

APPLICATION FOR A CHANGE OF CONTROL-PART I

Accrediting Commission of Career Schools and Colleges (ACCSC)

Each ACCSC-accredited school intending to change ownership or control must submit this at least 45 days prior to the proposed change of ownership or control. Schools are reminded that the application must be reviewed by the Commission, thus applications received too late to be considered at the next scheduled Commission meeting may be delayed. To ensure consideration of the application at the next scheduled meeting, see the [Substantive Changes – Level II Deadlines](#) on the website. Schools seeking to change ownership must obtain prior approval from the Commission before completing the transaction or the accreditation of the school will not transfer to the new owner (*Section IV (E)(2), Rules of Process and Procedure, Standards of Accreditation*). The submission of this application does not constitute approval by the Commission.

I. SCHOOL INFORMATION:

SCHOOL #	SCHOOL NAME	TYPE	
		Main:	<input type="checkbox"/>
		Branch:	<input type="checkbox"/>

ADDRESS	CITY	STATE

CURRENT SCHOOL DIRECTOR	PHONE	EMAIL

CONTACT PERSON	PHONE	EMAIL

DATE OF PROPOSED TRANSFER OF CONTROL/OWNERSHIP:	
CURRENT STUDENT ENROLLMENT:	

II. DISCLOSURES PERTAINING TO PROPOSED NEW OWNERSHIP/GOVERNING ENTITY:[†]

DISCLOSURES PERTAINING TO PROPOSED NEW OWNERSHIP/ GOVERNING ENTITY:		SELECT ONE (✓)	
		YES	NO
1.	Has any proposed new owner, board member, or manager been directly or indirectly employed or affiliated with any school which has lost or been denied accreditation by any accrediting agency during that individual's period of employment or affiliation? If the answer is YES, please attach a statement to this application which details the facts and circumstances surrounding that school's loss or denial of accreditation.		

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		YES	NO
2.	Has any proposed new owner, board member, or manager been directly or indirectly employed or affiliated with any school that has closed or entered into bankruptcy? If the answer is YES , please attach a statement to this application which details the facts and circumstances surrounding that school's closure, bankruptcy or both as applicable.		
3.	Has any proposed new owner, board member, or manager been directly or indirectly employed or affiliated with any school that has lost or been denied eligibility to participate in Federal Student Financial Aid (Title IV) programs? If the answer is YES , please attach a statement to this application which details the facts and circumstances surrounding the loss or denial of Title IV eligibility.		
4.	Is any action pending (e.g. court action, audit, inquiry, review, administrative action), or has action been taken, by any court or administrative body (e.g. federal or state court, grand jury, special investigator, U.S. Department of Education, or any state or federal regulatory or law enforcement agency) with regard to any proposed new owner, board member, or manager or with regard to any institution with which any proposed new owner, board member, or manager has previously been affiliated? If the answer is YES , please attach a statement to this application which gives full disclosure of the person(s) and the matters involved. Include a statement of the facts and circumstances surrounding the action identifying the owner or manager and the school involved. If the matter is not yet final, please describe the procedural status of the matter (i.e., still under investigation, preliminary decision under appeal, etc.) and the position taken by the proposed new owner, board member, or manager involved. If the matter is final, provide a copy of the final action documentation.		
5.	Has any proposed new owner, board member, or manager served in a similar capacity in any other school where either that individual or the school has been charged or indicted in a civil or criminal forum or proceeding alleging fraud, misappropriation, or any criminal act? If the answer is YES , please attach a statement to this application which gives full disclosure of the person(s) and the matters involved. Include a statement of the facts and circumstances surrounding the action identifying the owner, board member, or manager and the school which is involved. If the matter is not yet final, please describe the procedural status of the matter (i.e., still under investigation, preliminary decision under appeal, etc.) and the position taken by the proposed new owner, or board member, or manager involved. If the matter is final, provide a copy of the final action documentation.		

†With regard to these required disclosures, "owner" means any individual who holds 1% or more of the ownership interest and "manager" means any individual who has the authority to direct or oversee any of school's operations or policy development.

