us, or if we are unable to successfully defend against lawsuits or claims, we may be required to pay monetary damages **, be held liable for a student' s discharged debt,** or be subject to fines, limitations, loss of regulatory approvals or Title IV Program funding or other federal and state funding, injunctions or other penalties. We could also incur substantial legal costs that are not covered or are in excess of our insurance coverage. Even if we adequately address issues raised by an agency review or successfully defend a lawsuit or claim, we may have to divert significant financial and management resources from our ongoing business operations to address issues raised by those reviews or defend those lawsuits or claims. Additionally, given the significant public scrutiny being placed on the sector we operate in, numerous state attorneys general have initiated investigations of for- profit schools operating in their state. Changes occurring at the federal or state level, as well as our financial performance in recent years, may spur further action or additional reporting requirements by state attorneys general, Congressional leadership or state licensing bodies. We cannot predict the outcome of unsettled matters, and we may incur significant defense costs and other expenses in connection with them in excess of our insurance coverage related to these matters. We may be required to pay substantial damages, settlement costs or fines or penalties. Such costs and expenses could have a material adverse effect on our business, cash flows, results of operations and financial condition **and could also result in negative publicity that could negatively affect student enrollment** . An adverse outcome in any of these matters could also materially and adversely affect our licenses, accreditation and eligibility to participate in Title IV Programs. Our business and stock price could be adversely affected as a result of regulatory investigations of, or actions commenced against, us or other companies in our industry. The operations of companies in the education and training services industry, including us, are subject to intense regulatory scrutiny. In some cases, allegations of wrongdoing on the part of such companies have resulted in formal or informal investigations by the U. S. Department of Justice, the SEC, the FTC, state governmental agencies and attorneys general, ED and other federal agencies. These allegations have attracted adverse media coverage and have been the subject of legislative hearings and regulatory actions at both the federal and state levels, focusing not only on the individual schools but in some cases on the for- profit postsecondary education sector as a whole. These investigations of, or regulatory actions against, specific companies in the education and training services industry could have a negative impact on our industry as a whole and on our stock price. Furthermore, the outcome of such investigations and any accompanying adverse publicity could negatively affect student enrollment and heighten the risk of class action lawsuits against us, which could have a material adverse effect on our academic or operational initiatives, cash flows, results of operations, or financial condition. Changes in the state regulatory environment, state and agency budget constraints and increased regulatory requirements, may affect our ability to obtain and maintain necessary authorizations or approvals from those states to conduct or change our operations. Due to state budget constraints and changes in the regulatory environment in some of the states in which we operate, it is possible that some states may reduce the number of employees in, or curtail the operations of, the state education agencies that authorize our schools. A delay or refusal by any state education agency in approving any changes in our operations that require state approval, such as the opening of a new campus, the introduction of new programs or the revision of existing programs, a change of control or the hiring or placement of new admissions representatives, could prevent us from making such changes or delay our ability to make such changes, or could require substantial additional costs to accommodate such delay. State education agencies that authorize our schools continue to revise or issue new regulations requiring significant additional reporting and monitoring of student outcomes. Additionally, state education agencies may request additional information or supplemental reporting as a result of our recent financial performance. The regulations and reporting requirements may lengthen the time to obtain necessary state approvals and require us to modify our operations in order to comply with the requirements. This could impose substantial additional costs on our institutions, which could have a material adverse effect on our cash flows, results of operations and financial condition. State legislatures also continue to contemplate creating new performance metrics that would have to be satisfied to maintain eligibility. The enactment of one or more of these proposed laws or similar laws could create compliance challenges and impose substantial additional costs on our institutions, which could have a material adverse effect on our academic or operational initiatives, cash flows, results of operations, or financial condition. Budget constraints in states that provide state financial aid to our students could reduce the amount of such financial aid that is available to our students, which could reduce our student population and negatively affect our 90 / 10 Rule calculation and other compliance metrics. Some states are facing budget constraints that are causing them to reduce state appropriations in a number of areas including financial aid provided to students that may attend one of our programs. We cannot predict how significant any of these reductions will be or how long they will last. If the level of state funding available to our students decreases and our students are not able to secure alternative sources of funding, it could have a material adverse effect on our operations, cash flows, results of operations, or financial condition, negatively impact our cohort default rates, or impact our performance under the federal 90 / 10 Rule calculation. If we acquire an institution that participates in Title IV Programs or open an additional location, one or more of our regulators could decline to approve the acquired institution or additional location, or could impose material conditions or restrictions, which could impair our ability to operate the acquired institution and / or the additional location as planned or to realize the anticipated benefits from the acquisition of that institution and / or opening of the additional location. If we acquire an institution that participates in Title IV Program funding or open an additional location, we must obtain approval from ED and applicable state education agencies and accrediting commissions in order for the institution or additional location to be able to operate and participate in Title IV Programs. An acquisition can result in the temporary suspension of the acquired institution' s participation in Title