WHITMAN EDUCATION GROUP INC
Form DEF 14A
July 15, 2002

Whitman Education Group, Inc.

RICHARD C. PFENNIGER, JR.
Chief Executive Officer

July 15, 2002

Dear Fellow Shareholder:

You are cordially invited to attend the 2002 annual meeting of Shareholders of Whitman Education Group, Inc. (the "Company"). The meeting will be held at 10:00 a.m. on August 15, 2002, at the Company's executive offices located at 4400 Biscayne Boulevard, 14th Floor, Miami, Florida 33137.

The enclosed notice and proxy statement contain details concerning the business to be considered at the meeting. The Board of Directors of the Company recommends a vote "FOR" the election of the nine directors nominated to serve until the 2003 annual meeting of shareholders.

We sincerely hope that you will be present at the annual meeting. Whether or not you plan to attend, please complete, sign, date and return the accompanying proxy card in the enclosed envelope to ensure that your shares will be represented at the meeting.

A copy of the Company's 2002 Annual Report to Shareholders is also enclosed.

Sincerely,

/s/Richard C. Pfenniger, Jr.

Richard C. Pfenniger, Jr.

Whitman Education Group, Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD AUGUST 15, 2002

To the Shareholders of
Whitman Education Group, Inc.:

The 2002 annual shareholders meeting (the "Annual Meeting") of Whitman Education Group, Inc. (the "Company") will be held at 4400 Biscayne Boulevard, 14th Floor, Miami, Florida 33137 on August 15, 2002, at 10:00 a.m. local time, for the following purposes:

(1) to elect nine directors to serve until the 2003 annual meeting of shareholders; and

(2) to transact such other business as may properly come before the Annual Meeting.

Only shareholders of record at the close of business on June 28, 2002 are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof. A list of such shareholders will be available for inspection during normal business hours at the offices of the Company located at 4400 Biscayne Boulevard, Miami, Florida 33137 during the 10 days preceding the Annual Meeting.

Your attention is directed to the accompanying Proxy Statement for further information regarding each proposal to be considered at the Annual Meeting.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE PROXY CARD IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE TO ASSURE REPRESENTATION OF YOUR SHARES AND A QUORUM AT THE MEETING. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED BY PROVIDING WRITTEN NOTICE TO THE COMPANY BEFORE THE MEETING OR BY ATTENDING THE ANNUAL MEETING AND VOTING.

By Order of the Board of Directors

/s/Fernando L. Fernandez

Fernando L. Fernandez
Secretary

Miami, Florida
July 15, 2002

Whitman Education Group, Inc.

4400 Biscayne Boulevard
Miami, Florida 33137
(305) 575-6510

PROXY STATEMENT

This proxy statement is furnished by the Board of Directors of Whitman Education Group, Inc., a Florida corporation (the "Company"), in connection with the solicitation of proxies by the Company for use at the annual meeting of shareholders to be held at 10:00 a.m. local time on August 15, 2002 (the "Annual Meeting"), at the Company's executive offices located at 4400 Biscayne Boulevard, 14th Floor, Miami, Florida 33137, and at any adjournments thereof. Mailing of the proxy statement and the accompanying proxy card to shareholders will commence on or about July 15, 2002.

Record holders of the Company's Common Stock, no par value per share (the "Common Stock"), at the close of business on June 28, 2002 (the "Record Date") are entitled to one vote for each share held on all matters to be considered at the Annual Meeting. On the Record Date, 13,934,620 shares of Common Stock were outstanding and entitled to vote.

Voting

All properly executed proxies delivered and not revoked will be voted in accordance with the directions given and, in connection with any other business that may properly come before the Annual Meeting, in the discretion of the persons named in the proxy. With respect to the proposal to elect nine directors to serve until the 2003 annual meeting, shareholders may vote in favor of all nominees or withhold their votes as to all or any specific nominees. Shareholders should specify their choices on the enclosed proxy card. If no specific instructions are given, the shares represented by the proxy will be voted FOR the election of all nominees for director.

A proxy delivered pursuant to this solicitation is revocable at any time prior to its exercise by giving written notice to the Secretary of the Company, by delivering a later-dated proxy, or by voting in person at the Annual Meeting. Attendance at the Annual Meeting will not, in itself, constitute revocation of a proxy.

A majority of the outstanding shares of Common Stock, represented in person or by proxy, constitutes a quorum for transaction of business at the Annual Meeting. The election of directors will require the affirmative vote of a plurality of the shares of Common Stock voting in person or by proxy at the Annual Meeting. Votes that are withheld and broker non-votes, relating to shares as to which a broker or nominee indicates that it does not have discretionary authority to vote on a proposal, will not affect the outcome of the election of directors.