III. CERTIFICATION:

- I certify that to the best of my knowledge and belief, the information herein and attached hereto is accurate and correct.
- I certify that I understand that it is the school's responsibility to demonstrate compliance with the Standards of Accreditation and that the Commission's deliberations and decisions are made on the basis of the written record and are therefore dependent on the forthrightness of the school in disclosing all information that the Commission has requested on this application.
- I certify that the proposed owner, governing entity (i.e., board), and management have reviewed the ACCSC *Standards of Accreditation* and supporting materials of the Commission and that under the proposed new

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owner, governing entity (i.e., board), and management, the school will continue to operate in accordance with the standards published by the Commission.

- I certify that the proposed owner, governing entity (i.e., board), and management have reviewed the current Annual Report, the list of programs approved with the school’s scope of accreditation, the last Self-Evaluation Report, and the most recent Commission action pertaining to the school and understand the information contained within those documents.
- I certify that the proposed owner, governing entity (i.e., board), and management will assume all responsibility and liability for contractual and refund obligations to all students, past and present, unless otherwise provided by the contract of sale.
- I understand that the Commission may seek assistance from external resources such as legal counsel to review the structure of the proposed transaction and that the school will be financially responsible for the expenses incurred in such review. The Commission will invoice the school for such expenses and the school must pay these expenses before the Commission will approve the application, but in any event within 90 days from the date that the Commission invoices the charges to the school.

CURRENT OWNER AND/OR CHIEF EXECUTIVE OFFICER:			
NAME:		TITLE:	
SIGNATURE:		DATE:	

PROPOSED OWNER AND/OR CHIEF EXECUTIVE OFFICER:			
NAME:		TITLE:	
SIGNATURE:		DATE:	

ELECTRONIC SUBMISSION FORMAT REQUIREMENTS:

1. *Electronic Submissions **may not** be transmitted to the Commission via e-mail.*
2. The school’s response must be prepared in accordance with ACCSC’s [Instructions for Electronic Submission](#) (e.g., prepared as one Portable Document Format (“PDF”) file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.
3. ACCSC has issued the Blueprints for Success Series: [Organizing an Effective Electronic Submission](#). ACCSC encourages the school to review this module prior to submitting this application. More information is available under the [Resources section](#) at www.accsc.org.

Take time to review the completed application prior to submission to ensure that the document is readable, consists of labeled bookmarks, and all pages are numbered. Once complete, the document must be in PDF format.

REQUIRED SUPPORTING DOCUMENTATION:

1. Processing fee of \$4,000 Main / \$2,500 Branch for transactions \$5 million or less; \$6,000 Main / \$2,500 Branch for transactions greater than \$5 million.
 - **NOTE:** In addition to the Commission’s processing fee, if the Commission must seek external counsel or assistance with the review of the application, the school is responsible for any additional costs associated with the external review of this application.

Please ensure that the Payment Submission Form clearly identifies the school and the type of application. Also ensure that the payment is submitted for the correct amount.

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- If you choose to pay by check, please mail a check directly to ACCSC for the processing fee and include a statement identifying the corresponding application(s). **Note:** please ensure that the **Payment Submission Form** for this application is included

2. Request for Good Cause:

If the school proposing to undergo a change of control is subject to a Warning or Probation Order, then provide a clear and convincing showing of good cause from the proposed new owner that demonstrates that the change of control will substantially resolve the issues that led to the Warning or Probation Order by including the [Request for Good Cause Showing](#) as part of this application.

NOTE: If the Commission determines that such a showing has been made and permits the transfer of accreditation, the school will still be required to respond to the pending Warning or Probation Order and demonstrate that the school has come into compliance such that the Warning or Probation Order can be lifted (*Section IV (E)(2)(r)(iv), Rules of Process and Procedure of Process and Procedure, Standards of Accreditation*).

3. A detailed description of the proposed control structure that includes:

- a. A description and diagram that sets forth the precise breakdown of the current control structure (e.g., sole proprietorship, partnership, corporation, non-profit corporation, publically owned entity, board, etc.) including the percentage of ownership (as appropriate) of each entity in the chain of control, up to and including the individual(s) who are the ultimate owners or members of the governing entity (i.e., board) and
- b. A description and diagram that sets forth the precise breakdown of the proposed new control structure (e.g., sole proprietorship, partnership, corporation, non-profit corporation, publically owned entity, board, etc.) including the percentage of ownership (as appropriate) of each entity in the chain of control, up to and including the individual(s) who are the ultimate owners or members of the governing entity (i.e., board).

