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**PROPRIETARY SCHOOL RENEWAL  
LICENSE APPLICATION**

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**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
R. SCOTT RALLS, PH.D.  
PRESIDENT**

**OFFICE OF PROPRIETARY SCHOOLS**

**PHYSICAL ADDRESS:**

NORTH CAROLINA COMMUNITY  
COLLEGE SYSTEM  
200 WEST JONES STREET  
RALEIGH, NC 27603  
PHONE (919) 807-7148  
FAX (919) 807-7164

**MAILING ADDRESS:**

NORTH CAROLINA COMMUNITY  
COLLEGE SYSTEM  
OFFICE OF PROPRIETARY SCHOOLS  
5016 MAIL SERVICE CENTER  
Raleigh, NC 27699-5016

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES  
OFFICE OF PROPRIETARY SCHOOL LICENSING AND SERVICES**

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**CHECKLIST FOR LICENSE RENEWAL APPLICATION**

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Please check items 1-15 in the appropriate space and return this checklist with your application for renewal of your school license. The renewal packet must be submitted in a **one and a half inch (1 1/2 ) three ring binder** with forms and documents inserted behind **numbered divider tabs** according to the sections of the checklist. Please do not use transparent page sleeves except to enclose bound catalogues or financial statements. **Submit one original** of each item and **keep a copy** for your records.

- 1. Application fee of **\$1250.00 plus \$50.00 per program** to renew license.
- 2. Completed **application to Renew Proprietary School License**.
- 3. If you are adding new programs for the renewal year, complete Attachments A-C.
- 4. Current Catalog with **Catalog Certification** and **Checklist for School Catalog** forms.
- 5. Schedule of classes, both day and evening, for academic year.
- 6. Current equipment list reflecting **new equipment only** purchased 2008-09.
- 7. Any Fire and Safety Inspection Report required by local government authorities .
- 8. **Administration and Faculty Report** forms, with accompanying certification for each **new** administrator and instructor employed for the new period of licensure. Do not include previously submitted approvals.
- 9. A teach out plan documenting procedures for your school to conduct a teach out in case of closure and documenting agreements by teach out partner institutions.
- 10. Most recent financial statement with an accompanying opinion by a Certified Public Accountant. **Failure to submit this information will delay your renewal approval.**
- 11. Proposed operating budget, covering the new period of licensure.
- 12. Letter or stamped document from the Clerk of Courts Office in county where school is located, verifying the **updated** bond or certificate of deposit is on file. **Failure to submit this information will delay your renewal approval.**
- 13. Worksheet used to calculate the required bond or CD amount on a quarterly basis.
- 14. **Annual Report form for the period January 1, 2008-December 30, 2008 must be submitted with this renewal. Failure to submit will delay your renewal approval.**
- 15. If you are accredited, provide a copy of your accrediting organization's Annual Report .

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_



6. Enclosed herewith is the current certified school bulletin, Volume number \_\_\_\_\_ dated \_\_\_\_\_, which is made part of this application.

7. The school is operating as a/an \_\_\_\_\_ and is owned by the following person(s):

Name	Title	Percent of Share Owned

8. The following person will be responsible for the administration of the school as the school's Director:

\_\_\_\_\_

Print

Official Signature

Date

9. Documents of compliance are enclosed from the Fire Department dated \_\_\_\_\_, the Safety Department dated \_\_\_\_\_, and from the Building Inspector dated \_\_\_\_\_.

10. **New faculty/administration:** The following persons are or will be employed as instructors/administrators in the school. Any instructors and administrators hired after submission of this renewal application must be reported to the Office of Proprietary School Licensing and Services for separate approval using the Administration and Faculty Report Form.

NAME	SUBJECT TAUGHT	MONTH/YEAR

Accrediting Agency

(a) List name, address, telephone numbers, and expiration date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES  
OFFICE OF PROPRIETARY SCHOOL LICENSING AND SERVICES**

**CATALOG CERTIFICATION**

\_\_\_\_\_  
**Name of Institution**

\_\_\_\_\_  
**Address (Physical location of school)**

\_\_\_\_\_  
**City, State, Zip**

Certification of Catalog:

**Volume #** \_\_\_\_\_ **Issue #** \_\_\_\_\_ **Date** \_\_\_\_\_

For academic years: \_\_\_\_\_

This is the current catalog of this institution, and it is certified to be true and correct in content and in policy.