Costs and Manner of Solicitation

The Company will bear the costs of solicitation of proxies from its shareholders. Solicitation of proxies may be made in person, by mail or by telephone by officers, directors and employees of the Company who will not be specially compensated in such regard. Nominees, fiduciaries and other custodians will be requested to forward solicitation materials to the beneficial owners and secure their voting instructions, if necessary, and will be reimbursed for the reasonable expenses incurred in sending proxy materials to the beneficial owners.

ELECTION OF DIRECTORS

Board of Directors

A Board of Directors consisting of nine directors will be elected at the Annual Meeting to hold office for one year or until their successors are elected and qualified. The persons named below were designated by the Board of Directors as nominees. All of the nominees are incumbent directors. Although management does not anticipate that any nominee will be unable or unwilling to serve as a director, in the event of such an occurrence, proxies may be voted in the discretion of the persons named in the proxy for a substitute designated by the Board of Directors, unless the Board of Directors determines to reduce the number of directors constituting the Board. The Board of Directors recommends a vote "FOR" each of the nominees identified below.

JACK R. BORSTING, PH.D Director since 1994 Age 73	Dr. Borsting has been Vice Chairman of the Board since 2000. Dr. Borsting is a Professor of Business Administration and Dean Emeritus at the University of Southern California. From 1988 to 1994, Dr. Borsting was Dean of the University of Southern California School of Business Administration, and from 1994 to 2001 E. Morgan Stanley Professor of Business Administration and Executive Director of the Center of Telecommunication Management. Dr. Borsting, a former Assistant Secretary of Defense (Controller), is a director of IVAX Diagnostics, Inc. (laboratory instruments) and a trustee of the Institute for Defense Analysis, the Rose Hill Foundation, the Los Angeles Orthopedic Hospital Foundation and Met Life Investors.

NEIL FLANZRAICH Director since 1997 Age 58	In 1998, Mr. Flanzraich became Vice Chairman and President of IVAX Corporation (pharmaceuticals). In March 2001, Mr.Flanzraich became a member of the Board of Directors of IVAX Diagnostics, Inc. (laboratory instruments) and Continucare Corporation (integrated healthcare). From 1995 through 1998, Mr.Flanzraich was a shareholder and Chairman of the Life Sciences Legal Practice Group of Heller Ehrman White & McAuliffe, Palo Alto, California. From 1981 to 1994, Mr. Flanzraich was Senior Vice President, General Counsel and member of the Corporate Executive Committee of Syntex Corporation, an international pharmaceutical company that was acquired by Roche Holdings Ltd.
PHILLIP FROST, M.D. Director since 1992 Age 65	Dr. Frost has been Chairman of the Board of Directors since 1992. Dr. Frost has been Chairman of the Board of Directors and Chief Executive Officer of IVAX Corporation (pharmaceuticals) since 1987. Dr. Frost served as President of IVAX Corporation from 1991 until 1995. Dr. Frost was Chairman of the Board of Directors of Key Pharmaceuticals, Inc. from 1972 to 1986. Dr. Frost is Chairman of the Board of Directors of IVAX Diagnostics, Inc. (laboratory instruments). He is also director of Northrup Grumman Corporation (aerospace) and Ladenburg Thalman Financial Services, Inc.(investment banking and brokerage company). He is Chairman of the Board of Trustees of the University of Miami and a member of the Board of Governors of the American Stock Exchange.

PETER S. KNIGHT Director since 1994	Mr. Knight is a Managing Director of MetWest Financial, a Los Angeles based financial services

Age 51	company. Mr. Knight started his career with the Antitrust Division of the Department of Justice. From 1977 to 1989, Mr.Knight served as Chief of Staff to Al Gore when Mr. Gore was a member of the U.S. House of Representatives and later the U.S. Senate. Mr. Knight served as the General Counsel of Medicis Pharmaceutical Corporation from 1989 to 1991 and then established his law practice representing numerous Fortune 500 companies as named partner in a Washington, D.C. law firm. In 2000, he started Sage Venture Partners, an investment firm focusing on the technology and biotechnology sector. Mr. Knight has held senior positions in the last four presidential campaigns including services as campaign manager for the successful 1996 re-election campaign of President Clinton. Mr. Knight serves on the Board of Directors of Medicis Pharmaceutical Corporation, the Schroder Family of Mutual Funds and Hedge Funds Pharmaceutical Resources Inc. and EntreMed. He also serves on the Board of Duke University's Terry Sanford Institute of Public Policy.
RICHARD M. KRASNO, PH.D Director since 1996 Age 60	In 1999, Dr. Krasno became Executive Director of the William R. Kenan, Jr. Charitable Trust and President of the four William R. Kenan, Jr. funds. From 1998 to 1999, Dr. Krasno was president of the Monterey Institute of International Studies in Monterey, California. From 1983 to 1998, Dr. Krasno was President and Chief Executive Officer of the Institute of International Education (private not-for-profit education organization), New York City, New York. He served as its Executive Vice President and Chief Operating Officer from 1981 to 1983. Dr. Krasno was Deputy Assistant Secretary of Education with the U.S. Department of Education from 1980 to 1981.
LOIS F. LIPSETT, PH.D Director since 1996 Age 68	Dr. Lipsett is the President of Health Education Associates, Washington, D.C. Since 1995, Dr. Lipsett has served as a consultant to several companies, including the Robert Wood Johnson Foundation. Dr. Lipsett was Vice President, Scientific and Medical Affairs, of the American Diabetes Association from 1992 to 1995. Prior to 1992, Dr. Lipsett founded and was Director of the National Diabetes Information Clearinghouse and was also Director for several training and career development programs at the National Institutes of Health.

