

CHANGE OF CONTROL (CHANGE OF OWNERSHIP) - Single Institution

For NACCAS Use Only: Category 2 ____ Category 3 ____ Fee Paid: _____ Renewal Anniversary Date: _____

You must submit seven (7) copies of this application with attachments and the application fee. Refer to Section E for attachments required. Incomplete applications will be returned. If this change affects more than one institution, complete Application Form 12b instead. If an item on the application does not apply to your institution, mark it N/A. Each page must be initialed affirming data is final and correct and the reference number must be provided at the bottom of each subsequent page. Documents must be submitted to NACCAS in accordance with Section 1.6 of the *Rules*. Before you prepare this application you will find it useful to review the NACCAS *Rules of Practice and Procedure*, especially Section 4.5 and Appendix #9. Be sure to keep a copy of this entire application including attachments for your records. Please see important note on page six (6) regarding Commission meeting schedule.

Read Section 8.10(c)(2) of the NACCAS *Rules of Practice and Procedure (Accreditation on Probation)*.

Does this apply to your institution? Yes ____ No ____

If yes STOP and contact your NACCAS representative immediately. If no, you may proceed with completing the application.

A. APPLICANT INFORMATION

1. Institution Ref. #: _____ Date Sale will take place: _____

2. New Owner Information:

Official Contact Person for all Communications: _____

Official Address for all Communications: _____

(*Note: Must be a Physical Address not a Post Office Box.)

Home Phone of Contact Person: _____ Mobile Phone of Contact Person: _____

Email of Contact Person: _____

(When considering who will be the Official Contact Person be aware that these communications can include invoices, Commission decisions, adverse actions, etc. In addition, it is the institution's responsibility to notify NACCAS when any information in Question #2 changes.)

B. INDIVIDUAL INSTITUTION INFORMATION

3a. Official name of Institution/school (This is not the same as the corporation) *before* the Sale:

3b. Official name of Institution/school (This is not the same as the corporation) *after* the Sale (must match institution's state license): _____

*** According to Section 1.8 of the *Rules* the institution's name must be consistent between all regulatory agencies Federal, State, and NACCAS.**

4. Alternate Institution Names Used (2 Maximum): 1. _____
2. _____

(*Note: The official name and alternate or shortened names must comply with NACCAS' Policy on Advertising and clearly identify the institution as an educational institution, the term "college", "institution", "academy", etc., may never be abbreviated. Example: Joy Barber College could be JB College)

5. Street Address of Institution: _____

City _____ State _____ Zip _____

Institution Telephone: (_____) _____ E-mail: _____

FAX (_____) _____ Website: _____

6. Current License #: _____

Initials _____

C. OLD ORGANIZATIONAL STRUCTURE INFORMATION

7. This institution is (check one): Private Non-Profit () Private For-Profit () Publicly Traded ()

8. Institution owned by: Individual(s): _____ (Complete Type A Ownership below)

Institution owned by: Corporation or LLC: _____ (Complete Type B Ownership below)

Institution owned by: Subsidiary of Parent Corporation: _____ (Complete Type B and C below)

Type A Ownership: (Check One): Sole Proprietorship () or Partnership ()

9. List the name and address of the sole proprietor or partners and their percentages of ownership.

<u>Name</u>	<u>Address</u>	<u>Percentage</u>

10. Designated Owner Contact Name: _____ Email: _____

Home Phone: _____ Mobile Phone: _____

(*Note: Must be a Physical Address not a Post Office Box)

Type B Ownership:

11. Name of Corporation/L.L.C.: _____

Check one: LLC LTD Inc. Other _____

12. State of Incorporation or organization: _____

13. Date of Incorporation or organization: _____

14. List all individuals, corporations, or other entities who own shares or membership interests, as applicable.

Provide a separate attachment if more space is needed.

(For Private Non-Profit organizations, please list corporate officer's names and their title since there are no owners, and leave percentage section blank)

Name	Address	Percentage

15. Designated Contact Name From Above: _____ Email: _____

Address: _____ Fax: _____

Home Phone: _____ Mobile Phone: _____

(*Note: Must be a Physical Address not a Post Office Box)

Type C Ownership:

16. List the other corporations or other owner entities, including individuals who own the entities, in order closest to institution ownership. Provide a separate attachment to clearly show Tiers accurately, if needed.