\_\_\_\_\_  
**Official/Title**

\_\_\_\_\_  
**Date**

**CHECKLIST FOR SCHOOL CATALOG**  
**G. S. 115D- 90 (b)(7)**

This form should be attached to your current catalog. Indicate the page number from your catalog, on which the following requirements can be found:

**LEGAL ELEMENT**

	<b>Page Number</b>	<b>Office Use Only</b>
a. Volume Number		
Date		
Other		
b. Name of Institution		
Governing Body		
Officials		
Faculty		
c. Calendar		
Legal Holidays		
Q/T/S Begin/End Dates		
Other		
d. Policy/Regulations – Re: Leave		
Absences		
Class Cuts		
Make Up Work		
Tardiness		
Interruptions for Unsatisfactory Attendance		
e. Policy/Regulations – Re: Enrollment		
Enrollment Dates		
Specific Entrance Requirements/Course(s)		
f. Policy/Regulations – Re: Standards of Progress		
Grading System		
Minimum Satisfactory Grades		
Conditions for Expulsion or Suspension for Unsatisfactory Grades or Progress		
Description of Probationary Period (if any)		
Conditions of Reentrance for Students Dismissed for Unsatisfactory Progress		

Statement Re: Progress Records Kept & Furnished to Students (Transcripts)		
g. Policy/Regulations – Re: Conduct (Student Conduct Conditions for Dismissal for Unsatisfactory Conduct)		
h. Detailed Schedule for Costs		
Fees		
Tuition		
Books, Supplies		
Tools		
Student Activities		
Lab Fees		
Service Charge		
Rentals		
Deposits		
Other		
i. Policy/Regulations – Re: Refund		
Refund of Unused Portions of Tuition, Fees, etc. if student does not enter course;		
if student withdraws from course;		
if student is discontinued		
j. Description of Facilities (general)		
Space		
Facilities		
Equipment		
k. Course Outline		
Subjects/Units		
Type of Skill to be Learned		
Approximate Duration of Time		
Clock Hours		
Credit Hours/Credit Hour Equivalent		
l. Policy/Regulations: Granting Credit		
Previous Educational Training		
Other		



**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES  
OFFICE OF PROPRIETARY SCHOOL LICENSING AND SERVICES**

**ADMINISTRATION AND FACULTY REPORT**

Submit this report typed, signed, and dated for each person employed in an administrative or instructional capacity, full- or part-time, and who has not been previously approved by the System Office  
**NOTE: PLEASE DO NOT OMIT ANY INFORMATION REQUESTED BELOW. ALL INFORMATION IS APPLICABLE.**

1. Full name

\_\_\_\_\_ Date: \_\_\_\_\_

2. Present address

\_\_\_\_\_ Number and Street \_\_\_\_\_ City \_\_\_\_\_ Zip

3. Name of Proprietary School

\_\_\_\_\_

4. Courses employed to teach

\_\_\_\_\_ or

other positions held \_\_\_\_\_

5. Date appointed \_\_\_\_\_

6. Educational qualifications (Attach a copy of **official** post-secondary transcripts)

**Note: Please do not omit any information requested**

Schools Attended (High School and Post-secondary Education/Training)	Dates Attended (Mo/Yr)		Date Graduated		Certificate, Diploma or Degree Received and Major Course of Study
	From	To	Yes	No	
Name and Location of School					

7. List licenses. Providing expiration dates, license numbers and names of issuing organizations:

\_\_\_\_\_  
 \_\_\_\_\_

8. List Certifications. Providing expiration dates:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Complete record of teaching experience:

Name and Location of School	Length of Employment		Subjects Taught
	From	To	

8. Employment History

Employer's Name	Present Address	Position Held	Date of Employment	
			From	To

9. Number of years of work experience in field of instruction: \_\_\_\_\_

**I hereby certify that the information shown herein is true and accurate to the best of my knowledge.**

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES  
OFFICE OF PROPRIETARY SCHOOLS LICENSING AND SERVICES**

**TEACH-OUT AND RECORD RETENTION PLAN**

On this sheet, print or type the school's teach-out and record retention plan. This plan should provide specific details including a list of your teach out partner schools agreeing to provide assistance if your school is unable to provide your own teach out.

## **Bonding Requirements Instructions for License Renewal**

Under GS115D-95 a guaranty bond is required for each school that is licensed to operate. When application is made for a license or license renewal, the applicants shall file a guaranty bond with the clerk of the superior court of the county in which the school will be located. The bond amount for a school shall be at least equal to the maximum amount of prepaid tuition held at any time during the last fiscal year by the school. The bond amount shall also be at least ten thousand dollars (\$10,000). The bond shall be in favor of the students (see GS115D-95 for further requirements). If, however, a school is unable to secure a bond, the school may, with the consent of the State Board of Community Colleges, provide an alternative to a guaranty bond, as described below.