IV Programs and opening an additional location can result in a delay of the campus' participation in Title IV Programs unless we submit a timely and materially complete application for approval of the acquisition or the opening of the new location. If we were unable to timely establish or re- establish the state authorization, accreditation or ED certification of the acquired institution or obtain approval for the new location, our ability to operate the acquired institution or open the additional location as planned or to realize the anticipated benefits from the acquisition of that institution or the opening of the additional location could be significantly impaired. Further, ED and applicable state education agencies and accrediting agencies could impose material conditions or restrictions on us and the acquired institution or the additional location, including, but not limited to, a material letter of credit, limitations or prohibitions on the ability to add new campuses or add or change educational programs, placement of the institution on the heightened cash monitoring or reimbursement method of payment and reporting and notification requirements. Additionally, an acquired institution may have known or unknown instances of noncompliance with federal, state or accrediting agency requirements, including, but not limited to, noncompliance with requirements included in the **borrower** defense to repayment regulations that could result in liabilities, sanctions, or material conditions or restrictions that we may inherit by acquiring the institution. Further, our due diligence efforts relating to institutions that we intend to acquire may be unsuccessful and fail to identify noncompliance or other facts that could result in liabilities, sanctions, or material conditions or restrictions. The imposition of liabilities, sanctions, or material conditions or restrictions by one or more regulators could impair our ability to operate the acquired institution or open the additional location as planned or to realize the anticipated benefits from the acquisition of that institution or the opening of the additional location. If regulators do not approve additional or revised programs, it could have an adverse effect on our academic or operational initiatives **.** A student may only use Title IV Program funds to pay the costs associated with enrollment in an eligible educational program offered by an institution participating in Title IV Programs. Our expansion plans are based, in part, on our ability to add new educational programs at our existing institutions. Generally, an institution that is eligible to participate in Title IV Programs, and is not provisionally certified, may obtain ED approval if the new program is licensed by the applicable state agency and accredited by an agency recognized by ED. However, ED, or state education agencies, and our ~~accreditor~~ **accreditors** could decline to approve a new program ~~,~~ or impose material conditions or restrictions on us. Any such denial or material limitation could have a material adverse effect on our operations, cash flows, results of operations, or financial condition. If regulators do not approve or delay their approval of transactions involving a change of control of our company or any of our schools, our ability to participate in Title IV Programs may be impaired. If we or any of our schools experience a change of control under the standards of applicable federal and state agencies, our accrediting ~~commission~~ **commissions** or ED, we or the affected schools must seek the approval of the relevant regulatory agencies. These agencies do not have uniform criteria for what constitutes a change of control. Transactions or events that constitute a change of control include significant acquisitions or dispositions of our common stock or significant changes in the composition of our board of directors. Some of these transactions or events may be beyond our control. Our failure to obtain, or a delay in receiving, approval of any change of control from ED, our accrediting commission or any state in which our schools are located would impair our ability to participate in Title IV Programs, which would have a material adverse effect on our academic or operational initiatives, cash flows, results of operations, or financial condition. Our failure to obtain, or a delay in obtaining, approval of any change of control from any state in which we do not have a school but in which we recruit students could require us to suspend our recruitment of students in that state until we receive the required approval. The potential adverse effects of a change of control with respect to participation in Title IV Programs could influence future decisions by us and our stockholders regarding the sale, purchase, transfer, issuance or redemption of our stock. ~~Risks Related to Our~~ **If our vendors do not comply with Title IV Program regulations, our** ~~Business~~ **business could be harmed and** ~~Public health pandemics, epidemics or~~ **our** ~~outbreaks, including~~ **ability to participate in Title IV Programs may be impaired. The failure of any of our vendors charged with administering any aspect of our participation in** the ~~COVID- 19 pandemic,~~ **Title IV Programs could lead to fines and the loss of eligibility to participate in Title IV Programs. Such outcomes** could have a material adverse effect on our **academic or operational initiatives, cash flows, results of operations, or financial condition. Failure to comply with private education loan requirements may impair out** business **. Concorde offers students the opportunity to finance all or part of their education using institutional credit, including retail installment contracts. If such arrangements qualify as a " private education loan " under federal law, a multitude of regulations must be followed, including from ED** and **the CFPB. State attorneys general and other regulators also scrutinize such arrangements. Failure to comply with regulatory requirements could have a material adverse effect on our business, cash flows, results of** operations ~~. The COVID- 19 pandemic~~ and ~~the~~ **financial condition, and could also** ~~resulting~~ --- **result** ~~containment measures part~~ **in negative publicity that could negatively affect student enrollment.Risks Related** to **Our Business Failure** ~~effectively identify,establish and operate additional schools or campuses could reduce our ability~~ to ~~implement~~ **execute on** our growth **and diversification** strategy.As part of our business strategy,we anticipate opening and operating new schools or campuses.Establishing new schools or campuses poses unique challenges and requires us to make investments in management and capital expenditures,incur marketing expenses and devote other resources that are different,and in some cases greater,than those required with respect to the operation of acquired schools.Accordingly,when we open new schools,initial investments could reduce our profitability.To open a new school or campus,we would be required to obtain appropriate state and accrediting commission approvals,which may be conditioned or delayed in a manner that could