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RICHARD C. PFENNIGER, JR. Director since 1992 Age 46	Mr. Pfenniger has been Chief Executive Officer and Vice Chairman of the Company since 1997. Mr.Pfenniger was Chief Operating Officer of IVAX Corporation (pharmaceuticals) from 1994 to 1997. He served as Senior Vice President -- Legal Affairs and General Counsel of IVAX Corporation from 1989 to 1994. Prior to joining IVAX Corporation, Mr. Pfenniger was engaged in private law practice. Mr. Pfenniger is

	also a director of IVAX Corporation and a director of Continucare Corporation (integrated healthcare).
PERCY A. PIERRE, PH.D. Director since 1997 Age 63	Dr. Pierre has been Professor of Electrical Engineering at the College of Engineering of Michigan State University since 1995. Prior to 1995, he was the Vice President for Research and Graduate Studies, as well as Professor of Electrical Engineering at Michigan State University from 1990 to 1995; President of Prairie View A & M University from 1983 to 1989; Assistant Secretary of the Army for Research, Development and Acquisition, Department of the U.S. Army, from 1977 to 1981; and Dean of the School of Engineering at Howard University from 1971 to 1977. Dr. Pierre serves as a director of CMS Energy Corp.(diversified energy company), Fifth-Third Bank (Western Michigan), and is a Trustee of the University of Notre Dame.
A. MARVIN STRAIT, C.P.A. Director since 1998 Age 68	Mr. Strait presently practices as a Certified Public Accountant under the name A. Marvin Strait, CPA. He has practiced in the field of public accountancy in Colorado for more than forty years. Mr. Strait has served on the Board of Directors of Colorado Technical University since 1986. He also presently serves as a member of the Board of Directors of AutoTradeCenter.Com, Inc., and a member of the Board of Trustees of the Colorado Springs Fine Arts Center Foundation, and the Sam S. Bloom Foundation. He also presently serves on the Community Advisory Panels of Western National Bank and Intel Corporation. Mr. Strait previously served as the Chairman of the Board of Directors of the American Institute of Certified Public Accountants (AICPA), as President of the Colorado Society of Certified Public Accountants and the Colorado State Board of Accountancy, and serves as a permanent member of the AICPA Governing Council.

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Director Compensation

Each director who is not employed by the Company receives a retainer of $4,800 per year for his or her service as a director, a meeting attendance fee of $1,000 for each Board of Directors meeting attended in person, and is reimbursed for expenses incurred in attending Board and committee meetings. In lieu of both the retainer and the meeting attendance fees, each director who was not employed by the Company may elect to receive 7,500 options to purchase shares of Common Stock, to be granted on the first business day after election at the annual meeting of shareholders at an exercise price equal to the fair market value of the Common Stock on the date of grant.

In addition, pursuant to the formula grant provision contained in the Company's Amended and Restated 1996 Stock Option Plan, non-employee directors automatically are granted each year, on the first business day following the Company's annual meeting of shareholders, non-qualified stock options to purchase 7,500 shares (37,500 shares in the case of the Chairman of the Board) of Common Stock at an exercise price equal to the fair market value of Common

Stock on the date of the grant, and having a term of ten years. In fiscal 2002, pursuant to that formula grant provision, options at an exercise price of $3.40 per share were automatically granted to Dr. Frost (37,500 shares), and to Dr. Borsting, Mr. Flanzraich, Mr. Knight, Dr. Lipsett, Dr. Krasno, Dr. Pierre and Mr. Strait (7,500 shares each). In addition, Dr. Frost, Dr. Borsting, Dr. Lipsett, Dr. Krasno, Dr. Pierre and Messrs. Flanzraich and Strait also received options to purchase an additional 7,500 shares at $3.40 per share in fiscal 2002 in lieu of their retainer and meeting attendance fees as discussed above. The Compensation Committee of the Board of Directors also approved a grant of options to purchase 20,000 shares at $3.40 per share to Dr. Borsting, the Vice Chairman of the Board.