- (1) An assignment of a savings account in an amount equal to the bond required (see GS115D-95 for further requirements)
- (2) A certificate of deposit in an amount equal to the bond required (see GS115D-95 for further requirements)

Savings accounts or certificates of deposit must be assigned to the State Board of Community Colleges in a form satisfactory to the State Board. Access to the account or certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond (see GS115D-95 for further requirements).

The forms included in the following pages are intended to help you comply with guaranty bond requirements. Bonds or other accounts must be recalculated for license renewal, amounts adjusted as required, filed with the county superior court if changed, and forms resubmitted. These include:

- (1) Guidelines for Computing Bond Coverage: This computation is used to determine the amount of bond coverage, savings account or certificate of deposit.
- (2) Guaranty Bond agreement: To be completed by the school and financial institution when a guaranty bond amount is changed to meet licensing requirements (must be filed again with the clerk of court).
- (3) Affidavit and Acknowledgement of Principal: When a bond is being updated, this notarized form is completed for the principal (school).
- (4) Affidavit and Acknowledgement of Guarantor: When a bond is being updated, this notarized form is completed for the guarantor (financial institution).
- (5) Request for Waiver of Guaranty Bond and Approval of Bond Alternative: To be completed with each renewal when a savings account or certificate of deposit is used. If this agreement was approved in previous licensing year(s), the form may be submitted with the Office of Proprietary School Services Director's signature.
- (6) Assignment of Savings Account or Certificate of Deposit: To be completed by the school and President of the NC Community College System (instead of the Guaranty Bond agreement) when a savings account or certificate of deposit is changed in order to comply with licensing requirements.
- (7) Control Agreement: To be completed by the school, financial institution and President of the NC Community College System with each change in a savings account or certificate of deposit amount.

## GUIDELINES FOR COMPUTING BOND COVERAGE

The bond shall be adequate to provide indemnification to any student... *and the* amount . . . shall be at **least** equal to the maximum amount of prepaid tuition held any time during the last fiscal year by the school. **The bond amount shall be at least ten thousand dollars (\$10,000).** To ensure adequate coverage you will need to recalculate this amount quarterly and report it along with the required letter signed by an authorized representative of the school showing in detail the calculations made and method of computing the amount of the bond. G.S. 115D-95 (2)

1. The minimum bond amount for new schools is \$10,000.
2. Prior year information must be used to compute current year bond coverage for schools whose licenses are being renewed.
3. Assume the cash is collected on the first day of each month.
4. Bond coverage should equal the largest tuition collected for the month.

### EXAMPLE

Winter Qtr.	Spring Qtr.	Summer Qtr.	Fall Qtr.
Jan. \$ 50,000	Apr. \$100,000	July \$100,000	Oct. \$450,000
Feb. \$350,000	May \$150,000	Aug. \$ 50,000	Nov. \$100,000
<u>Mar. \$ 50,000</u>	<u>June \$ 50,000</u>	<u>Sept. \$ 50,000</u>	<u>Dec. \$ 50,000</u>
\$400,000	\$300,000	\$200,000	\$600,000
Winter – February	300,000		
Spring – May	150,000		
Summer – July	100,000		
Fall – October	<b>450,000</b>		

**Bond coverage is based on the October receipt collection in the Fall Quarter.**

5. **Each license application (includes license renewal applications) shall include a letter signed by an authorized representative of the school showing in detail the calculations made and the method of computing the amount of the bond . . . G.S. 115D-95 (b)(2)**

STATE OF NORTH CAROLINA

COUNTY OF \_\_\_\_\_

**GUARANTY BOND**

**KNOW ALL PERSONS BY THESE PRESENT THAT:**

**WHEREAS,** \_\_\_\_\_

A proprietary business school, or proprietary trade school or proprietary technical school, or correspondence school seeks from the State Board of Community Colleges licensure to conduct post-secondary educational instruction activity under North Carolina General Statutes (G.S.) 115D-90; and,

**WHEREAS,** the State Board of Community Colleges under the authority delegated to it under G.S. 115D-89(c), has established a policy of requiring among its minimum standards for licensure that an institution which may apply to the said Board for a license to conduct post-secondary educational instruction activity in this State have adequate resources to provide quality education, financial soundness, ability to fulfill commitments to students, and a fair and equitable student refund policy;

**WHEREAS,** the State Board of Community Colleges has established the policy that an institution seeking such licensure at least partially manifest its satisfaction of the aforesaid minimum standards by executing a bond of amount specified by the State Board of Community Colleges under an announced formula; and

