As required by the Securities & Exchange Commission, National American University Holdings Inc. holds a quarterly conference call to report the state of the company to its investors. Dr. Ronald Shape, NAU’s CEO, presented information related to the current conditions of National American University.

Dr. Shape announced that the 2011 second quarter (Fall term) enrollment was 9,643 students, an increase of 24% over the prior year. Enrollment numbers for the fall term of 2010 increased by 24.1% compared to a historic enrollment growth of an average of 11.5% since 1998. Influencing factors include a strong graduate program, hybrid offerings (classroom and online) and academic expansion with new programs and a creation of new markets. More specifically he described the growing physical footprint of the university as expansion into new states and new population centers and increases in academic programs, including nursing. NAU is operating in 25 Midwest locations (with three pending approvals). Dr. Shape also called attention to the importance of affiliate relationships and expansion in domestic and international categories. He characterized NAU students as being in their early 30s, who are seeking to complete a degree either for the first time or in a new field, with many juggling pressures of family, work obligations and perhaps the pressures of the current economic climate. Flexibility through online scheduling has helped to reduce difficulties for students. Later in his presentation, Dr. Shape responded to a question that may have implied that NAU might have an interest in looking for a specific type of student. His enthusiastic response was that NAU, in a manner that is different than that of many other educational institutions, has an open enrollment policy. At the outset, National in the view of its patriarch, Harold Buckingham, believed that all people should have an opportunity for higher education and career development. This also established an obligation on the part of the institution to support student efforts, particularly for those who may not have had adequate preparation for the rigors of higher education. That belief persists. This topic is covered more fully in the “Spotlight” segment of this newsletter (page 3).

The “footprint” grew in 2010 with NAU’s operations in Allen, Texas, Wichita West in Kansas, and Colorado Springs South and Centennial in Colorado. NAU expects to be able to begin enrollment in Tulsa, Oklahoma for the spring term. A goal is 6-8 new locations in 2011 with sites in Missouri, Minnesota, Texas and Oregon under consideration. Beyond approvals, site selection relates to many factors including convenient facilities, parking, lighting, and signage opportunities.

Currently there are seven active domestic affiliations, two more have recently signed agreements with two- four additional affiliations planned for the immediate future. International affiliates include four in South America, one in Cyprus and Greece, with potential expansion in Cyprus, Greece, South America and West Africa.

Academic Breakdown for Fall 2010 Term

Continued on page 4
East/Southeast Region

Overland Park Campus
Zach Lua, the program coordinator for NAU was selected as one of 30 business professionals to participate in the 2011 Leadership Overland Park through the Overland Park Chamber of Commerce. • A new student union has formed at the campus, bringing all departments together to collaborate on how to make campus life more fulfilling and satisfying for new and current students.

Sioux Falls Campus
The Sioux Falls campus participated in the Juvenile Diabetes Research Foundation fund-raise and walk-a-thon. Students and staff hit their $300 goal.

Roseville campus
Academic achievement was a cause for celebration at an “Honors Night” event held at the Radisson Hotel in Roseville. Students, their families and members of the staff attended the event. • Roseville tutors were recognized for their outstanding work in helping NAU students achieve educational goals. “I was at a point where I was ready to quit not only the math class, but my whole education,” says Sherry. “I spoke with Learner Services and they directed me to Oliver, the math tutor who saved my life. He not only helped me pass the math class, but encouraged me to complete my degree and better myself. Thank you, Roseville Tutors” • Faculty members from Roseville joined their peers from Bloomington, Brooklyn Center and Minnetonka to celebrate their combined contributions to student development. Two instructors from each location received special recognition. • An increasing number of instructors are applying the experiential learning concept into the classroom. “It is very important for the students to get a real life exposure to the job market while they are still in school,” says Julia Miller, Instructor of Career Management. “In order to provide a balance of academic theory and practical skills, guest speakers from prominent local business and organizations are invited to present on topic areas covered by the syllabus”. This has proven to be a very successful practice that enhances the learning process and provides the students with additional networking opportunities.