The ownership descriptions/breakdowns must include ALL individuals, partnerships, LLCs, corporations, trusts, boards, or other forms of ownership and/or governing entity (for publically traded corporations, this includes shareholders that directly own 10% or more of the stock as of the date of the application).

4. A list of all board members, managers, and/or partners affiliated with each entity disclosed in the organization structure that is proposed to acquire the school that includes a description as to how each individual's experience and background prepares them to oversee the operation of an accredited school and assures the likelihood that the school will remain in compliance with accreditation standards after the ownership changes (*Section IV (E) (2), Rules of Process and Procedure, Standards of Accreditation*). For **non-profit organizations** – provide documentation to demonstrate that no individual/entity/group (owner or manager) that has a financial interest in the non-profit organization is a board member, has a board seat, or is a member of the non-profit corporation (*Section IV (E) (2)(e)(ii), Rules of Process and Procedure, Standards of Accreditation*).
5. If any owner, board member, manager, and/or partner is currently affiliated with any other school, provide the following:
 - a. A list of each school;
 - b. A copy of the each school's current state(s) license(s) or approval(s) which provide authority to operate; and
 - c. A copy of each school's current accredited status.
6. A pro forma balance sheet reflecting the expected financial condition of the school as of the date of transaction. The balance sheet must, at a minimum, break down current assets, fixed assets, other assets (if appropriate), current liabilities, long-term liabilities, and equity. The pro forma balance sheet must also reflect the estimated outstanding unearned tuition as of the date of the sale of the school.

Please ensure that the date on the pro-forma balance sheet matches the proposed transaction date on the application.

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7. The most recent fiscal year-end financial statement for the school prepared in accordance with the ACCSC Instructions for the Preparation & Submission of Financial Statements and Related Information.
8. Audited financial statements for the most recent fiscal year end for the prospective company/owner/governing entity prepared in accordance with the ACCSC Instructions for the Preparation & Submission of Financial Statements and Related Information. This attachment must include financial statements for each level within the proposed ownership structure to include the ultimate parent corporation.

NOTE: When a newly formed corporation with no previous history proposes seeks to acquire a school, submit minimally reviewed personal financial statements for each person that will, directly or indirectly, own or control ten percent or more of the equity.

The purpose of item #8 is to demonstrate to the Commission that the new ownership has the financial wherewithal and responsibility to properly operate a school. If there are questions regarding the proposed owner's financial responsibility, staff will request additional information from the proposed owner. The burden of proof to demonstrate financial responsibility rests on the proposed owner.

In the cases where audited financial statements aren't available, please submit personal financial statements in accordance with the ACCSC Instructions for the Preparation & Submission of Financial Statements and Related Information.

Bank statements, loan statements, and narratives describing personal financial capacity will not be accepted.

9. All pertinent conditions of the transfer, including the date of sale. This may be in the form of a copy of the proposed sales contract or, if there is no contract, a letter of intent or similar document, or other description of the terms of the agreement that is signed by both parties. In instances where the governing entity is a board, provide a copy of the by-laws, including a description of the terms of service of board members and the process to elect and replace board members.
10. A disclosure and description of all inchoate rights associated with the transaction, if any, highlighting those that could result in a future change of ownership and control for the school if enacted or exercised. Provide references to the applicable sections of the transaction documents that set forth such rights.
11. A report on all changes that are being contemplated, for the remainder of the school's accreditation cycle, include those concerning (a) educational objectives; (b) programs and curricula; (c) degree programs (*if applicable*); (d) faculty; (e) student services; (f) student progress; (g) admission policies and practices; (h) student recruitment; (i) management; and (j) separate facilities. Provide a description as to how the new governing entity will ensure the adequate infrastructure, management, and administrative capacity to enact such changes and to maintain compliance with accreditation standards.
12. Evidence that the school has either begun or completed the pre-acquisition application process with the U.S. Department of Education as required for schools that participate in any federal student financial aid program (*i.e., Title IV of the Higher Education Act*). If the pre-acquisition application process is not completed, please provide a copy of the school's pre-acquisition application and all correspondence between the school/proposed new owner and the U.S. Department of Education. If the pre-application process is completed, provide the corresponding notice from the U.S. Department of Education. **Please ensure that the ownership structure noted in the Pre-Acquisition Application matches the provided ownership structure as noted in the ownership diagram provided for item (3. a.) of this application.**
13. A description of the capacity and experience of the proposed new owner or governing entity (*i.e., board*) that demonstrates the substantial likelihood that the school will operate in compliance with ACCSC *Standards of Accreditation* and that supports the disclosures presented in Attachments #2 and #3 of the Application for a Change of Control-Part I.