**WHEREAS,** G.S. 115D-95 requires a surety bond sufficient to provide indemnification to any student, or his parent or guardian, who has suffered loss of tuition by reason of the failure of the school to offer or complete student instruction, academic services, or other goods or services related to enrollment for any reason;

**NOW, THEREFORE,** \_\_\_\_\_  
(Institution)  
hereinafter called "Principal", and \_\_\_\_\_  
hereinafter called "Guarantor", a corporation duly organized and existing under and by  
virtue of the laws of the State of \_\_\_\_\_  
and authorized to transact business in the State of North Carolina, are held and firmly  
bound in the aggregate guaranty sum of \_\_\_\_\_  
Dollars (\$ \_\_\_\_\_) unto certain persons called "students" (or unto such other persons or  
agents as shall be legally or equitably entitled to the refunds herein contemplated), for the payment  
of a refund of all tuition, fees or parts thereof paid in advance by students to Principal as  
consideration for instruction, academic services, or other goods and services relative to course  
enrollment for which such students have contracted with Principal but not received nor been  
reimbursed by Principal. (For the purpose of this Guaranty Bond, the term "student" shall mean  
any person who has contracted with Principal for participation in post-secondary educational  
instruction activity provided by Principal in North Carolina, or his parent or guardian, or any lender  
who can demonstrate that he or it has loaned funds to finance the student's education and that such  
loan has not yet been repaid.)

**THE CONDITIONS** of the bond are:

1. Payments by students to Principal contemplated under this bond are all charges or fees that are institutionally required by Principal and prepaid by students as anticipatory compensation to Principal for providing to students instruction, academic services, and other goods and services related to course enrollment. Such payments include, but are not limited to, tuition, instructional materials fee, laboratory fee, library fee, and book fee.
2. If Principal shall well and faithfully perform its obligations to students by tendering and providing the instruction, academic services, and other goods and services related to course enrollment for which the respective students have contracted with Principal and for which advance payment has been made, then in respect to each student, this bond shall be null and void, otherwise to remain in full force and effect.
3. Whenever any student shall fail to receive the instruction, academic services, and other goods and services related to course enrollment for which advance payment has been made and for which such student has contracted with Principal, by reason of the failure of Principal to offer or complete such instruction, academic services, or other goods and services related to course enrollment for any reason (including the suspension, revocation, or nonrenewal of Principal's license to conduct post-secondary educational instruction activity, bankruptcy, foreclosure, or the school ceasing to operate), the student, or such other persons or agency or agents as are legally or equitably entitled to the student's refunds herein contemplated, shall as condition precedent to claim under this bond make written demand of Principal for reimbursement pro tanto to advance tuition or other fees paid for such unreceived instruction, academic services, or other goods and services related to course enrollment; provided, that no claim for a refund from Principal as condition precedent to claim under this bond nor any demand of Guarantor under this bond shall be made with respect to the quality of instruction,

academic services, or other goods and services related to course enrollment that Principal may actually have provided.

4. If, after such written demand under Condition 3, hereinabove, Principal neglects or refuses to pay such refund for a period of 30 days, the student, or such other persons or agents as are legally or equitably entitled to said refund, may make written demand for said refund of Guarantor: and said Guarantor does hereby undertake to indemnify and to reimburse said student or such other person or agent legally or equitably entitled to such indemnity or refund. When a lender can demonstrate that he or it has loaned funds to finance the student's education and that the loan has not been repaid then the bonds proceeds shall be paid to the lender and the student jointly.
5. If, after such written demand under Condition 4 hereinabove, Guarantor neglects or refuses to pay such refund for a period of 60 days, the student, or such other person or agent legally or equitably entitled to said refund may commence and maintain a civil action against Principal and Guarantor on this bond for recovery of the amount paid by but not refunded to the student as hereinbefore described, together with court costs, including a reasonable attorney's fee fixed by the court; but the liability of Principal and Guarantor together to each claimant hereunder shall not exceed the total of the claimant's prepaid fee plus court cost, including reasonable attorney fees, incident to any civil action for reimbursement, to which the respective claimant may be legally or equitably entitled.
6. The aggregate liability of Guarantor as respects any and all claimants under this bond, inclusive of any court costs, shall in no event exceed the aggregate guaranty sum of this bond.
7. With respect to written demands made pursuant to Condition 4 hereinabove, Guarantor shall satisfy demands in the order that written demands have been received by

Guarantor; provided, that written demands received by Guarantor on the same day shall be deemed of equal priority.

