

CAPELLA EDUCATION CO  
Form 425  
July 10, 2018

Filed by Capella Education Company

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Subject Company: Capella Education Company

Commission File No. 001-33140

July 9, 2018

Higher Learning Commission Approves Capella-Strayer Merger

Capella employees,

I am pleased to confirm that we have received notice that our regional accreditor, the Higher Learning Commission, has approved the change of ownership of Capella University in connection with the merger between our parent company, Capella Education Company, and Strayer Education, Inc., the parent company of Strayer University, to form Strategic Education, Inc.

This approval was a key step of the merger process and we now expect the merger to close on or before August 1, 2018.

I'd like to extend my sincere appreciation to the many people both at Capella and Strayer who compiled, negotiated, and reviewed the 1200 page application and were interviewed by the site visit team. Thanks for your contributions toward this very positive outcome.

Sincerely,

**Dick Senese, PhD, LP**

University President

Bcc: \*Capella All

**Forward Looking Statements**

This communication contains certain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Such statements may be identified by the use of words such as "expect," "estimate," "assume," "believe," "anticipate," "will," "forecast," "outlook," "plan," "project," or similar words and may include statements with respect to, among other things, the proposed merger of a wholly-owned subsidiary of Strayer with and into Capella, including the expected timing of completion of the merger; the anticipated benefits of the merger, including estimated synergies; the combined company's plans, objectives and expectations; future financial and



operating results; and other statements that are not historical facts. The statements are based on Strayer's and Capella's current expectations and are subject to a number of assumptions, uncertainties and risks. In connection with the safe-harbor provisions of the Reform Act, Strayer and Capella have identified important factors that could cause Strayer's or Capella's actual results to differ materially from those expressed in or implied by such statements. The assumptions, uncertainties and risks include:

the risk that the merger may not be completed in a timely manner or at all due to the failure to satisfy certain conditions (including obtaining required regulatory and educational agency approvals) to completion of the merger;

the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;

the outcome of any legal proceeding that may be instituted against Strayer, Capella and others following the announcement of the merger;

the amount of the costs, fees, expenses and charges related to the merger;

the risk that the benefits of the merger, including expected synergies, may not be fully realized or may take longer to realize than expected;

the risk that the merger may not advance the combined company's business strategy and growth strategy;

the risk that the combined company may experience difficulty integrating Strayer's and Capella's employees or operations;

the potential diversion of Strayer's and Capella's management's attention resulting from the proposed merger; and

other risks and uncertainties identified in Strayer's and Capella's filings with the Securities and Exchange Commission.

Actual results may differ materially from those projected in the forward-looking statements. Strayer and Capella undertake no obligation to update or revise forward-looking statements.

#### **Additional Information and Where to Find It**

Investors and security holders are urged to carefully review and consider each of Strayer's and Capella's public filings with the Securities and Exchange Commission (the "SEC"), including but not limited to their Annual Reports on Form 10-K, their proxy statements, their Current Reports on Form 8-K and their Quarterly Reports on Form 10-Q. The documents filed by Strayer with the SEC may be obtained free of charge at Strayer's website at [www.strayereducation.com](http://www.strayereducation.com), in the Investor Relations tab at the top of the page, or at the SEC's website at [www.sec.gov](http://www.sec.gov). These documents may also be obtained free of charge from Strayer by requesting them in writing to



2303 Dulles Station Boulevard, Herndon, VA 20171. The documents filed by Capella with the SEC may be obtained free of charge at Capella's website at <http://www.capellaeducation.com>, in the Investor Relations tab at the top of the page, or at the SEC's website at [www.sec.gov](http://www.sec.gov). These documents may also be obtained free of charge from Capella by requesting them in writing to 225 South 6th Street, 9th Floor, Minneapolis, Minnesota 55402.

In connection with the proposed transaction, on November 20, 2017, Strayer filed a registration statement on Form S-4 with the SEC which included a joint proxy statement of Strayer and Capella and a prospectus of Strayer. The registration statement was amended on December 8, 2017. On January 19, 2018 at their respective special meetings, Strayer's stockholders approved the issuance of Strayer common stock and the amendment and restatement of Strayer's charter, each in connection with the merger, and Capella shareholders approved the Agreement and Plan of Merger, dated as of October 29, 2017, by and among Strayer, Capella and Sarg Sub Inc. **BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS OF STRAYER AND CAPELLA ARE URGED TO CAREFULLY READ THE ENTIRE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and security holders can obtain the registration statement and the joint proxy statement/prospectus free of charge from the SEC's website or from Strayer or Capella as described above. The contents of the websites referenced above are not deemed to be incorporated by reference into the registration statement or the joint proxy statement/prospectus.

#### **No Offer or Solicitations**

This document shall not constitute an offer to sell or buy or the solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933.