Meetings and Committees of the Board of Directors

The Board of Directors held four meetings during fiscal 2002 and acted once by written consent. All directors attended at least 75% of the meetings of the Board of Directors and committees of the Board of Directors on which they served during the period in which they were a member of the Board of Directors or the committee, as applicable. The Board of Directors has three standing committees, described below. The Board of Directors does not have a nominating committee, and the usual functions of such a committee are performed by the entire Board of Directors.

Executive Committee. The Executive Committee of the Board of Directors acts on certain matters during intervals between meetings of the Board of Directors. For fiscal 2002, the members of the Executive Committee were Mr. Pfenniger, Dr. Frost, Dr. Borsting and Mr. Flanzraich. The Executive Committee held no meetings during fiscal 2002.

Audit Committee. The principal functions of the Audit Committee include reviewing the adequacy of the Company's internal systems of accounting controls, recommending to the Board of Directors the appointment of independent auditors, conferring with independent auditors concerning the scope of their examinations of the books and records of the Company and their independence, reviewing the fee arrangement of the Company's independent auditors, reviewing the financial statements of the Company, management's disclosures and the independent auditor's report, reviewing the independent auditors' findings and recommendations, and considering other appropriate matters regarding the financial affairs of the Company. The Audit Committee operates under a written charter adopted by the Board of Directors. For fiscal 2002, members of the Audit Committee were Dr. Borsting, Mr. Knight, Dr. Lipsett, Dr. Pierre and A. Marvin Strait, C.P.A. The Audit Committee held four meetings during fiscal 2002.

Compensation Committee. The principal functions of the Compensation Committee are to approve or recommend to the Board of Directors remuneration arrangements and compensation plans involving the Company's directors and executive officers and to review with management the Company's employee and stock benefit programs. The Compensation Committee also administers the Company's stock option plans and makes grants thereunder. For fiscal 2002, the members of the Compensation Committee were Dr. Frost, Dr. Krasno and Neil Flanzraich. The Compensation Committee held four meetings during fiscal 2002 and acted once by written consent.

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Executive Officers Who are Not Nominees

The Company's executive officers are elected annually at the first meeting of the Board of Directors following each annual meeting of shareholders. Set forth below is a summary of the background and business experience of the executive officer of the Company who is not a nominee for director.

Fernando L. Fernandez. Mr. Fernandez, age 41, has served as Vice President--Finance, Chief Financial Officer, Secretary and Treasurer of the Company since 1996. Prior to joining the Company, Mr. Fernandez, a certified public accountant, served as Chief Financial Officer of Frost Nevada, Limited Partnership from 1991 to 1996. Previously, Mr. Fernandez served as Audit Manager for Pricewaterhouse Coopers LLP (formerly Coopers & Lybrand) in Miami.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, executive officers and 10% shareholders to file initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities with the Securities and Exchange Commission. Directors, executive officers and 10% shareholders are required to furnish the Company with copies of all Section 16(a) forms they file. Based on a review of the copies of such reports furnished to the Company and written representations from the Company's directors and executive officers that no other reports were required, the Company believes that during fiscal 2002 the Company's directors, executive officers and 10% shareholders complied with all Section 16(a) filing requirements applicable to them.

Certain Relationships and Related Transactions

The Company currently occupies approximately 13,849 square feet of administrative offices in Miami, Florida which are owned by IVAX Corporation. The lease between the Company and IVAX may be terminated on 180 days notice and provides for an annual rental of $302,827. Dr. Frost, the Chairman of the Board and a principal shareholder of the Company, is also the Chairman of the Board, Chief Executive Officer and a principal shareholder of IVAX and Neil Flanzraich, a director of the Company, is Vice Chairman and President of IVAX. Mr. Pfenniger, the Company's Chief Executive Officer and a director, is also a director of IVAX.

Stock Ownership by Principal Security Holders and Management

The following table sets forth certain information as of June 1, 2002 concerning the number of shares of Common Stock beneficially owned by: (a) each director, (b) each executive officer named below in the "Summary Compensation Table", (c) all directors and executive officers as a group, and (d) each person known to the Company to be the beneficial owner of more than 5% of the Common Stock, and the percentage such shares represent of the total outstanding shares of Common Stock. Unless otherwise indicated, all shares are owned directly by the person indicated who holds sole voting and investment power.