8. When used in this bond, the term "written demand" shall mean writing that includes at least: (1) the identity of the student with respect to whom the demand is made; (2) an itemization of the instruction, academic services, and other goods and services related to course enrollment for which written demand for refund is made; (3) evidence that payment has been made to Principal for the instruction, academic services, and other goods and services related to course enrollment that were contracted but not received by the student with respect to whom written demand is made; and (4) if claim is made by other than the enrolled student, documentation of legal or equitable entitlement to the student's claim for refund.
9. Guarantor agrees promptly to notify Principal of any written demand made against Guarantor under this bond; but presentation to Guarantor of written demand of Principal that has continued to be unsatisfied for 30 days shall be prima facie a valid claim under this bond that, nothing else appearing. Guarantor is obligated to pay as provided herein and with respect to which Guarantor shall not be held liable to Principal.
10. With respect to civil actions for refunds pursuant to Condition 5 hereinabove that are reduced to judgment, the priority of such judgments shall be determined under the laws of North Carolina concerning priority of judgments.
11. In the event that Guarantor is required to indemnify any claimants hereunder, Guarantor shall be subrogated to all rights which would otherwise accrue to Principal in respect thereto if paid by Principal.
12. The term of this bond policy # \_\_\_\_\_, shall begin on \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at noon, and shall continue in effect until canceled by the Guarantor upon 30 days notice to the State Board of Community Colleges.

13. The liability of Guarantor shall be subject to termination by Guarantor at any time by giving 30 days written notice thereof currently to both Principal and to the State Board of Community Colleges by means of certified mail. Such notice shall state the date of intended cancellation; and Guarantor so filing such notice shall not be discharged from any liability already accrued under this bond or which may accrue hereunder before the expiration of the 30 days immediately preceding a proper and effective cancellation of this bond.
14. This bond shall be filed by Principal and with the Clerk of Superior Court of the county in which Principal's institution is located.
15. A copy of this bond shall be deposited by Principal in the Business Office of Principal's institution for viewing by anyone wishing to see it; and the location and accessibility of said copy of the bond shall be stated in the catalog of Principal's institution at that part of the catalog setting forth institutional refund policies.
16. No charge or waiver of any of the terms or conditions of this bond shall be valid as against Guarantor except by proper endorsement added hereto and duly executed by the duly appointed agents of Guarantor and Principal and of the State Board of Community Colleges.
17. Authority of an agent of Guarantor to execute this bond shall be manifest by attaching hereto an adequate Power of Attorney executed by Guarantor in favor of the agent.

**IN WITNESS WHEREOF**, Principal and Guarantor have caused this bond to be executed  
by duly appointed agents.

This the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PRINCIPAL:**

(Seal)

By: \_\_\_\_\_

**GUARANTOR:**

(Seal)

By: \_\_\_\_\_

**AFFIDAVIT AND ACKNOWLEDGEMENT OF PRINCIPAL**

1. \_\_\_\_\_, a Notary Public of \_\_\_\_\_  
County, North Carolina, hereby certify that \_\_\_\_\_  
Personally appeared before me and solemnly affirmed that he/she is the duly  
authorized agent of Principal \_\_\_\_\_  
for the purpose of executing this bond and acknowledged his/her signature hereinabove.

Sworn to and subscribed before me, this the \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_.

My commission expires \_\_\_\_\_, 20\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public

**AFFIDAVIT AND ACKNOWLEDGEMENT OF GUARANTOR**

I, \_\_\_\_\_, a Notary Public of \_\_\_\_\_  
County, North Carolina, hereby certify that \_\_\_\_\_  
personally appeared before me and solemnly affirmed that he/she is the duly  
authorized agent of Guarantor \_\_\_\_\_  
for purposes of executing this bond, that said Guarantor is duly authorized to do  
business in the State of North Carolina, and that all representations regarding  
Guarantor made in this bond are acknowledged by said agent in his/her capacity  
to bind said Guarantor; and said agent acknowledged his/her signature  
hereinabove.

Sworn to and subscribed before me, this the \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_.

My commission expires \_\_\_\_\_, 20\_\_.

(Seal)

\_\_\_\_\_  
**Notary Public**

**REQUEST FOR WAIVER OF GUARANTY BOND AND APPROVAL OF BOND ALTERNATIVE**

I hereby request a waiver of the guaranty bond requirement set forth in G.S. 115D-95 and approval to use a guaranty bond alternative as set forth in G.S. 115D(c) for the licenses and license renewals of business, trade and correspondence proprietary schools.