Watertown Campus
In Fall 2010 term, 78 students were recognized for Academic Achievement Awards. This was a 73% increase over the previous year. In addition, 148 students achieved perfect attendance. These milestones were celebrated at a special event for students and their families.

System Allied Health Care
Shawna Sweeney’s position at NAU overlaps distance learning and central administration duties by serving as program coordinator for Health Information Technology, Healthcare Coding, Medical Staff Services Management and Healthcare Management programs for the distance learning campus and central administration. She is working toward a MS in Health Informatics through Dakota State University (South Dakota).

System News
Staff/Alumni/Students

NAU Culture Clubs Kickoff Across the NAU campuses and the central administration offices, culture clubs are focusing on promoting the NAU culture of a caring and supportive environment. The intent is to promote NAU’s core values, create an atmosphere of fun at work, and to open all lines of communication. The goal is to help everyone understand their role at NAU and provide avenues for innovation and collaboration. Each culture club consists of members representing departments within a campus and at central administration. Clubs meet on a regular basis to determine the activities that best serve their goals, share best practices and find new ways of working together as a system.

Research Scholarship Awarded
Kristi Relaford, a student in the paralegal studies program at the Rapid City campus was awarded the 2010 Campus Research Scholarship. There are two scholarship opportunities, one at the campus level and one at the system level. Campus scholarships are $250. The system scholarship is $500. These are awarded annually. All students are encouraged to apply. The deadline for campus scholarships is May 20, 2011 and June 24, 2011 for the system scholarship. See your academic dean for details.

Bloomington Campus
Current student, Robert Schlechter is happy with his choice to attend NAU. “Thank you for going out of your way to help me get the credit I need, and I cannot find a better way to attain a better economic status than by getting a degree. NAU made it a little easier.”

(L to R: Trevor Mischke, Academic Coordinator, Kristin Bryce, honoree, Jennifer Krein, honoree and Campus Director Heidi Schooley)

Distance Learning Campus
NAU’s Best of Both World’s (BOBW) Instructional Delivery Platform provides international students with a realistic option to combine the curricula of their qualified home country institution with that of NAU. NAU has formed alliances with several international universities for this purpose. Recently Weston Neiffer, Marcie Cudmore and Ann Brentlinger visited the BOBW affiliate in Santa Cruz, Bolivia-Universidad Privada Cumbre (UPC). The intent was to further collaborate with UPC staff to enhance academic offerings and marketing efforts to better serve their population. UPC is
VP gave presentations on various topics of interest to the group.

**Denver campus**
The Denver campus Nursing Program Phase IV was recently approved by the Colorado Board of Nursing. A site visit as part of the process is likely to proceed in Fall 2011. The nursing department hosted an on-campus pediatric clinic with several children between 4 months and 16 years participating with an assessment, involving 22 faculty-supervised nursing students. A great practical experience!

**Rapid City campus**
Faculty and students from the Veterinary Technology Department recently assisted South Dakota Game Fish and Parks staff on a wild turkey relocation project. Western South Dakota is experiencing an overpopulation of wild turkeys which is causing depredation on area ranches. After GF&P employees netted about 70 turkeys, instructors and students from NAU stepped in to help with health inspections by restraining the birds, drawing blood, and recording exam results. Students appreciated the chance to go off-site for hands-on experience working with wildlife. The birds were then picked up by specialists from the Utah Department of Natural Resources and transported to the southeast area of their state where wild turkey flocks are few.

**Bill Griffin**, campus faculty member, completed training at the Cordon Bleu Academy in Paris, France during the summer of 2010.

The Rapid City campus is the site for a presentation sponsored by The Center for Business & Economics - “The Embezzler Next Door: Protection from Financial Fraud” featuring the State Attorney General, the FBI and others.

**Rio Rancho campus**
Campus representatives have been speaking at local public middle schools on AVID (Advancement Via Individual Determination) topics. The program is designed to assist young people in achieving academic goals and encouraging preparations to continue education after high school. The speakers not only encourage youth, but a connection is made with public schools and a greater awareness is created in the community through this outreach effort.