Name of Beneficial Holder	Shares Beneficially Owned (1)	Percentage Owned
Bedford Oak Partners, L.P.	1,126,700 (2)	8.2
Samstock, LLC	1,124,000 (3)	8.4
Jack R. Borsting, Ph.D.	157,600 (4)	1.1
Neil Flanzraich	86,875 (4)	*
Phillip Frost, M.D.	4,351,028 (5)	30.4
Peter S. Knight	102,500 (4)	*
Richard M. Krasno, Ph.D.	82,500 (4)	*
Lois F. Lipsett, Ph.D.	82,700 (4)	*

Richard C. Pfenniger, Jr.	613,049 (4)	4.3
Percy A. Pierre, Ph.D.	73,225 (4)	*
A. Marvin Strait, C.P.A.	105,028 (4)	*
Randy S. Proto (6)	702,176 (4)	4.8
Fernando L. Fernandez	223,404 (4)	1.6
All directors and executive officers as a group (11 persons)	6,580,085 (7)	40.6

* Represents beneficial ownership of less than one percent.

(1) For purposes of this table, beneficial ownership is computed pursuant to Rule 13d-3 under the Securities Exchange Act of 1934; the inclusion of shares as beneficially owned should not be construed as an admission that such shares are beneficially owned for purposes of Section 16 of the Securities Exchange Act of 1934.

(2) Based on information contained in a schedule 13G dated February 12, 2002. As reported therein, Bedford Oak Advisors, LLC ("BOA") in its capacity as investment manager of Bedford Oak Partners, L.P., and Harvey Eisen, in his capacity as managing member of BOA, are also deemed to have beneficial ownership of the 1,126,700 shares.

(3) Based on information contained in a Schedule 13G dated March 14, 2001.

(4) Includes shares which may be acquired pursuant to stock options exercisable within 60 days of June 1, 2002: Dr. Borsting (150,000); Mr. Knight (102,500); Dr. Krasno (82,500); Mr. Flanzraich (86,875); Dr. Lipsett (82,500); Dr. Pierre (70,625); Mr. Strait (67,500); Mr. Pfenniger (435,000); Mr. Proto (615,000); and Mr. Fernandez (207,500).

(5) Includes (a) 370,000 shares which may be acquired pursuant to stock options held by Dr. Frost exercisable within 60 days of June 1, 2002, and (b) 3,971,028 shares held by Frost-Nevada, Limited Partnership, ("FNLP"). Dr. Frost is one of two limited partners of FNLP and the sole shareholder of the sole general partner of FNLP. FNLP's business address is 3500 Lakeside Court, Suite 200, Reno, Nevada 89509. Dr. Frost's business address is 4400 Biscayne Blvd., Miami, Florida 33137.

(6) Mr. Proto resigned as the Company's President and Chief Operating Officer in November 2001.

(7) Includes shares described in footnotes (4) and (5) as beneficially owned.

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Executive Compensation

The following table contains certain information regarding aggregate compensation paid or accrued by the Company during fiscal 2002 to the Chief Executive Officer of the Company and to each of the Company's other two executive officers whose combined salary and bonus during fiscal 2002 exceeded $100,000.

Summary Compensation Table

Annual Compensation	Long-Term Compensation	All Other Compensation

Name and Principal Position	Year Ended March 31,	Salary	Bonus	Stock Options	
		($)	($)	(#)	($)(1)
Richard C. Pfenniger, Jr.	2002	291,000	150,000	0	4,337
Chief Executive Officer	2001	291,000	0	0	3,100
	2000	291,000	0	30,000	4,800
Fernando L. Fernandez	2002	138,000	70,000	0	4,025
Vice President - Finance,	2001	138,000	0	0	3,100
Chief Financial Officer,	2000	138,000	0	10,000	4,516
Secretary and Treasurer					
Randy S. Proto (2)	2002	122,000	0	0	64,500 (3)
Former President and	2001	183,000	0	0	3,100
Chief Operating Officer	2000	183,000	0	20,000	4,800

(1) The amounts included in the "All Other Compensation" column represent matching contributions made by the Company under the Whitman Employee Retirement Savings Plan maintained under Section 401 (k) of the Internal Revenue Code.

(2) Mr. Proto resigned as the Company's President and Chief Operating Officer in November 2001.

(3) Included in the "All Other Compensation" column is payments made under a consulting agreement in the amount of $61,000.

During the fiscal year ended March 31, 2002, no stock options were granted to the executive officers named in the "Summary Compensation Table." However, stock options were granted to the executive officers named in the "Summary Compensation Table" in June 2002 in connection with their performance in fiscal 2002. The stock options were granted at an exercise price of $6.20 per share, the fair market value of the Company's Common Stock on the date of grant, and have a seven-year term.