Signed \_\_\_\_\_

Title \_\_\_\_\_

School's Name \_\_\_\_\_

Date \_\_\_\_\_

APPROVED

\_\_\_\_\_  
Director of Proprietary Schools

\_\_\_\_\_  
Date

Attachment

STATE OF NORTH CAROLINA  
COUNTY OF

**ASSIGNMENT OF SAVINGS ACCOUNT OR CERTIFICATE OF DEPOSIT**

KNOW ALL PERSONS BY THESE PRESENTS THAT:

**WHEREAS:** \_\_\_\_\_, a  
proprietary business school, or proprietary trade school or proprietary technical, or correspondence  
school seeks from the State Board of Community Colleges (State Board) licensure to conduct post-  
secondary educational instruction activity under North Carolina General Statutes (G.S.) 115-90;  
and

**WHEREAS,** the State Board, under the authority delegated to it under G.S. 115D-89(c)  
has established a policy of requiring among its minimum standards for licensure that an institution  
which may apply to the said State Board for a license to conduct post-secondary educational  
instruction activity in this State have adequate resources to provide quality education, financial  
soundness, ability to fulfill commitments to students, and a fair and equitable student refund policy;

**WHEREAS,** the State Board has established the policy that an institution seeking such  
licensure at least partially manifest its satisfaction of the aforesaid minimum standards by executing  
a bond or bond alternative of an amount specified by the State Board under an announced formula,  
and

**WHEREAS,** G.S. 115D-95 requires a surety bond, or in the alternative, assignment of a  
savings account or certificate of deposit to the State Board sufficient to provide indemnification or  
reimbursement to any student, or his parent or guardian, who has suffered loss of tuition by reason  
of the failure of the school to offer or complete student instruction, academic services, or other  
goods or services related to enrollment for any reason;

**NOW, THEREFORE,** \_\_\_\_\_, the  
Owner

Assignor, hereby assigns to the State of North Carolina or the State Board of Community Colleges, Raleigh, North Carolina, and its successors and assigns all rights, claims, title, option and interest of the assignee in and to the following described savings account(s) or certificate(s) of deposit, including all renewals, amendments and proceeds thereof if applicable.

# \_\_\_\_\_ in the amount of \_\_\_\_\_ in the name(s) of \_\_\_\_\_

# \_\_\_\_\_ in the amount of \_\_\_\_\_ in the name(s) of \_\_\_\_\_

The above account(s) or certificate(s) of deposit is/are maintained in or were issued by

\_\_\_\_\_  
Name and Address of Bank or Financial Institution

With respect to assignment of a saving account, the Assignor certifies that the financial institution which executed this account is doing business in North Carolina and that its accounts are insured by a federal depositors corporation. Access to this account in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of G.S. 115D-95 which conditions are generally set forth in this document. With respect to assignment of a certificate of deposit, the Assignor certifies that the financial institution executing the certificate is doing business in North Carolina and that its accounts are insured by a federal depositor’s corporation. The certificate of deposit must be either payable to the State of North Carolina or unrestrictive endorsed to the State Board: a negotiable certificate of deposit must be unrestrictive endorsed to the State Board; and a non-negotiable certificate of deposit must be assigned to the State Board. Access to the certificate of deposit in favor of the State of North Carolina are subject to the same conditions as for a bond in subsection (b) of G.S. 115D-95 which conditions are generally set forth in this document.

The assignor is held and firmly found in the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) unto certain persons called students (or unto such other persons or agents as shall be legally or equitably entitled to the refunds herein contemplated), for the payment of a refund of all tuition, fees or parts thereof paid in advance by students to Assignor as consideration for instruction, academic services, or other goods and services relative to course enrollment for which such students have contracted with Assignor but not received nor been reimbursed by Assignor. (For the purpose of this assignment, the term “student” shall mean any person who has contracted with Assignor for participation in post-secondary education instruction activity provided by

Assignor in North Carolina, or his parent or guardian, or any lender who can demonstrate that he or it has loaned funds to finance the students' education and that such loan has not yet been repaid.)

The CONDITIONS of this assignment are:

1. Payments by students to Assignor contemplated under this assignment are all charges or fees that are institutionally required by Assignor and prepaid by students as anticipatory compensation to Assignor for providing to students instruction, academic services, and other goods and services related to course enrollment. Such payments include, but are not limited to, tuition, instructional materials fee, laboratory fee, library fee, and book fee.

2. If Assignor shall well and faithfully perform its obligations to students By tendering and providing the instruction, academic services, and other goods and services related to course enrollment for which the respective students have contracted with Assignor and for which advance payment has been made, then in respect to each such student, this assignment of a savings account(s) or certificate(s) of deposit shall be null and void, otherwise to full force and effect.

