

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

LINCOLN EDUCATIONAL SERVICES CORP

CIK: **1286613** | IRS No.: **571150621** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): January 20, 2009

Lincoln Educational Services Corporation

(Exact Name of Registrant as Specified in Charter)

New Jersey
(State or other jurisdiction
of incorporation)

000-51371
(Commission File Number)

57-1150621
(I.R.S. Employer
Identification No.)

200 Executive Drive, Suite 340
West Orange, New Jersey 07052
(Address of principal executive offices)

07052
(Zip Code)

Registrant's telephone number, including area code: (973) 736-9340

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On January 20, 2009, Lincoln Educational Services Corporation (the “Company”), through its wholly owned subsidiary Lincoln Technical Institute, Inc. (“LTI”) and LTI’s wholly owned subsidiary NN Acquisition LLC (“NN Acquisition”), entered into a stock purchase agreement (the “BIT Purchase Agreement”) with Brad Baran, Barbara Baran, UGP Education Partners, LLC, UGPE Partners, Inc. and Merion Investment Partners, L.P to purchase all of the outstanding shares of Baran Institute of Technology, Inc., as well as certain assets of Hartford Urban Ventures, LLC and Educational Properties, LLC, for \$28 million in cash, subject to certain adjustments on and after the date of the agreement. Baran Institute of Technology, Inc. and its subsidiaries own and operate four of the five distinct schools of Baran Institute of Technology (“Baran”) – Baran Institute of Technology (“BIT”), Connecticut Culinary Institute (“CCI”), Americare School of Nursing (“Americare”) and Engine City Technical Institute (“Engine City”).

On January 20, 2009, the Company, through LTI and NN Acquisition, also entered into a stock purchase agreement (the “Clemens Purchase Agreement”) with Brad Baran, UGP Education Partners, LLC, Merion Investment Partners, L.P (collectively, the “Clemens Sellers”) and, for certain limited purposes only, UGPE Partners Inc., to purchase all of the outstanding shares of Hospitality Acquisition Corporation (dba Clemens College) for \$3 million in cash, subject to certain adjustments on and after the date of the agreement.

Item 2.01 Completion of Acquisition or Disposition of Assets

Pursuant to the BIT Purchase Agreement, on January 20, 2009, the Company completed the acquisition of Baran Institute of Technology, Inc. and the related schools named in Item 1.01 of this Current Report on Form 8-K, for an adjusted purchase price of approximately \$25.3 million in cash, subject to further customary post closing adjustments. In the same acquisition, Lincoln also acquired certain assets of Hartford Urban Ventures, LLC and Educational Properties, LLC, which provide support services to Baran.

The Company expects to complete the acquisition of the fifth school, Clemens College (“Clemens”), from the Clemens Sellers pursuant to the Clemens Purchase Agreement, subject to receiving approval from the New England Association of Schools and Colleges at their March meeting.

Baran comprises the five distinct schools of BIT, CCI, Americare, Engine City and Clemens, which together serve approximately 1,900 students and offer associate and diploma programs in the fields of automotive, skilled trades, health sciences and culinary arts.

Item 2.02 Results of Operations and Financial Condition

On January 21, 2009, the Company issued a press release announcing the acquisitions described above and the accounting for such acquisitions in accordance with Statement of Financial Accounting Standards Statement No. 141(R), Business Combinations. The Company announced that, in connection with these acquisitions, it will be taking a charge of approximately \$0.02 per share in the fourth quarter of 2008 and for the year ended December 31, 2008 and \$0.01 per share in the first quarter of 2009 to account for the expenses related to the acquisitions. The Company also stated that, in spite of the \$0.02 per share charge in the fourth quarter of 2008, it expects that its earnings per share for 2008 will meet or exceed its previously issued guidance of \$0.69 to \$0.71. A copy of the press release is furnished herewith as Exhibit 99.1 and attached hereto.

The information contained under this Item 2.02 of this Current Report on Form 8-K, including the exhibit attached hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Furthermore, the information contained under this Item 2.02 of this Current Report on Form 8-K, including the exhibit attached hereto, shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press release of Lincoln Educational Services Corporation dated January 21, 2009 (furnished under Item 2.02 of this Current Report on Form 8-K).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LINCOLN EDUCATIONAL SERVICES
CORPORATION

Date: January 26, 2009

By: /s/ Cesar Ribeiro

Name: Cesar Ribeiro

Title: Senior Vice President, Chief Financial
Officer and Treasurer

EXHIBIT INDEX

Exhibit No.	Description of Document
99.1	Press release of Lincoln Educational Services Corporation dated January 21, 2009 (furnished under Item 2.02 of this Current Report on Form 8-K).

**Lincoln Educational Services Corporation
Announces the Acquisition of Baran Institute of Technology
and Reports Record Year End Enrollment**

West Orange, N.J., January 21, 2009 – Lincoln Educational Services Corporation (Nasdaq: LINC; “Lincoln”) announced today that it has completed the acquisition of Baran Institute of Technology (“Baran”) for approximately \$25.3 million in cash, subject to customary post closing adjustments.

Baran Institute of Technology comprises five distinct schools serving approximately 1,900 students and offers associate and diploma programs in the fields of automotive, skilled trades, health sciences and culinary arts. Lincoln has closed the acquisition of four of the schools – Baran Institute of Technology, Connecticut Culinary Institute, Americare School of Nursing and Engine City Technical Institute, and expects to acquire the fifth school, Clemens College, for an additional \$3 million subject to receiving approval from the New England Association of Schools and Colleges (NEASC) at their March meeting. In addition, Lincoln is also acquiring certain assets of Hartford Urban Ventures, LLC and Education Properties, LLC, which provide support services to Baran.

