
What is HE Online Ltd?

HE Online is possibly the newest private provider in the higher education market. The company was incorporated in August 2011 as Education Online Services Ltd. The company changed its name to HE Online in December 2011.

Documents in Companies House reveal that the director and sole shareholder is Ryan Craig, resident in California. Ryan Craig is

Yet Craig's creation, Bridgepoint, has also become a by-word for some of the worst failings of the US for-profit higher education sector.

US for-profit companies

Successive studies by the US Senate, the Education Trust and by Harvard academics have exposed an industry that has built massive profits on accessing student loan subsidies in return for woeful performance. According to these reports:

- | Students at for-profit colleges have to pay twice as much for their tuition as those at public colleges.
- | Only 22% of students at a for-profit college can expect to complete their courses.
- | 46% will finish with heavy private loans to make up the difference between costs and federal support, a debt burden that is twice as big on average as those incurred by students at public colleges.
- | 20% will default on their loans within three years of completing and students at for-profit colleges are more likely to be unemployed at the end of their studies.⁵

This is what has led leading investor Steve Eisman to refer to these companies as 'marketing machines masquerading as universities'.

Bridgepoint – 'a deeply disturbing model'

Far from being an exception to this picture, Bridgepoint was recently used as a case study by US Senator Tom Harkin, who has led campaigning for better regulation of for-profit education.

During a series of Congressional hearings and reports, Harkin exposed Bridgepoint's and reports, n. m-, anc sho wyear cours g and63l peecen% offcou-(yead)]TJ T* -.0086 Tc .0084 Tw (studentshaed lcreudydropp

a similar model. He has formed a new private equity firm who, like Warburg Pincus, will provide capital and management experience to a company – HE Online – which will be geared toward fast growth and high dividends.

HE Online boasts other directors equally