significantly affect our growth plans.Additionally,to be eligible for Title IV Program funding,a new school or campus would ~~have to be~~ have ~~caused economic and financial disruptions globally. The extent~~ to **be certified by ED. We** ~~which COVID- 19, like any other rapidly spreading contagious illness, may impact our business and operations will depend on a variety of factors beyond our control, including the actions of governments, businesses and other enterprises in response to the COVID- 19 pandemic, the effectiveness of those actions, and vaccine availability, distribution and adoption, all of which~~ cannot be ~~predicted with~~ **sure that we will be able to identify suitable expansion opportunities to maintain or accelerate our current growth rate or that we will be able to successfully integrate or profitably operate** any ~~level~~ **new schools or campuses. Our failure to effectively identify, establish, license, accredit, obtain necessary approvals and manage the operations** of ~~certainty~~ **newly established schools or campuses could slow our growth and make any newly established schools or campuses more costly to operate than we have historically experienced** . We ~~believe that the spread of COVID- 19 could adversely impact our business and operations, including as a result of workforce limitations and travel restrictions and related government actions. If a significant percentage of our workforce is unable to work, including because of illness or travel or government restrictions in connection with pandemics or disease outbreaks, our operations and enrollment~~ may be **unable** ~~negatively impacted. Finally, state and federal regulators, including the ED, are augmenting existing regulatory processes, waiving others, and overseeing various emergency relief and aid programs. It is highly uncertain how long such regulatory accommodations will continue, or how long and in what amount emergency relief and aid funds will continue~~ to ~~be available~~ **successfully complete or integrate future acquisitions** . We ~~also cannot predict the types of conditions that~~ may **consider selective acquisitions** be attached to participation in emergency relief......, telecommunications failures, break- ins - **in** ~~, acts of terrorism, public health crises,~~

~~including the ongoing COVID- 19 pandemic, other~~ -- **the future** inclement weather or similar events. We...... during the pendency of mandated travel restrictions . We may not be able to ~~effectively shift~~ **complete any acquisitions on favorable terms** ~~our~~ - **or,** ~~operations due to disruptions arising from the occurrence of such events~~ -- **even if we do** , **we** ~~and our business and results of operations could be affected adversely as a result. Moreover, damage to or total destruction of our campus facilities from various weather events~~ may not be ~~covered in whole~~ **able to successfully integrate the acquired businesses into** ~~or~~ **our** ~~in part by~~ **business** .Integration challenges include,among others,regulatory approvals,significant capital expenditures,assumption of known and unknown liabilities,our ability to control costs and our ability to integrate new personnel.The successful integration of future acquisitions may also require substantial attention from our senior management and the senior management of the acquired schools,which could decrease the time that they devote to the day- to- day management of our business.If we do not successfully address risks and challenges associated with acquisitions,including integration,future acquisitions could harm,rather than enhance,our operating performance.Additionally,if we consummate ~~an any~~ - **an** ~~insurance operating performance.Additionally,if we consummate an~~ acquisition,our capitalization and results of operations may change significantly.A future acquisition could result in the incurrence of debt and contingent liabilities,an increase in interest ~~expense~~ **expenses** ,amortization expenses,goodwill and other intangible assets,charges relating to integration costs or an increase in the number of shares outstanding.In addition,our acquisition of a school is a change of ownership of that school,which may result in the temporary suspension of that school’ s participation in federal student financial aid programs until it obtains ED’ s approval.These results could have a material adverse effect on our cash flows,results of operations and financial condition or result in dilution to current stockholders. **If we fail to reduce our underutilized capacity,** we may **experience a deterioration of our profitability and operating margins. We** have **underutilized capacity at a number of our campuses. Our ongoing efforts to increase utilization may strain our management, operations, employees or other resources. We may not be able to maintain our current capacity utilization rates, effectively manage our operations or achieve planned capacity utilization on a timely or profitable basis. If we are unable to improve our underutilized capacity, we may experience operating inefficiencies at a level that would result in higher than anticipated costs, which would adversely affect our profitability and operating margins** . Macroeconomic conditions and aversion to debt could adversely affect our business. We believe that our enrollment, which tends to be counter cyclical, is affected by changes in economic conditions. During periods when the unemployment rate declines or remains stable, prospective students have more employment options and recruiting new students has traditionally been more challenging. In addition, affordability concerns associated with increased living expenses, relocation expenses and the availability of full- and part- time jobs for students attending classes have made it more challenging for us to attract and retain students. Conversely, an increase in the unemployment rate and weaker macroeconomic conditions could reduce the willingness of employers to sponsor educational opportunities for their employees and affect the ability of our students to find employment in the industries that we serve, any of which could have a material adverse effect on our cash flows, results of operations and financial condition. Adverse market conditions for consumer and federally guaranteed student loans could negatively impact the ability of borrowers with little or poor credit history, such as many of our students, to borrow the necessary funds at an acceptable interest rate. These events could adversely affect the ability or willingness of our former students to repay student loans, which could increase our student loan cohort default rate and require increased time, attention and resources to manage these defaults. Competition could decrease our market share and...... results of operations and financial condition. Failure on our part to maintain and expand existing industry relationships and develop new industry relationships with our industry customers could impair our ability to attract and retain students. We have extensive industry relationships that we believe afford us significant competitive strength and support our market leadership. These