“Baran uniquely fits our strategy of expanding our geographic presence, strengthening our core program offerings and adding opportunities for higher degrees,” said Dave Carney, Chairman and CEO of Lincoln. “The immediate benefits include a state of the art destination automotive and skilled trades campus with a strong New England presence; a growing diesel school in New Jersey that will benefit from our 60 year brand awareness in the New York City metropolitan area; a leading culinary school with outstanding facilities and a growing high school sales force; and an expanded presence in Florida with the addition of Americare’s nursing program. As we implement our marketing and sales processes and invest more resources for advertising, we expect to achieve meaningful operating leverage resulting in strong margin expansion. Finally, assuming that a substantial change application is approved in March by NEASC, we will acquire Clemens College which will be our second regionally accredited institution and will provide the platform for higher end hospitality degree programs.”

These acquisitions are being accounted for in accordance with Statement of Financial Accounting Standards Statement No. 141(R), Business Combinations (“SFAS No. 141”), which is effective for calendar year companies on January 1, 2009. Among other things, SFAS No. 141 requires the additional use of fair value measurements, both as of the acquisition date and in post combination periods and requires that acquisition costs be expensed as incurred. In connection with these acquisitions Lincoln will be taking a charge of approximately \$0.02 per share in the fourth quarter of 2008 and for the year ended December 31, 2008 and \$0.01 per share in the first quarter of 2009 to account for the expenses related to the acquisition.

We expect these acquisitions, including Clemens, will add approximately \$50 million to revenues in 2009, to be dilutive, but not to have a significant impact on 2009 earnings. We expect these acquisitions to be accretive to earnings in 2010.

We are updating our previously issued guidance for the year ended December 31, 2008 to reflect the impact of this acquisition on our 2008 results. In spite of the \$0.02 per share charge we are taking in the fourth quarter of 2008, we expect that our earnings per share for the year will meet or exceed our previously issued guidance of \$0.69 to \$0.71. The strong results we experienced in the fourth quarter of 2008 were fueled by a 17.1% increase in student starts in 2008 over the prior year. Finally, on a same school basis, we expect that 2008 year-end enrollment will exceed the prior year by approximately 17% resulting in us beginning 2009 with approximately 3,100 more students than we had at the beginning of 2008, excluding acquisitions.

We look forward to providing further updates on both of our acquisitions, our results for 2008 and our 2009 guidance in early March of 2009.

About Lincoln Educational Services Corporation

Lincoln Educational Services Corporation is a leading and diversified for-profit provider of career-oriented post-secondary education. Lincoln offers recent high school graduates and working adults degree and diploma programs in five areas of study: automotive technology, health sciences, skilled trades, business and information technology and hospitality services. Lincoln has provided the workforce with skilled technicians since its inception in 1946. Lincoln currently operates 36 campuses in 17 states under six brands: Lincoln Technical Institute, Lincoln College of Technology, Nashville Auto-Diesel College, Southwestern College, Euphoria Institute of Beauty Arts and Sciences and Briarwood College. Lincoln had a combined average enrollment of approximately 20,665 students for the quarter ended September 30, 2008.

About Baran Institute of Technology (Baran)

Baran is comprised of Baran Institute of Technology (“BIT”), Connecticut Culinary Institute (“CCI”), Clemens College (“Clemens”), Americare School of Nursing and Engine City Technical Institute. Baran has a total of 811 dorm beds in two facilities (Hartford and Suffield, Connecticut), which serve BIT, CCI and Clemens students.

Baran Institute of Technology

BIT is in East Windsor, Connecticut which is 12 miles north of Hartford. BIT offers diploma programs in automotive, diesel, collision repair, motorcycle, HVAC, electrical and welding. This campus serves approximately 850 students of which 75% come from New England and the remainder come from over a dozen other states. BIT is accredited by ACCSCT.

Connecticut Culinary Institute (CCI)

CCI has campuses in Hartford and Suffield, Connecticut and offers diploma programs in culinary arts, baking and pastry and Italian culinary arts. CCI has approximately 650 students of which

approximately 80% come from New England and the remainder mainly come from six other states. CCI is accredited by ACCSCT and the American Culinary Federation Foundation, Inc.

Clemens College

Clemens College shares a facility in Suffield with CCI and offers associate degrees in Hospitality Management to approximately 75 students from across the US and abroad. Clemens College is regionally accredited by NEASC.

Americare School of Nursing

Americare has two facilities in Florida: Fern Park, which is outside of Orlando, and St. Petersburg. Americare offers an associate degree in Surgical Technology and diplomas in dental assisting, medical coding and billing, medical assisting, practical nursing and patient care technician. Americare serves approximately 250 students and is accredited by ABHES.

Engine City Technical Institute

Engine City is located in South Plainfield, New Jersey and has approximately 125 students. Engine City offers a diploma program in diesel engine repair.

Statements in this press release regarding Lincoln's business which are not historical facts may be "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in Lincoln's Form 10-K for the year ended December 31, 2007. All forward-looking statements are qualified in their entirety by this cautionary statement, and Lincoln undertakes no obligation to revise or update this news release to reflect events or circumstances after the date hereof.

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