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**STATE OF THE UNIVERSITY CONTINUED...**

A breakdown of NAU students by program and degree offerings is illustrated on page 1 of this newsletter. Nursing, a relatively new addition to the academic programming, is noted on the display with 16.1% of total enrollment. Qualified nurses have been and continue to be in high demand and it is reasonable to expect that this market is likely to continue to grow in accordance with the population’s age structure. Beyond the nursing programs which are already operational in Kansas City and Denver, the Board of Nursing has approved foundational and clinical classes in Bloomington, Minnesota and the foundations in Rapid City and Sioux Falls, South Dakota. Following a February 2011 site visit in Wichita, Kansas and Austin, Texas, it is hopeful that nursing programs will be available in these locations as well. The online Master of Science in Nursing began 2009-2010.

Enrollment is partially a product of student persistence (retention) and course completion. For the Fall quarter of both 2010 and 2011 in both undergraduate and graduate categories course completion remains above 90%. Term-to-term persistence for fall to winter (2010-2011) 85.6%. To compare, the national average of freshmen-to-sophomore retention is 77%. Perhaps a more important statistic and significant figure in terms of nationwide unemployment terms, NAU graduates’ employment rate in the most recent reportable quarter (Spring 2010) was 88%. Job hunting in this current economic environment is extremely challenging.

There has been publicity and interest on the part of the US Senate regarding the current regulatory environment and proprietary educational institutions. Dr. Shap reported that during the fall term, the Senate HELP Committee posed a series of questions to NAU and other proprietary institutions regarding business practices. The responses to this inquiry articulated the university’s commitment to academic quality, regulatory compliance and successful student outcomes.
NAU’s position relating to admissions and enrollment is that following high school graduation or completion of a GED, individuals are able to seek a diploma, degree or course completion in order to gain or enhance personal or career opportunities. Recognizing that individual backgrounds or abilities may impact goals, the university accepts an obligation to support all students in achieving positive results.

During the quarterly investor presentation, Dr. Shape upheld the process of “open admission”. He pointed out that assessment during admissions/enrollment may suggest that skill sets in math or English are inadequate. NAU offers developmental classes in these areas at no charge to help prepare a student for their higher education coursework. NAU supports student effort and personal development in several ways including tutoring and scheduled office hours for faculty/student interaction. Student orientation, handbooks and other publications are also intended to be informative and supportive.

A required “extended orientation class” which among other things incorporates life skills, study skills, goal setting, time planning, responsibility, integrity, etc. has been part of the university’s curriculum for about 30 years. David Ellis, who has roots with what was then National College as owner, President, faculty member, assistant dean of student services and member of the administrative board, established the College Survival class, a textbook, Becoming a Master Student, for all Rapid City campus freshman through which he strongly influenced student success. College Survival and the textbook expanded beyond what existed in Rapid City to the branch campuses and then sequentially and ultimately to national and international markets. The book, Becoming a Master Student, is in its 13th edition as North America’s number one college text with 5,000,000 copies sold. More than 100 education conferences, work shops and media materials serving over 10,000 teachers, counselors and services staff have dramatically influenced student success nationwide. That this effort, this book, and this successful and well-known educator grew out of NAU’s commitment to influence student success is a source of institutional pride.

During the 1990s, NAU adopted a different but comparable program which not only contributes to student success, but also relates to the personal development and growth of faculty and staff. Current NAU President, Dr. Gallentine, brought the Lou Tice Pacific Institute programs of Investment in Excellence and Strategies for Success into administrative, staff and student development efforts. Both companies and their publications, media, seminars, and classes and NAU’s utilization may be the strongest of the overall personal development efforts. This certainly upholds the premise of “open admission” and student support.
Alumni Career Success

Dan Koistinen, a recent Watertown graduate is currently working for Menards. He had been a student ambassador. He hopes to own his own business.

Magdalena Foley, a 2006 Albuquerque campus graduate is working as a business/financial analyst in the office of the Texas State Comptroller in Austin at the LBJ Office Complex.

Tony Tolliver, a 1988 graduate of the Rapid City campus is a sales representative for Apria Health Care in Rapid City.