relationships enable us to support enrollment in our core programs by attracting students through brand name recognition and the associated prospect of high- quality employment opportunities. Additionally, these relationships allow us to diversify funding sources, expand the scope and increase the number of programs we offer and reduce our costs and capital expenditures due to the fact that, pursuant to the terms of the underlying contracts with manufacturer brand partners, we provide a variety of specialized training programs and typically do so using tools, equipment and vehicles provided by the manufacturer brand partners. These relationships also provide additional incremental revenue opportunities from training the employees of our industry customers. Our success depends in part on our ability to maintain and expand our existing industry relationships and to enter into new industry relationships. Certain of our **UTI segment’ s** existing industry relationships, including those with American Honda Motor Company, Inc.; Mercury Marine, a division of Brunswick Corporation; Volvo Penta of the Americas, Inc. and Yamaha Motor Corporation, USA, are not memorialized in writing and are based on verbal understandings. As a result, the rights of the parties under these arrangements are less clearly defined than they would be had they been in writing. Additionally, certain of our written agreements may be terminated without cause by the OEM. Finally, certain of our existing industry relationship agreements expire within the next six months. We are currently negotiating to renew these agreements and intend to renew them to the extent we can do so on satisfactory terms. The reduction or elimination of, or failure to renew any of our existing industry relationships, or our failure to enter into new industry relationships, could impair our ability to attract and retain students, require additional capital expenditures or increase expenses and have a material adverse effect on our cash flows, results of operations and financial condition. Our success depends in part on our ability to update and expand the content of existing programs and develop and integrate new programs in a cost- effective manner and on a timely basis. Prospective employers of our graduates demand that their entry- level employees possess appropriate technological skills. These skills are becoming more sophisticated in line with technological advancements in the ~~automotive~~ **transportation** , ~~diesel~~ **skilled trades** , **energy** ~~collision repair, motorcycle~~ and ~~marine~~ **healthcare** industries ~~.~~ Accordingly, educational programs at our schools must keep pace with those technological advancements. Additionally, the method used to deliver curriculum has evolved to include online delivery. The updates to our existing programs and the development of new programs, and changes in the method in which we deliver them, may not be accepted by our students, prospective employers or the technical education market. Even if we are able to develop acceptable new programs, we may not be able to introduce these new programs as quickly as the industries we serve require or as quickly as our competitors. If we are unable to adequately respond to changes in market requirements due to unusually rapid technological changes or other factors, our ability to attract and retain students could be impaired and our graduate employment rates could suffer. Additionally, if we are unable to address and respond to requirements for new or updated curricula such as training instructors to teach the curricula, obtaining the appropriate equipment to teach the curricula to our students, or obtaining the appropriate regulatory approvals, we may not be able to successfully roll out the curricula to our campuses in a timely and cost- effective manner. If we are not able to effectively and efficiently integrate curricula, this could have a material adverse effect on our cash flows, results of operations and financial condition . Expanding our blended learning format could...... for damages sustained due to these events . We may not be able to retain our key personnel or hire and retain the personnel we need to sustain and grow our business. Our success to date has depended, and will continue to depend, largely on the experience, skills, efforts and motivation of our executive officers. Our success also depends in large part upon our ability to attract and retain highly qualified faculty, campus presidents, administrators and corporate management. Due to the nature of our business, we face significant competition in the attraction and retention of personnel who possess the skill sets that we seek. The for- profit education sector can experience periods of significant regulatory and government scrutiny, which may make it more difficult to attract and retain talent. If we are unable to, or are perceived to be unable to, attract and retain experienced and qualified personnel, our business, financial condition and results of operations may be materially adversely affected. Additionally, key personnel may leave us and subsequently compete against us. Because we do not currently carry " key man " life insurance, the loss of the services of any of our key personnel, or our failure to attract and retain other qualified and experienced personnel on acceptable terms, could impair our ability to successfully manage our business. If we are unable to hire,...... result in dilution to current stockholders. We are party to debt arrangements that contain restrictive covenants, and if we are unable to comply with these covenants then the lenders could declare an event of default wherein we may need to immediately repay the amounts due under the respective debt arrangements. **Our** ~~On May 12, 2021, we entered into a Credit Agreement with Fifth Third Bank, National Association to finance the Avondale, Arizona property that we purchased in December 2020, via a~~ term ~~loan~~ **loans** ~~in the maximum principal amount of $ 31. 2 million with a maturity of seven years (the " Avondale Loan "). We are required to make monthly payments of principal plus accrued interest. As of September 30, 2022, $ 30. 1 million in principal was outstanding under the Avondale Loan. In addition, borrowings under the Credit Agreement are secured by a first priority lien on our Avondale, Arizona property, including all land~~ - **and revolving credit facility** ~~and improvements. On April 14, 2022, our subsidiary entered into a new Loan Agreement with Valley National Bank, to fund the acquisition and retirement of the term loan acquired with the Lisle Campus, via a term loan in the original principal amount of $ 38. 0 million with a maturity of seven years (the " Lisle Loan "). We are required to make monthly payments of principal plus accrued interest. As of September 30, 2022, $ 38. 