Institution Name: _____

Type B Ownership: _____

Tier 3: _____

Tier 4: _____

Tier 5: _____

D. NEW ORGANIZATIONAL STRUCTURE INFORMATION

17. This institution is (check one): Private Non-Profit () Private For-Profit () Publicly Traded ()
18. Institution owned by: Individual(s): _____ (Complete Type A Ownership below)
 Institution owned by: Corporation or LLC: _____ (Complete Type B Ownership below)
 Institution owned by: Subsidiary of Parent Corporation: _____ (Complete Type B and C below)

Type A Ownership: (Check One): Sole Proprietorship () or Partnership ()

19. List the name and address of the sole proprietor or partners and their percentages of ownership.

<u>Name</u>	<u>Address</u>	<u>Percentage</u>

20. Designated Owner Contact Name: _____ Email: _____
 Home Phone: _____ Mobile Phone: _____
 (*Note: Must be a Physical Address not a Post Office Box)

Type B Ownership:

21. Name of Corporation/L.L.C: _____
 Check one: LLC LTD Inc. Other _____
22. State of Incorporation or organization: _____
23. Date of Incorporation or organization: _____
24. List all individuals, corporations, or other entities who own shares or membership interests, as applicable.
 Provide a separate attachment if more space is needed.
 (For Private Non-Profit organizations, please list corporate officer's names and their title since there are no owners, and leave percentage section blank)

Name	Address	Percentage

25. Designated Contact Name From Above: _____ Email: _____
 Address: _____
 Home Phone: _____ Mobile Phone: _____
 (*Note: Must be a Physical Address not a Post Office Box)

Type C Ownership:

26. List the other corporations or other owner entities, including individuals who own the entities, in order closest to institution ownership. Provide a separate attachment to clearly show Tiers accurately, if needed.
- Institution Name: _____
- Type B Ownership: _____
- Tier 3: _____
- Tier 4: _____
- Tier 5: _____

27. Has any person in the new ownership or any employee of the institution under the new ownership been debarred from participation in any Federal or state program or been disallowed by the US Department of Education to own any Institution that participates in federal financial aid within the past five years?

Yes _____ No _____ If yes, please list: _____

28. Please indicate all periods in the calendar year when the institution is closed (i.e. holidays, etc.):

29. Please list the names and locations of all other Institutions offering programs within NACCAS scope, under the same ownership, management, and/or control. Please indicate if the Institution is presently accredited or holds candidate status. (Add pages as needed).

Name and Location:	Accredited by:	Candidate for Accreditation with

30. The person responsible for the day-to-day operations of the institutions under the new ownership is:

Name: _____

Title: _____

Tel: _____ E-mail: _____

31. The designated accreditation liaison under the new ownership who attended or will attend the required NACCAS accreditation workshop is:

Name: _____

Title: _____

Tel. _____ E-mail: _____

32. What is the institution's current fiscal year end? _____

33. What will be the institution's fiscal year end after the change? _____

E. REQUIRED ATTACHMENTSSubmit with the Application:

1. Biographies of the new owner(s). Indicate any family relationships to the former owner(s). Indicate any business or employment relationship with the former owner(s) and the institution acquired or another NACCAS-accredited institution.
2. The name of the Owner or employee designated as liaison with NACCAS for accreditation processes. Submit evidence of the most recent NACCAS accreditation workshop attended by the liaison or registration for a workshop. The liaison must have attended within the last 24 months or be registered for an upcoming workshop within 90 days of the date of this application.

Note: Per the NACCAS *Workshop Policy*, Appendix #3 of the NACCAS *Rules*: If the new owner already owns another NACCAS-accredited school or has been the accreditation liaison for the school purchased, he or she will meet the new owner workshop requirement by complying with the other provisions of this policy.