3. Whenever any student shall fail to receive the instruction, academic services, and other goods and services related to course enrollment for which advance payment has been made and for which such student has contracted with Assignor, by reason of the failure of Assignor to offer or complete such instruction, academic services or other goods and services related to course enrollment for any reason (including the suspension, revocation, or nonrenewal of Assignor's license to conduct post-secondary educational instruction activity, bankruptcy, foreclosure, or the school ceasing to operate), the student, or such other persons or agency, or agents as are legally or equitably entitled to the student's refunds herein contemplated, shall as condition precedent to claim under this assignment make written demand of Assignor for reimbursement pro tanto to advance tuition or other fees paid for such unreceived instruction, academic services, or other goods and services related to course enrollment; provided, that no claim for a refund from Assignor as condition precedent to claim under this assignment nor any demand of Assignee under this assignment shall be made with respect to the quality of instruction, academic services, or other goods and services related to course enrollment that Assignor may actually have provided.

4. If, after such written demand under Condition 3, hereinabove Assignor neglects or refuses to pay such refund for a period of thirty (30) days, the student, or such other persons or agents as are legally or equitably entitled to said refund, may make written demand for

said refund of Assignee; and said Assignee may reimburse said student or such other person or agent which Assignee in its discretion determines is legally or equitably entitled to such refund to the extent of the sum remaining in the assigned account or certificate of deposit. When a lender can demonstrate that he or it has loaned funds to finance the student's education and that the loan has not been repaid, then the Assignee shall pay any refund due under this Condition to the lender and student jointly; provided, the lender files written notice of his or its loan with the Assignee at least three working days before the Assignee refunds any money to the student.

5. If, after receiving a written demand for refund, the Assignee neglects or refuses to pay such refund for a period of sixty (60) days, then the student or such other person or agent legally or equitably entitled to said refund may present to the Assignee a judgment against the Assignor for the amount paid by but not refunded to the student as hereinbefore described, plus any court costs, including reasonable attorney's fees. Within thirty (30) days of receipt of such judgment the Assignee shall reimburse the student or such other judgment creditor the total of the student's prepaid fees plus any court costs, including reasonable attorney's fees that the court or the Assignee has determined were accrued incident to the civil action for reimbursement, provided that the Assignee's obligation to reimburse judgment creditors under this Condition shall not exceed the sum remaining in the assigned account or certificate of deposit. Any reimbursement paid under this Condition shall be paid jointly to all the judgment creditors.

6. The aggregate liability of Assignee as respects any and all claimants under this assignment, inclusive of any court costs, shall in no event exceed the aggregate sum of this assignment.

7. With respect to written demands made pursuant to Condition 4 hereinabove, Assignee shall satisfy demands in the order that written demands have been received by Assignee; provided, that written demands received by Assignee on the same day shall be deemed of equal priority.

8. When used in this assignment, the term "written demand" shall mean writing that includes at least: (1) the identity of the student with respect to whom the demand is made; (2) an itemization of the instruction, academic services, and other goods and services related to course enrollment for which written demand for refund is made; (3) evidence that payment has been made to Assignor for the instruction, academic services, and other goods and services related to course enrollment that were contracted but not received by the student with respect to whom

written demand is made; and (4) if claim is made by other than the enrolled student, documentation of legal or equitable entitlement to the student's claim for refund.

9. Assignee agrees promptly to notify Assignor of any written demand against Assignor under this assignment but presentation to Assignee of written demand of Assignor that has continued to be unsatisfied for thirty (30) days shall be prima facie a valid claim under this assignment that, nothing else appearing, Assignee is obligated to pay as provided herein and with respect to which Assignee shall not be held liable to Assignor.

10. With respect to civil actions for refunds pursuant to Condition 5 hereinabove that are reduced to judgment, the priority of such judgments shall be determined under the laws of North Carolina concerning priority of judgments.

11. In the event that Assignee is required to reimburse any claimants hereunder, Assignee shall be subrogated to all rights which would otherwise accrue to Assignor in respect thereto if paid by Assignor.

12. The term of this assignment shall begin \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at noon, and shall continue until the earliest of the following occurs:

- A. The Assignor obtains a bond in accordance with NCGS § 115D-95 in lieu of a savings account.
- B. Three years after the Assignor's license or any renewal thereof expires or is terminated.

13. This assignment shall be filed by Assignor with the Clerk of Superior Court of the county in which Assignor's institution is located.

14. A copy of this assignment shall be deposited by Assignor in the Business Office of Assignor's institution for viewing by anyone wishing to see it; and the location and accessibility of said copy of the assignment shall be stated in the catalog of Assignor's institution at that part of the catalog setting forth institutional refund policies.