0 million in principal was outstanding under the Lisle Loan. The Lisle Loan is secured by a mortgage on the Lisle Campus and is guaranteed by the Company. Both the Avondale Loan and the Lisle Loan (collectively the " Term Loans ")~~ impose various restrictions and contain customary affirmative and restrictive covenants, including, without limitation, certain reporting obligations and certain limitations on restricted payments; and limitations on liens, encumbrances and indebtedness. If we fail to comply with the covenants or payments specified in the **agreements** ~~Term Loans~~ , the lenders could declare an event of default, which would give it the right to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. The amount of our outstanding indebtedness could have an adverse effect on our operations and liquidity, including by, among other things: (i) making it more difficult for us to pay or refinance our debts as they become due during adverse economic and industry conditions, because we may not have sufficient cash flows to make our scheduled debt payments; (ii) causing us to use a larger portion of our cash flows to fund interest and principal payments, thereby reducing the availability of cash to fund working capital, capital expenditures and other business activities; (iii) making it more difficult for us to take advantage of significant business opportunities, such as acquisition opportunities or other strategic transactions, and to react to changes in market or industry conditions; and (iv) limiting our ability to borrow additional monies in the future to fund the activities and expenditures described above and for other general corporate purposes as and when needed, which could force us to suspend, delay or curtail business prospects, strategies or operations. **.Expanding our** blended learning format could be difficult for us.The expansion of existing and creation of new blended programs may not be accepted by students or employers.Our efforts may be materially adversely affected by increased competition in the online or blended education market,or because of performance or reliability issues with our blended program infrastructure.We are heavily dependent on the reliability and performance of an internally developed student management and reporting system,and any difficulties in maintaining this system may result in service interruptions,decreased customer service or increased expenditures.The software that underlies our student management and reporting ~~for our UTI schools~~ has been developed primarily by our own employees.The reliability and continuous availability of this internal system and related integrations are critical to our business.Any interruptions that hinder our ability to timely deliver our services,or that materially impact the efficiency or cost with which we provide these services,or our ability to attract and retain computer programmers with knowledge of the appropriate computer programming language,would adversely affect our reputation and profitability and our ability to conduct business and prepare financial reports **.Additionally,many of the software systems we currently use will need to be enhanced over time or replaced with equivalent commercial products,either of which could entail considerable effort and expense** .System disruptions and security threats to our computer networks,including breach of the personal information we collect,could have a material adverse effect on our business and our reputation.Our computer systems as well as those of our service providers are vulnerable to interruption,malfunction or damage due to events beyond our control,including malicious human acts committed by foreign or domestic persons,natural disasters,and network and communications failures.We have established a written data breach incident response policy,which we test informally and formally at least annually.Additionally,we periodically perform vulnerability self- assessments and engage service providers to perform independent vulnerability assessments and penetration tests.However,despite network security measures,our servers and the servers at our service providers are potentially vulnerable to physical or electronic unauthorized access,computer hackers,computer viruses,malicious code,organized cyber attacks and other security problems and system disruptions.Increasing socioeconomic and political instability in some countries has heightened these risks.Despite the precautions we and our service providers have taken,our systems may still be vulnerable to these threats.A user who circumvents security measures could misappropriate proprietary information or cause interruptions or malfunctions in operations.Additionally,the personal information that we collect subjects us to additional risks and costs that could harm our business and our reputation.We collect,retain and use personal information regarding our students and their families and our employees,including personally identifiable information,tax return information,financial data,bank account information and other data.Although we employ various network and business security measures to limit access to and use of such personal information,we cannot guarantee that a third party will not circumvent such security measures,resulting in the breach,loss or theft of the personal information of our students and their families and our employees.Possession and use of personal information in our operations also subjects us to legislative and regulatory burdens that could restrict our use of personal information and require notification of data breaches.A violation of any laws or regulations relating to the collection,retention or use of personal information could also result in the imposition of fines or lawsuits against us.Sustained or repeated system failures or security breaches that interrupt our ability to process information in a timely manner or that result in a breach of proprietary or personal information could have a material adverse effect on our operations and our reputation.Although we maintain insurance in respect of these types of events,available insurance proceeds may not be adequate to compensate us for damages sustained due to these events ~~.Our success depends,in part,on the effectiveness of our marketing and advertising programs in recruiting new students.In order to maintain and increase our revenues and margins,~~ An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability. ~~A~~ **Our revolving credit facility and a** portion of our ~~Term~~ **term** ~~Loans~~ **loans** bear interest at variable rates. ~~We have~~ **For our term loans, we** entered into interest rate swap agreements with the lenders **at the time of inception** that effectively fix the interest rates on 50 % of the principal amount of the loan ~~at 3. 5 % for the Avondale Loan and at 4. 69 % for the Lisle Loan~~. However, increases in interest rates with respect to any amount of our debt not covered by the interest rate swaps could increase the cost of servicing our debt and could reduce our profitability and cash flows. Such increases may occur from changes in regulatory standards or industry practices **. Restrictions on** , ~~such as~~ the **inability to offer, or degraded collection performance** ~~upcoming transition away from LIBOR as a benchmark reference~~ for ~~short- term interests. Such a transition may result in the usage of a higher reference rate for~~ our ~~variable rate debt. Excluding the~~ **proprietary loan program could have a negative** effect ~~of the interest rate swaps~~ on ~~the Term Loans, each 10. 