The Commission understands that not all pertinent conditions of the transfer may be agreed to at the time of Application. Please provide the most updated copy of the letter of intent or contract at time of application. Financing terms are pertinent conditions of the transfer and are required for submission to consider the application complete.

The Commission places a high level of importance on ensuring that our ownership records are consistent with that of the Department of Education. If there are any discrepancies between what has been reported to the Commission and what has been reported to the Department, the Commission may deny the application or subsequently require additional application submissions until the reported ownership structure is consistent with Department records.

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14. Any other information that is relevant to or may assist the Commission in its review of the change of control and the information set forth in response to this application.

NOTE: The approval of a change of control expires if the transaction is not completed within 90 days from the date disclosed in the Application for a Change of Control-Part I. Once expired, the school must submit a new Application for a Change of Control-Part I, to include the application processing fee.

SUBMIT TO: Executive Director
Accrediting Commission of Career Schools and Colleges
2101 Wilson Boulevard / Suite 302
Arlington, Virginia 22201



Accrediting Commission of Career Schools and Colleges

2101 Wilson Boulevard, Suite 302
Arlington, Virginia 22201
703.247.4212
703.247.4533 fax
www.accsc.org

INSTITUTIONAL DEVELOPMENT: PAYMENT SUBMISSION FORM FOR APPLICATION SUBMISSIONS

SCHOOL(S) #	SCHOOL(S) <i>(Please list all schools applicable to payment)</i>	CITY	STATE

APPLICATION TYPE(S) <i>*Please refer to attached list for application types</i>	PAYMENT AMOUNT(S) <i>(Enter payment amount for each application type)</i>

TOTAL PAYMENT AMOUNT	CHECK NUMBER

NAME OF CONTACT PERSON(S)	TITLE(S)	CONTACT PHONE NUMBER(S)	CONTACT EMAIL(S)

***** Please submit this payment form with each check payment.

Submit To: **Operations Department**
Accrediting Commission of Career Schools and Colleges
2101 Wilson Boulevard, Suite 302
Arlington, VA 22201

Payment Submission Form

*APPLICATION TYPE(S)		
Application of Hours for Clock Hour Programs	Application for Continuing Education and Avocational Courses	Application for Approval of a Baccalaureate Degree
Application for Approval of an Academic Associates Degree	Application for Approval of a Master's Degree	Application for Approval of an Occupational Associates Degree
Application for a Branch Part I	Application for a Branch Part II	Application for a Branch Realignment, Part I
Application for a Branch Realignment, Part II	Application for a Change of Location Part I	Application for a Change of Location Part I
Application for a Change of Name Part I	Application for a Change of Control Part I	Application for a Change of Control Part II
Application for Clock to Credit Hour Conversion	Application for a Distance Education Facility	Application for Initial Distance Education
Application for Expansion of Distance Education Approval	Application for a Change of Mission	Application for English as a Second Language Courses
Application for a New Non-Degree Program	Application for a Satellite Location	Application for a Substantive Program Modification
Application for a Substantive Program Modification Addition of Concentration	Modification of Ownership Report	Consortium Partnership Report
Distance Education Consortium Partnership Agreement	Facility Expansion Report	Program Modification Report Non-substantive Modification
Application for a Baccalaureate Degree – Affiliated	Application for an Associate Degree – Affiliated	Application for a New Non-Degree Program – Affiliated
Application for a Substantive Program Modification – Affiliated	Application for a Clock to Credit Hour Conversion – Affiliated	Program Modification – Non Substantive Modification – Affiliated
Application for use of “University” in the School Name Part – I	Application for use of “University” in the School Name Part – II	Application for a Change of Name Part II