3. An explanation of changes the new owner has made or anticipates making in the next twelve (12) months.
4. A signed statement indicating whether (i) the new owner(s) or (ii) the previous owner(s) assume(s) the responsibility for non-federal refunds due to students attending the institution prior to the effective date of the Change of Control.
5. A non-refundable application fee is due upon submission of the application. Please refer to the Schedule of Fees on the NACCAS website for the current change of ownership application fee.
Note for Candidate Schools: If the change occurs prior to the initial accreditation on-site evaluation, no fee is required. If the change occurs after the initial accreditation on-site evaluation, the appropriate fee is required. Refer to Section 4.16 of the *Rules*.

If Applicable:

6. If the name of the Institution will change after the sale, you must submit a rationale.
7. If the Institution's name incorporates a trade name you must submit certification that you have authority to use this name.
8. Completed business formation documents (articles of incorporation, articles of organization, partnership agreement, etc.) to include a list of current stock holders or members and proof of their respective ownership interests, as well as include an official state or local stamp of recording.

Submit within seven (7) days following the actual sale:

9. A copy of the fully executed notarized Transfer Agreement and all other closing documents which include all of the terms of the transfer and sale. If a lease agreement is part of the sale, a fully executed copy of the lease agreement must also be submitted. (Note: This document must be received prior to Commission consideration.)

Submit within thirty (30) days following the actual sale:

10. A copy of the institution's current license showing the owner(s) or statement from the state licensing agency registering the new owner(s).
11. A balance sheet (B/S) audited by an independent certified public accountant on an accrual basis of accounting, according to GAAP, as of the date of sale must be uploaded electronically to the NACCAS Customer Relationship Management (CRM) system. The existing owner should provide the new owner with a CRM login for this purpose. In order for your change of control to be approved by the Commission, your balance sheet must demonstrate financial stability in accordance with NACCAS Standard VII. This requires an acid test ratio of at least 1:1 and positive tangible net worth. Please note that intangible assets (such as goodwill) and unsecured related party receivables are excluded from assets for these calculations. Following final approval by the Commission, the new owner should contact the NACCAS office to set up a new permanent CRM login and discontinue the login(s) previously used by the previous owner.

(Note: This document must be received prior to Commission consideration.)

Note: All required documents must be received prior to Commission consideration.

F. CERTIFICATION

Initials _____

NACCAS Ref. # _____

I hereby certify that the institution for which this application is being made is not under any citation by the state licensing agency for any violations of licensing laws. The institution will not make any promotional use of the application prior to approval of this application by NACCAS.

In addition, I hereby provide a release for purposes of eliciting information from state boards and government entities, as well as an acknowledgment of the fact that accrediting information may, at the discretion of NACCAS, be shared with other accrediting agencies and governmental entities.

I certify that I understand that the use of any technical assistance or consultation services provided by NACCAS does not in any way guarantee the approval of this application and that NACCAS’ Board of Commissioners has the final authority in determining an institution’s compliance with accreditation requirements.

I certify that the information provided herein is true and correct to the best of my knowledge and belief. I further understand that knowingly providing false or misleading information to NACCAS may result in the Commission taking adverse action against the institution.

I certify that I understand that if my balance sheet, as outlined in Item #11 of the Required Attachments, does not meet NACAS financial stability requirements, my application will be denied. In that event, in accordance with Section 4.12(c) of the NACCAS *Rules of Practice and Procedure*, the institution would have the right to appeal. However, if the appeal is denied the institution will lose its accreditation.

Current Institution’s Owner Signature

Date

Print Name (clearly)

Title

Proposed Institution’s Owner Signature

Date

Print Name (clearly)

Title

Note: If the institution submits less copies than those required as outlined on Page 1 of this application, NACCAS will make the additional required copies at the expense of the institution as outlined in the Schedule of Fees found on the NACCAS website at www.naccas.org.

Do you have a consultant for accreditation matters? Yes_____ No_____
Notification Form #2 re: Consultant information is attached: Yes_____ No_____ N/A_____

Note: Beginning in 2015, the Commission will meet to consider applications eight (8) times a year. The meetings will be in the months of January, February, April, May, July, August, October and November so please consider your submission time in relation to this schedule.

Reminder: It is the institution’s obligation to notify the U.S. Department of Education of changes, if applicable.