0 % increase in interest rates on the Term Loans would increase~~ our **results** ~~annual interest expense by $ 3. 4 million based on balances outstanding under the Term Loans as~~ of **operations** ~~September 30, 2022~~. The proprietary loan program **offered by the UTI and MMI brand schools** ~~could have a negative effect on our results of operations. The proprietary loan program~~ enables students who have utilized all available government- sponsored or other financial aid and have not been successful in obtaining private loans from other financial institutions, for independent students, or PLUS loans, for dependent students, to borrow a portion of their tuition if they meet certain criteria. Under the proprietary loan program, the bank originates loans for our students who meet specific credit criteria with the related proceeds to be used exclusively to fund a portion of their tuition. We then purchase all such loans from the bank at least monthly and assume all the related credit and collection risk. See Note 2 of the notes to our Consolidated Financial Statements within Part II. Item 8 of this Annual Report on Form 10- K for further discussion of activity under the proprietary loan program. Factors that may impact our ability to collect these loans include the following, without limitation: current economic conditions; compliance with laws applicable to the origination, servicing and collection of loans; the quality of our loan servicers' performance; and a decline in graduate employment opportunities and the priority that the borrowers under this loan program attach to repaying these loans as compared to other obligations, particularly students who did not complete or were dissatisfied with their programs of study. The portion of a student' s tuition revenue related to the proprietary loan program is considered a form of variable consideration. We estimate the amount we ultimately expect to collect from the portion of tuition that is funded by the proprietary loan program, resulting in a note receivable. The estimated amount is determined at the inception of the contract, and we recognize the related revenue as the student progresses through school. Each reporting period, we update our assessment of the variable consideration associated with the proprietary loan program. Estimating the collection rate requires significant management judgment. If we are unable to accurately assess the variable consideration, our revenues and profitability may be adversely impacted. Federal, state and local laws and general legal and equitable principles relating to the protection of consumers can apply to the origination, servicing and collection of the loans under the proprietary loan program. Any violation of various federal, state or local laws, including, in some instances, violations of these laws by parties not under our control, may result in losses on the loans or may limit our ability to collect all or part of the principal or interest on the loans. This may be the case even if we are not directly responsible for the violations by such parties. The proprietary loan program may also be subject to oversight by the CFPB, which could result in additional reporting requirements or increased scrutiny. Other proprietary postsecondary institutions have been subject to information requests from the CFPB with regard to their private student loan programs. The possibility of litigation, and the associated cost, are risks associated with the proprietary loan program. At least two proprietary education institutions have been subject to lawsuits under the Consumer Financial Protection Act of 2010; the institutions are accused of having unfair private student loan programs and of allegedly engaging in certain abusive practices, including interfering with students' ability to understand their debt obligations and failing to provide certain material information. Changes in laws or public policy could negatively impact the viability of the proprietary loan program and cause us to delay or suspend the program. Additionally, depending on the terms of the loans, state consumer credit regulators may assert that our activities in connection with the proprietary loan program require us to obtain one or more licenses, registrations or other forms of regulatory approvals, any of which may not be able to be obtained in a timely manner, if at all. All of these factors could result in the proprietary loan program having a material adverse effect on our cash flows, results of operations and financial condition. We rely on third parties to originate, process and service loans under our proprietary loan program. If these companies fail or discontinue providing such services, our business could be harmed. A state chartered bank with a small market capitalization originates loans under the proprietary loan program **for the UTI and MMI brand schools** . If the bank no longer provides service under the contract, we do not currently have an alternative bank to fulfill the demand. There are a limited number of banks that are willing to participate in a program such as the proprietary loan program. The time it could take us to replace the bank could result in an interruption in the loan origination process, which could result in a decrease in our student populations. Furthermore, a single company processes loan applications and services the loans under the proprietary loan program. There is a 90- day termination clause in the contract under which they provide these services. If this company were to terminate the contract, we could experience an interruption in loan application processing or loan servicing, which could result in a decrease in our student populations. We have goodwill, which may become impaired and subject to a write- down. Goodwill represents the excess of the cost of an acquired business over the estimated fair values of the assets acquired and liabilities assumed. Goodwill is reviewed at least annually for impairment, which might result from the deterioration in the operating performance of acquired businesses, adverse market conditions, adverse changes in applicable laws or regulations and a variety of other circumstances. Any resulting impairment charge is recognized as an expense in the period in which impairment is identified. Our total recorded goodwill was $ ~~16~~ **28** . ~~9~~ **5** million as of September 30, ~~2022~~ **2023** ~~. Of this balance, $ 8. 6 million relates to our acquisition of MIAT in November 2021. The remaining $ 8. 