Jennifer J. Wesley, 2010 medical assistant program graduate-Sioux Falls campus, is working at the Avera Doctors Plaza I in Sioux Falls.

Fred Feldges, Rapid City campus graduate and former student body president and a member of the veteran’s club (1969-70), is the mayor of Alliance, Nebraska.

Tammy Remper-Brown, Online RN to BSN graduate from the Distance Learning campus is the director of nursing at the Brown County Hospital in Ainsworth, Nebraska.

Thomas A. Baribeau, a 1985 graduate at the Rapid City campus is the support branch chief at the administrative office of the US Courts in New Braunfels, Texas.

Charissa Hanke, a Roseville campus AAS and BS graduate served as IT coordinator and associate academic dean at Roseville. She has recently joined the staff of First Children’s Finance, first in the loan department and later as information and technology manager.

Suresh P. Tennarangam a 1989 Rapid City campus IT graduate is working as a senior software engineer in Littleton, Colorado.

Glen Holcomb, a 2010 graduate (Rapid City) is now living in Missouri, working as a corporate financial aid campus liaison for Vatterott College in Springfield, Mo.

Verna Savage, a 2010 graduate-Brooklyn Center campus, has been with Target for 15 years and following graduation she accepted an administrative position to assist in dispute resolutions (DSR). She also serves on the African American Business Council with Target and she is a communications advisor. She has a future educational goal of an MBA.

Westin Westminister has hired Carter Earle, a Bloomington campus graduate, as group sales manager. He has had more than 10 years of hospitality sales experience. Earle had worked for the Marriott Hotels and Resorts in Minneapolis and for Starwood Hotels and Resorts in Denver.

Carol Hophan recently graduated in Pharmacy Technology (Roseville campus), and she was recently hired to work in the University of Minnesota School of Veterinary Medicine. She is working with IV fluids and chemotherapy agents for animals. For the first time in Carol’s life, she will be carrying health and dental insurance for the family, and contributing to retirement funds—and working in two fields that she loves. She is beyond thrilled for this opportunity!

Brenda Tirrel, NAU alumna is a senior paralegal at POET, LLC and she lives in Viborg, South Dakota.

Laurie Annis of Kansas City, Kansas is an LPN and a 2009 Overland Park graduate. She writes that her loss of both parents was a primary inspiration for a nursing career, but the children were older and more self-sufficient and with encouragement from her husband, family and friends the path was chosen. The presence of other non-traditionals and a desirable student/teacher ratio were among NAU’s positive features. Future plans are to enroll in the BSN program.

Melody M. Hamann lives and works in Clear Lake, South Dakota. Full time employment and family obligations influenced her choice of distance learning coursework for a Bachelor’s degree. She works as an administrative assistant for the Natural Resources Conservation Service and is also a soil conservationist providing support for land owners and overall conservation goals.

C. Shane Neal completed his Business Administration degree at NAU-Albuquerque, and is now an MBA student with an expected completion date in 2012. He is working as a commercial insurance producer for Wells Fargo Insurance Services USA, Inc.

Jim Davis completed his BS in Applied Management at NAU’s Wichita campus in 2010 and immediately enrolled in the Master of Management graduate degree program. He is currently an automotive center manager for Sears.
Job searches and placement assistance for students and graduates is an important service offered by each campus. Recently, the East/Southeast Region added two regional career services positions to help students and campuses with these tasks. John Bernard in the East and Gianina Clark in the Southeast are working on initiatives with their campuses, including Career Fairs, Life Skills coaching, creating more resources, and networking with local businesses. Peggy Schlechter, Dean of Students at the Rapid City campus, has been in this role since 1997. Peggy said that many of her requests from students relate to growing as a professional in their career and how to manage a job search.

As a follow up to the Strategies for Success class, a Career Management class is offered when a student is close to degree completion. This class prepares students to manage their career throughout the job transitions that occur in the course of a lifetime. It also helps graduating students secure professional employment in areas such as resume writing, interviewing and networking techniques, and the means to meet employer expectations.

This is just one more way NAU supports its students!