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## News

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### American Education Group gets \$10M investment

Shandra Martinez | *The Grand Rapids Press*

GRAND RAPIDS -- In less than three years, American Education Group has taken the lead in the growing business of specialized private education.

The Grand Rapids firm's collection of preschool, primary and secondary schools now number 16 in six states.

While most of AEG's 300 employees work outside Michigan, the company is considered a potential star in the state's changing economy.

A sign of that is Michigan Opportunities Fund's \$10 million investment in the company -- the first to come out of the \$150 million fund.

Fed by the state's pension workers system, the money pool is part of the Invest Michigan program introduced by Gov. Jennifer Granholm 18 months ago to spur business growth.

"This investment is in keeping with our Michigan Opportunities Fund's objective to invest in growing companies in Michigan," said Jason Duzan, managing director of the Chicago-based private equity firm Glencoe Capital, which manages the fund.

"The concept of supporting an accomplished Michigan-based management team in this innovative educational platform is exciting to us."

But the fund is picky, selecting one company for every 50 considered.

"Specializing in the future of education," is the motto of AEG, which operates schools for children who have learning issues, from attention deficit hyperactivity disorder to dyslexia.

Its schools are small, from 50 to 200 students, and student-teacher ratios range from one-to-one to one-to-15. Tuition costs from \$10,000 to \$30,000, depending on the school. At most of the schools, a portion or all the cost is covered by vouchers for special education, provided through the states.



Dave Raczkowski | *The Grand Rapids Press*

Peter Ruppert is president and CEO of the specialized private education company American Education Group, which has its headquarters in Grand Rapids. The company recently received \$10 million from the Michigan Opportunities Fund.

There are strong voucher programs in three of the states where AEG schools operate: Massachusetts, New Jersey and Florida. Other schools are in Georgia, California and Arizona.

### **Considering Michigan sites**

Even without a state voucher program, AEG would like to open schools in metro Detroit and possibly Grand Rapids.

Parents are willing to pay college tuition prices for their child's pre-college education when vouchers aren't available, said Chief Executive and founder Peter Ruppert.

"What we are finding is that when parents come to us, they have already tried public and private traditional education and now are looking for a more personalized, customized and individualized approach to a child's needs," Ruppert said.

### **AEG's schools**

AEG offers the following school models:

- **Fusion Academy:** A sixth- through 12th-grade program that offers customized student-centered learning, including one-on-one instruction. It is modeled after the Barnstable Academy in New Jersey.
- **Lexis Preparatory School:** Kindergarten to eighth-grade school modeled after 40-year-old Tampa Day School in Florida, founded by Dr. Walt Karniski. A new school will open this fall in Scottsdale, Ariz.
- **Little Sprouts:** Preschools in the Boston area that specialize in academic-themed early education. AEG acquired seven schools, opened two last year and will open four to five this year.

AEG's headquarters are in office space above the downtown Grand Rapids brewery Hopcat, at 25 Ionia Ave. NW. Half the dozen-member staff is the company's six-person management team.

Before launching AEG, Ruppert headed the Grand Rapids-based National Heritage Academies for eight years until 2005. Under his leadership, NHA grew from four to 51 charter schools in five states.

Both companies are in the business of education but serve different markets.

NHA offers a conventional educational model, while AEG is focused on students who need specialized education.

"The worse thing we can do is not give every chance to a student who is struggling," Ruppert said.

*Original article:* [http://www.mlive.com/business/west-michigan/index.ssf/2009/07/american\\_education\\_group\\_gets.html](http://www.mlive.com/business/west-michigan/index.ssf/2009/07/american_education_group_gets.html)

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