2 million relates to our MMI Orlando, Florida campus and~~ resulted from ~~the~~ **our MMI, MIAT and Concorde** ~~acquisition~~ **acquisitions** ~~of our motorcycle and marine education business in 1998~~ . We perform our annual goodwill impairment assessment as of August 1 of each fiscal year. Future assessments of goodwill could result in reductions. Any reduction in net income and operating income resulting from the write-down or impairment of goodwill could adversely affect our financial results. If economic or industry conditions deteriorate or if market valuations decline, including with respect to our common stock, we may be required to impair goodwill in future periods. ~~pandemic,other~~ inclement weather or similar events.We teach our UTI ~~,~~ **and** MMI ~~and Concorde~~ programs at **leased** campus locations in ~~Jacksonville,~~ Orlando, **Florida,and have signed a lease for a new campus in** Miramar, ~~and Tampa,~~ Florida, ~~all~~ **both** areas that can experience tropical storms and hurricanes,severe storms,floods,coastal storms,tornadoes and power outages.We also ~~have seven~~ **lease three** campus locations in California and ~~seven~~ **four** campus locations in Texas,all in areas that have historically been susceptible to severe weather events.If floods,fire,inclement weather,including extreme rain,wind,heat,or cold,or accidents due to human error were to occur and cause damage to our campus facilities,or limit the ability of our students or faculty to participate in or contribute to our academic programs or our ability to comply with federal and state educational requirements or our agreements with our vendors,our business may be adversely effected,especially if such events were to occur in the midst of ongoing academic programs during an academic cycle.Such disruptions may also result in increases in student attrition,voluntary or mandatory closure of some or all of our facilities,or our inability to procure essential supplies or travel during the pendency of mandated travel restrictions ~~.We may~~ Risks Related to Investing in Our Common Stock Holders of our Series A Preferred Stock own a significant percentage of our capital stock, are able to influence and control certain corporate matters and could in the future substantially dilute the ownership interest of holders of our common stock. On June 24, 2016, we entered into a purchase agreement ~~(the " Coliseum Securities Purchase Agreement ")~~ pursuant to which we sold 700, 000 shares of Series A Preferred Stock to Coliseum Holdings I, LLC (" Coliseum Holdings "), and filed a Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock ~~(the " Certificate of Designations ")~~ with the Secretary of State of the State of Delaware. ~~The Certificate of Designations authorized a total of 700, 000 shares of Series A Preferred Stock, all of which were purchased by Coliseum Holdings, and set forth the negotiated rights, powers, preferences and privileges of the Series A Preferred Stock, including the terms of a Conversion Cap and an Investor Voting Cap (each as defined in the Certificate of Designations), which generally prohibit: (i) the conversion of Series A Preferred Stock into common stock; and (ii) the voting of common stock issuable upon conversion of the Series A Preferred Stock, to the extent that such conversion results in the issuance of a number of shares of common stock exceeding 4. 99 % of our outstanding shares of common stock as of June 24, 2016 or that has voting power that exceeds 4. 99 % of the voting power of our outstanding shares of common stock as of June 24, 2016. The Certificate of Designations provides that the Conversion Cap and the Investor Voting Cap may only be removed upon our receipt of: (i) certain stockholder approvals required by Section 312. 03 of the New York Stock Exchange Listed Company Manual (" NYSE Rule 312 "); and (ii) either (A) Education Regulatory Approval (as defined in the Certificate of Designations), or (B) a good faith determination by our board of directors that Education Regulatory Approval is not required. Our stockholders approved a proposal at the annual meeting of stockholders on February 27, 2020, in accordance with the listing standards of the New York Stock Exchange (" NYSE "), that satisfied NYSE Rule 312. In September 2020, Coliseum Holdings distributed all of its 700, 000 shares of Series A Preferred Stock to its members, who subsequently distributed their shares to (i) limited partners affiliated with Coliseum Holdings and certain other entities for whom Coliseum Capital Management, LLC (an affiliate of Coliseum Holdings) holds voting and dispositive power with respect to the Series A Preferred Stock (the " Affiliated Holders "), which Affiliated Holders, following such distribution, owned Series A Preferred Stock that represented, on an as converted basis, approximately 24. 9 % of our outstanding shares of common stock and voting power, and (ii) limited partners unaffiliated with Coliseum Holdings (the " Unaffiliated Holders "), which Unaffiliated Holders, following such distribution, each owned shares of Series A Preferred Stock that represented, on an as converted basis, 9. 9 % or less of our outstanding shares of common stock and voting power (collectively, the " Distributions "). In connection with the Distributions, our board of directors made a good faith determination that: (i) no Education Regulatory Approval would be required for the Unaffiliated Holders to remove the Conversion Cap and the Investor Voting Cap with respect to the Series A Preferred Stock acquired in the Distributions; and (ii) as to the Series A Preferred Stock held by the Affiliated Holders, no Education Regulatory~~

~~Approval would be required prior to the Affiliated Holders (A) converting a number of shares of Series A Preferred Stock into common stock provided that the number of shares of common stock issued pursuant to such conversion, in the aggregate, is less than or equal to 9. 9 % of the number of shares of common stock outstanding on an as converted basis as of the date of the Distributions, and (B) voting a number of shares of Series A Preferred Stock provided that the voting power of such Series A Preferred Stock and any shares of common stock issued upon conversion of such Series A Preferred Stock is less than or equal to 9. 9 % of the voting power of the common stock outstanding as of the date of the Distributions (the foregoing limitations, the " Continuing Caps "). In September 2020, the Distributions were completed and the removal of the Conversion Cap and Investor Voting Cap became effective, subject to the Continuing Caps remaining in place with respect to the Series A Preferred Stock distributed to the Affiliated Holders. Education Regulatory Approval continues to be required for, and the Continuing Caps will remain in place with respect to, the Series A Preferred Stock acquired by the Affiliated Holders in the Distributions to the extent such shares, on an as converted basis, represent in excess of 9. 9 % of our common stock and voting power as of the date of the Distributions. The Affiliated Holders may, at any time, request that we seek Education Regulatory Approval or make a good faith determination that such approval is not required.~~ If ~~we are required to or elect to obtain Education Regulatory Approval and if such approvals are not obtained within the 120- day time period set forth in the Certificate of Designations, the dividend rates with respect to the Cash Dividend and Accrued Dividend (each as defined in the Certificate of Designations) will be increased by 5. 0 % per year, not to exceed a maximum of 14. 