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The American Academy Raises New Round of Venture Capital Financing

*Dropout Recovery innovators raise \$6 Million to expand reach to at-risk children via its
NoDropoutsTM offering*

The American Academy (TAA), which partners with school districts across the nation to recruit, enroll and educate children who cannot or will not attend school, has secured \$6 million in Series C financing to bolster its commitment to getting more at-risk youth to graduation day. In conjunction with the Series C investment, Mark Grovic, co-founder and General Partner at New Markets Venture Partners, joined the Company's Board of Directors.

The financing was led by New Markets Venture Partners and Anthony Meyer, a TAA co-founder. Existing investors Austin Ventures and Signal Peak Ventures (formerly vSpring Capital) also participated in the round. GSV Advisors acted as exclusive financial advisor to TAA in the transaction.

"We are very pleased to welcome Mark to our board and New Markets to our family of investors. Mark knows our market, our company and our mission very well," said TAA co-founder and President Gregg Rosann. "This capital investment will allow us to continue with our rapid expansion and the continued evolution of the NoDropouts program, tailored specifically to serving at-risk youth."

At New Markets, Grovic said, "We're very impressed by the way this company has grown as well as its future potential to reach thousands, if not hundreds of thousands, of kids. TAA delivers a consistently high quality solution to communities across the country, and we're honored to be part of the team fueling their expansion."

TAA has added more than three dozen school district partners over the past year and will serve nearly 3,000 students in 2012 with its innovative NoDropouts program. Through a unique combination of online learning, netbook computers with 4G internet access, and multi-tiered social, emotional and educational support, TAA gives school districts a powerful program to serve the vast population of dropout youth in the United States.

"As a nation, we're doing a better job preventing children from dropping out of school in the first place. While that effort is critical, every year more than one million children still drop out of school. Dropout recovery is a very essential part of every community's fight against this epidemic," said TAA co-founder Anthony Meyer. Meyer praised the vision of TAA's fellow investors in supporting a company that was among the first in the nation to take a research-based approach to recovering dropouts.

About The American Academy

Established in 2007 and based in Salt Lake City, The American Academy partners with school districts across the nation – regardless of size – to locate and educate high school dropouts. Through its groundbreaking NoDropouts™ program, TAA successfully applies online learning with local community support and advocacy to help at-risk youth continue their education and lead productive lives. In addition to its work with at-risk students, the company also manages a private, accredited, online high school focused on credit recovery for students of all ages in nearly every state and eight countries. Visit NoDropouts.com for more information.

About New Markets Venture Partners

New Markets Venture Partners is a venture capital firm that invests in and actively assists innovative information technology, business services and education companies. The New Markets Team has decades of experience investing in and building high growth companies, maintains proprietary relationships with centers of innovation, and has particular domain expertise around technology and education. It prides itself on working to add value before, during and after the investment process. Visit newmarketsvp.com for more information.

About Austin Ventures

Austin Ventures (“AV”) has worked with talented entrepreneurs to build valuable companies for over 25 years. With \$3.9 billion under management, AV is the most active venture capital and growth equity firm in Texas and one of the most established in the nation. With an investment focus on business services and supply chain, financial services, new media, Internet, and information services, AV invests at all stages of company development, from \$100,000 in “planned experiments” in early-stage ideas to \$100+ million investments in expansion rounds and recapitalizations. AV’s strategy is to partner with talented executives and entrepreneurs through its CEO-in-Residence and Entrepreneur-in-Residence programs. Visit austinventures.com for more information.

About Signal Peak Ventures

Signal Peak Ventures is an early-stage venture capital firm with more than \$450 million of committed capital under management. The company targets information technology and life sciences companies headquartered in the Rocky Mountain region and looks for companies with the potential to transform their markets and create lasting value. Signal Peak’s primary areas of focus include enterprise software, networking and communications, security software, Internet, mobile computing, drug delivery, diagnostics and medical devices — and the firm has deep experience in all of these markets, having founded or served as senior officers and board members in more than 100 companies. Visit signalpeakvc.com for more information.

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