The following table sets forth information concerning stock option exercises during fiscal 2002 by each of the executive officers named in the "Summary Compensation Table" above and the fiscal year-end value of unexercised options held by each of the executive officers named in the "Summary Compensation Table" above.

Aggregated Stock Option Exercises in
Fiscal 2002 And Fiscal Year-End Option Values

		Securities Underlying Number of Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End	
Shares Acquired	Value		Un-		Un-

	on Exercise	Realized	Exercisable	exercisable	Exercisable	exercisable
	(#)	($)	(#)	(#)	($) (1)	($) (1)
Richard C. Pfenniger Chief Executive Officer	10,000	6,500	408,750	33,750	323,734	28,003
Fernando L. Fernandez Vice President-Finance, Chief Financial Officer, Secretary and Treasurer	0	0	207,500	2,500	398,138	8,262
Randy S. Proto (2) Former President and Chief Operating Officer	0	0	615,000	0	2,172,050	0

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(1) The value of unexercised in-the-money options represents the number of options held at March 31, 2002 multiplied by the difference between the exercise price and $5.92, the closing price of the Common Stock at March 29, 2002 (the last trading day in fiscal 2002).

(2) Mr. Proto resigned as the Company's President and Chief Operating Officer in November 2001.

Performance Graph

The graph and table set forth below compares the cumulative total shareholder return on the Common Stock for fiscal 1998 through fiscal 2002 with the S&P 500 Index and an industry peer group index for the same period. The industry peer group index is comprised of the following companies, each of which was selected on the basis of the similarity of its business with that of the Company: Apollo Group, Inc., Career Education Corp., Corinthian Colleges, Inc., DeVry, Inc., Education Management Corp, ITT Educational Services, Inc., and Strayer Education, Inc. (the "Industry Group"). We believe that the Industry Group represents a significant portion of the market value of publicly traded companies whose primary business is postsecondary education. The Industry Group includes all of the peer issuers in the industry group used for former periods, except that Argosy Education Group, Inc., has been excluded because it is no longer a publicly traded company (the "Former Industry Group"). The graph and table assume an investment of $100 in the Common Stock and each index on March 31, 1997 (the last trading day in fiscal 1997), and the reinvestment of all dividends.

PERFORMANCE GRAPH HERE

	March 31,	Fiscal Year Ended March 31,				
	1997	1998	1999	2000	2001	2002
Whitman	100	108	71	43	57	113
Industry Peer Group Index	100	172	218	178	283	403
S&P 500 Index	100	148	175	207	162	162

Compensation Committee Report on Executive Compensation

The following report of the Company's Compensation Committee shall not be deemed to be soliciting material or incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference, and it shall not be otherwise deemed filed under such Acts.

To the Company's Shareholders:

The Compensation Committee of the Company's Board of Directors, which is composed of two non-employee directors, is charged with reviewing the compensation of the Chief Executive Officer of the Company and making recommendations with respect thereto to the Board of Directors. The Compensation Committee also reviews and approves the compensation of the Company's other executive officers. The Committee's compensation policies are based on a desire to enhance long-term shareholder value. To achieve this goal, the Committee recognizes that it must adopt compensation policies which will attract, retain and motivate qualified and experienced executive officers and align the financial interests of the Company's executive officers with those of its shareholders. In attracting and retaining executives, the Committee recognizes that the Company must compete for the services of executives with many other companies, many of which possess significantly greater financial resources than the Company and have available more comprehensive compensation plans and arrangements than are presently utilized by the Company.

In light of these factors, the Committee believes that the best manner presently available to the Company to attract, retain and motivate talented executives is through the award of long-term incentive compensation in the form of stock options both at the time the executive joins the Company and periodically thereafter. The Committee believes that providing executives with opportunities to acquire significant stakes in the future growth and prosperity of the Company through the grant of stock options creates an entrepreneurial atmosphere and helps motivate executives to perform to their full potential. The Committee believes that utilizing stock option grants for a significant portion of executive compensation assists the Company in more closely aligning the executives' interests with those of the Company's shareholders, since the ultimate value of such compensation is directly dependent on the Company's stock price.

Accordingly, the Committee designs the compensation of executive officers to consist of a reasonable annual salary with long-term incentive compensation in the form of stock options. In certain circumstances, the Company may pay cash bonuses to its executive officers to recognize those officers whose individual performance in particular years was outstanding. The Committee has also approved an incentive bonus plan for all employees of the Company with bonus potential dependent upon the financial performance of the Company as a whole, the financial performance of an employee's school or division and the discretionary evaluation of each employee's performance during the fiscal year.