5 % per year, subject to downward adjustment on obtaining the foregoing approvals. As of September 30, 2022, as a result of the removal of the Conversion Cap and the Investor Voting Cap, but subject to the Continuing Caps remaining in place with respect to the Series A Preferred Stock distributed to the Affiliated Holders, the Unaffiliated Holders and the Affiliated Holders were entitled to vote their Series A Preferred Stock in an amount equal to 12, 288, 260 shares of common stock on a fully diluted basis. Those holders may also convert such shares of Series A Preferred Stock and receive approximately 30. 03 shares of common stock for each share of Series A Preferred Stock converted, resulting in our issuance of up to 12, 288, 260 shares of common stock if such shares of Series A Preferred Stock were all converted. On a~~ fully converted ~~basis~~, the shares of Series A Preferred Stock are convertible into 20, 296, 847 shares of common stock. Holders of shares of Series A Preferred Stock are entitled to vote with the holders of shares of common stock and any other class or series similarly entitled to vote with the holders of common stock and not as a separate class, at any annual or special meeting of stockholders, and may act by written consent in the same manner as the holders of common stock, on an as converted basis. Shares of Series A Preferred Stock are convertible to common stock at any time at the option of the holder, subject to the Continuing Caps. **See Note 18 of the notes to our Consolidated Financial Statements within Part II, Item 8 of this Annual Report on Form 10- K for a discussion of the " Continuing Caps. "** Any conversion of Series A Preferred Stock into common stock would dilute the ownership interest of existing holders of our common stock, and any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. We have granted Coliseum Holdings and certain recipients of Series A Preferred Stock in the Distributions registration rights in respect of the shares of Series A Preferred Stock and any shares of common stock issued upon conversion thereof. These registration rights could facilitate the resale of such securities into the public market, and any resale of these securities would increase the number of shares of our common stock available for public trading. Sales of a substantial number of shares of our common stock in the public market, or the perception that such sales might occur, could have a material adverse effect on the price of our common stock. Additionally, a majority of the voting power of the Series A Preferred Stock must approve certain significant corporate actions, such as (i) amendments to our Certificate of Incorporation or bylaws in a manner adverse to the rights, preferences, privileges or voting powers of the holders of Series A Preferred Stock, (ii) the creation or issuance of a series of stock, or other security convertible into a series of stock, with equal or greater rights than those of the holders of Series A Preferred Stock, (iii) the issuance of equity securities, or securities convertible into equity securities, at a price that is 25 % below fair market value at the time of issuance, (iv) subject to certain exceptions, the incurrence of indebtedness, (v) subject to certain exceptions, the sale or licensing of any of our material assets, (vi) subject to certain exceptions, the consummation of acquisitions (of stock or assets), (vii) subject to certain exceptions, the payment of certain dividends or distributions with respect to a series of stock junior to the Series A Preferred Stock, (viii) the voluntary liquidation, dissolution or winding- up of UTI if the Series A Preferred Stock would not have the option to receive the liquidation preference then in effect upon such liquidation, dissolution or winding- up, or (ix) subject to certain exceptions, any merger, consolidation, recapitalization, reclassification or other transaction in which substantially all of our common stock is exchanged or converted into cash, securities or property and in which the holders of the Series A Preferred Stock shall not have the option to receive the full liquidation preference as a result of that transaction. The interests of the holders of the Series A Preferred Stock may not always coincide with the interests of our other stockholders and Coliseum Holdings' concentration of ownership may have the effect of delaying or preventing a change of control of UTI otherwise favored by our other stockholders and could depress our stock price. The price of our common stock has fluctuated significantly in the past and may continue to do so in the future. As a result, you could lose all or part of your investment. Volatility in the market price of our common stock may prevent you from being able to sell your shares at or above the price you paid for your shares. The market price of our common stock has fluctuated significantly in the past, and may continue to fluctuate significantly for a variety of different reasons, including, without limitation, developments in our industry; our quarterly or annual earnings or those of other companies in our industry; changes in earnings estimates or recommendations by research analysts who track our common stock or the stocks of other companies in our industry; negative publicity, including government hearings and other public lawmaker or regulator criticism, regarding our industry or business; changes in enrollment; and changes in general conditions in the United States and global economies or financial markets, including those resulting from health epidemics, war, incidents of terrorism or responses to such events. In addition, in recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry.

Changes may occur without regard to the operating performance of these companies. The price of our common stock could fluctuate based upon factors that have little or nothing to do with our company. Seasonal and other fluctuations in our results of operations could adversely affect the trading price of our common stock. In reviewing our results of operations, you should not focus on quarter- to- quarter comparisons. Our results in any quarter may not indicate the results we may achieve in any subsequent quarter or for the full year. Our revenues normally fluctuate as a result of seasonal variations in our business, principally due to changes in total student population. Student population varies as a result of new student enrollments, graduations and student attrition. Historically, our schools have had lower student populations in our third fiscal quarter than in the remainder of our fiscal year because fewer students are enrolled during the summer months. Our expenses, however, do not generally vary at the same rate as changes in our student population and revenues and, as a result, such expenses do not fluctuate significantly on a quarterly basis. We expect quarterly fluctuations in results of operations to continue as a result of seasonal enrollment patterns. Such patterns may change, however, as a result of acquisitions, new school openings, new program introductions and increased enrollments of adult students. Additionally, our revenues for our first fiscal quarter are adversely affected by the fact that we do not recognize revenue during the calendar year- end holiday break, which falls primarily in that quarter. These fluctuations may result in volatility or have an adverse effect on the market price of our common stock.