Executive Officers (other than the Chief Executive Officer). The Chief Executive Officer, with the assistance of other executive officers, makes salary recommendations to the Compensation Committee for the executive officers of the Company other than the Chief Executive Officer. Such recommendations are reviewed and approved by the Compensation Committee with any modifications deemed appropriate. In reviewing and approving salary recommendations, the Compensation Committee considers several factors, including individual performance, the executive's responsibilities, compensation offered by competitors, the cost of living, and the financial performance of the Company. The Company has not, however, established specific performance goals or tied executive compensation to the achievement of specific performance goals. The compensation determination is largely subjective, and no specific weight is given to any particular factor. The Compensation Committee may, in certain circumstances, recommend that a cash bonus be paid to executives whose individual performance during a particular year was outstanding. The amount of any bonus is based upon the recommendation of the Chief Executive Officer with any modifications deemed appropriate.

Stock options are intended to represent a significant portion of total compensation for the Company's executive officers. Stock options are granted at the prevailing market price on the date of grant, and will only have value if the value of the Company's stock price increases from that date. Generally, grants vest in equal amounts over a four-year period and have seven-year terms. Executives generally must be employed by the Company at the time of vesting in order to exercise the options. Grants of stock options to executive officers are generally made upon the recommendation of the Chief Executive Officer (with any modifications deemed appropriate) based on the level of the executive's position with the Company, an evaluation of the executive's past and expected performance, the number of outstanding and previously granted options, and discussions with the executive. The determination of the timing and number of stock options granted to the executive officers is made by the Compensation Committee on a subjective basis, with no specific weight given to any particular factor.

Chief Executive Officer. For fiscal 2003, after discussions with Mr. Pfenniger and a review of his performance in fiscal 2002, the Committee set Mr. Pfenniger's base salary in fiscal 2003 at $305,000, awarded a performance bonus of $150,000 and awarded him stock options to purchase 30,000 shares of the Company's Common Stock at $6.20 per share, the fair market value of the Company's Common Stock on the date of grant. The stock options have a seven-year term and vest ratably over four years. In setting Mr. Pfenniger's salary and awarding the performance bonus and the stock options for fiscal 2003, the Committee considered the Company's financial performance in fiscal 2002 and Mr. Pfenniger's contribution to the Company's improved financial performance over fiscal 2001, the quality of his services and the salaries paid to similarly situated chief executive officers. The determination of Mr. Pfenniger's compensation package was subjective, with no specific weight given to any particular factor. Mr. Pfenniger's compensation package was reviewed by the Board of Directors who believe that the compensation is fair and reasonable in light of the factors considered by the Compensation Committee.

Tax Matters. Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a deduction for federal income tax purposes to public companies for compensation over $1 million paid in any taxable year to the Company's Chief Executive Officer or to any of the four other most highly compensated executive officers of the Company. Qualifying performance-based compensation is not subject to the limitation if certain requirements are satisfied. Based upon applicable regulations, the Company believes that compensation expenses relating to options granted under its stock option plans will not be subject to the Section 162(m) limitations.

The Compensation Committee continually evaluates the Company's compensation policies and procedures with respect to its executive officers in light of the overall financial performance of the Company and its effect on shareholder value.

The Compensation Committee of the Board of Directors

Phillip Frost, Chairman Richard M. Krasno

Compensation Committee Interlocks and Insider Participation

During fiscal 2002, the following directors served on the Compensation Committee of the Board of Directors: Dr. Frost, Mr. Flanzraich and Dr. Krasno. Dr. Frost is an executive officer and Chairman of the Board of Directors of IVAX Corporation, and Mr. Flanzraich is an executive officer and director of IVAX. Richard C. Pfenniger, Jr. is the Company's Chief Executive Officer and Vice Chairman and a director of the Company and is also a director of IVAX.

INDEPENDENT AUDITORS

Ernst & Young, LLP, independent auditors, was appointed by the Board of Directors to audit the Company's financial statements for fiscal 2002. This firm has acted as independent auditors for the Company since 1992. Representatives of Ernst & Young are expected to attend the Annual Meeting and will have an opportunity to make a statement if they desire and to respond to appropriate questions raised by shareholders.

Audit Fees

For fiscal year 2002, the aggregate fees for professional services rendered by Ernst & Young, LLP in connection with their audit of the Company's financial statements and their reviews of the Company's quarterly reports on Form 10-Q were approximately $167,500.

Financial Information Systems Design and Implementation Fees

There were no professional services rendered by Ernst & Young, LLP in the year ended March 31, 2002 relating to financial information systems design and implementation.

All Other Fees

The aggregate fees billed for all other services rendered by Ernst & Young, LLP during the year ended March 31, 2002 were approximately $24,800, including audit related services of $9,800 and non-audit services of $15,000. Audit related services generally include fees for assistance with new accounting pronouncements. Non-audit services include a review of the federal income tax return and other tax consulting services.

The Company's Audit Committee approves all audit and non-audit services provided by Ernst & Young, LLP and considers whether the provision of non-audit services is compatible with maintaining the auditor's independence.

Report of the Audit Committee of the Board of Directors

The following report of the Company's Audit Committee shall not be deemed to be soliciting material or incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference, and it shall not be otherwise deemed filed under such Acts.

To the Company's Shareholders:

The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the Company's financial statements, its system of internal controls and the independence and performance of its independent auditors. The Audit Committee is composed of five non-employee directors and operates under a written charter adopted and approved by the Board of Directors. The Board of Directors, in its business judgment, has determined that each Audit Committee member is "independent" as such term is defined by the American Stock Exchange's listing standards.

The Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements, the Company's accounting and financial reporting process, including the system of internal control, and procedures to assure compliance with applicable accounting standards and applicable laws and regulations. The Company's independent auditors are responsible for auditing those financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States of America. Our responsibility is to independently monitor and review these processes. We must rely, without independent verification, on the information provided to us and on the representations made by management and the independent auditors. Accordingly, although we consult with and discuss these matters and our questions and concerns with management and our independent auditors, our oversight can not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal control and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, our considerations and discussions can not assure that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America or that the Company's auditors are in fact "independent."

In this context, we held four meetings during fiscal 2002. The meetings were designed, among other things, to facilitate and encourage communication among the Audit Committee, management, and the Company's independent auditors, Ernst & Young, LLP. We discussed with the Company's independent auditors, with and without management present, the results of their examinations and their evaluations of the Company's internal controls.

We have reviewed and discussed the audited financial statements for the fiscal year ended March 31, 2002 with management and Ernst & Young, as well as the matters required to be discussed with audit committees under generally accepted auditing standards, including, among other things, matters related to the conduct of the audit of the Company's financial statements and the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees). Our discussion also included a discussion of the background and experience of the Ernst & Young audit personnel assigned to the Company and the quality control procedures established by Ernst & Young.

Ernst & Young also provided to us the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and we discussed with the independent auditors their independence from the Company. When considering Ernst & Young's independence, we considered whether their provision of services to the Company beyond those rendered in connection with their audit and review of the Company's financial statements was compatible with maintaining their independence. We also reviewed, among other things, the amount of fees paid to Ernst & Young for their audit and non-audit services both separately and in the aggregate.

Based on our review and these meetings, discussions and reports, and subject to the limitations on our role and responsibilities referred to above and in the Audit Committee Charter, we recommended to the Board of Directors that the Company's audited financial statements for the year ended March 31, 2002 be included in the Company's Annual Report on Form 10-K.

The Audit Committee of the Board of Directors

Jack R. Borsting, Ph.D. Peter S. Knight Lois F. Lipsett, Ph.D
Percy A. Pierre, Ph.D. A. Marvin Strait, C.P.A.

OTHER INFORMATION

Shareholder Proposals for 2003 Annual Meeting

Any shareholder proposals intended to be presented at the Company's 2003 annual meeting of shareholders must be received by the Secretary, Whitman Education Group, Inc., 4400 Biscayne Boulevard, Miami, Florida 33137, no later than March 18, 2003, in order to be considered for inclusion in the Company's proxy statement and form of proxy card relating to such meeting.

Shareholders who do not present proposals for inclusion in the Proxy Statement but who still intend to submit a proposal at the 2003 Annual Meeting must, in accordance with the Company's Bylaws, provide timely notice of the matter to the Secretary of the Company. To be timely, written notice must be received by the Secretary no less than 60 days nor more than 90 days prior to the annual meeting. If less than 70 days' notice or prior public disclosure of the date of the scheduled annual meeting is given, then notice of the proposed business matter must be received by the Secretary not later than the close of business on the tenth day following the day on which such notice of the date of the scheduled annual meeting was mailed or the day on which such public disclosure was made. Any notice to the Secretary must include as to each matter the shareholder proposes to bring before the meeting: (a) a brief description of the proposal desired to be brought before the meeting and the reason for conducting such business at the annual meeting, (b) the shareholder's name and address, as they appear on the Company's books, (c) the class and number of shares of the Company which are beneficially owned by the shareholder, (d) any material interest of the shareholder in such business and (e) any other information that is required to be provided by the shareholder pursuant to Regulation 14A under the Securities Exchange Act of 1934 in his or her capacity as a proponent of the shareholder proposal.

Other Business

As of the date of this proxy statement, the Board of Directors knows of no business to be presented at the Annual Meeting other than as set forth in this proxy statement. If other matters properly come before the meeting, the persons named as proxies will vote on such matters in their discretion.

/s/Fernando L. Fernandez

Fernando L. Fernandez
Secretary

July 15, 2002