**IN WITNESS WHEREOF**, Assignee and Assignor have caused this assignment to be executed by their duly appointed agents.

This the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

ASSIGNOR:

BY: \_\_\_\_\_

Owner: (Name of Company)

ASSIGNEE:

BY: \_\_\_\_\_

President, North Carolina Community  
College System (NCCCS)

**CONTROL AGREEMENT**

(Date)

School Name

Address

(Individually and collectively "Debtor")

State of North Carolina State Board of Community Colleges

5016 Mail Service Center

Raleigh, North Carolina 27699-5016

(Hereinafter referred to as the "Secured Party")

Bank Name

Attn: Bank Officer's Name

Title

Address

(Hereinafter referred to as the "Deposit Bank")

Debtor has granted Secured Party a security interest in one or more deposit accounts maintained at Deposit Bank for Debtor. The parties are entering into this agreement to perfect Secured Party's security interest in said deposit account(s).

**THE DEPOSIT ACCOUNT(S).** Deposit Bank represents and warrants to Secured Party that (i) it maintains deposit account(s) number(s) \_\_\_\_\_ (the "Deposit Account(s)") for Debtor, (ii) Exhibit A is a statement or statements produced by Deposit Bank in the ordinary course of its business regarding the balance in each of the Deposit Account(s) at the statements date, and it does not know of any inaccuracy in the statement(s); and (iii) Deposit Bank does not know of any claim or interest in the Deposit Account(s), except for claims and interests of the parties referred to in this agreement.

**CONTROL BY SECURED PARTY.** Deposit Bank will comply with all instructions it receives directing disposition of the funds in the Deposit Account(s) originated by Secured Party without further consent by Debtor.

**DEBTOR'S RIGHTS IN DEPOSIT ACCOUNT(S).** Until receipt of instructions originated by Secured Party directing disposition of the funds in the Deposit Account(s), Debtor may withdraw funds and otherwise deal with the Deposit Account(s) in the ordinary course of its business, and Deposit Bank may honor Debtor's instructions with respect to the Deposit Account(s) without further consent of Secured Party. Upon delivery to Deposit Bank of instructions originated by Secured Party that Secured Party is exercising its rights to direct disposition of the funds in the Deposit Account(s) ( a "Notice of Exclusive Control"), Debtor agrees that it will no longer be permitted to withdraw funds from or exercise any authority of any kind with respect to funds in the Deposit Account(s), that Deposit Bank is authorized to, and Deposit Bank agrees to, cease complying with directions of Debtor with respect to the Deposit Account(s), that Secured Party shall have the exclusive authority to withdraw, or direct the withdrawal of funds from the Deposit

Account(s), and Debtor shall have no rights to exercise any authority of any kind with respect to the Deposit Account(s) and the funds deposited therein. So long as this Agreement remains in effect, the Deposit Account(s) will be titled as directed by Secured Party. By their signatures to this Agreement, Debtor hereby authorizes and directs Deposit Bank, and Deposit Bank agrees, to comply with the instructions of Secured Party directing disposition of the funds without further consent of Debtor and, upon Secured Party's delivery of a Notice of Exclusive Control and Secured Party's wire instructions to Deposit Bank, to forward available funds by wire transfer from the Deposit Account(s) to Secured Party no later than 2:00 p.m. East Coast time each Secured Party day any funds in the Deposit Account(s) are or become available to such account as may be designated by Security Party to Deposit Bank in writing from time to time.

**PRIORITY OF SECURED PARTY'S SECURITY INTEREST.** Deposit Bank subordinates in favor of Secured Party any security interest, lien or right of setoff it may have, now or in the future, against the Deposit Account(s) or property in the Deposit Account(s) except that Deposit Bank may charge the Deposit Account(s) for any items deposited in the Deposit Account(s) which are returned for any reason or otherwise not collected and for all service charges, fees, expenses and other items normally chargeable to the Deposit Account(s).

Deposit Bank will not agree with any other third party that Deposit Bank comply with instructions originated by such third party regarding direction of disposition of the funds in the Deposit Account(s).

**STATEMENTS, CONFIRMATIONS AND NOTICES OF ADVERSE CLAIMS.** Deposit Bank will send copies of all statements and confirmations for the Deposit Account(s) simultaneously to Debtor and Secured Party. Deposit Bank will use reasonable efforts to notify promptly Secured Party and Debtor if any other person claims that it has a property interest in the Deposit Account(s) or funds therein.

**DEPOSIT BANK'S RESPONSIBILITY.** Except for permitting a withdrawal, delivery or payment in violation of the section entitled "Debtor's Rights in Deposit Account(s)", Deposit Bank will not be liable to Secured Party for complying with instructions or directions from Debtor that are received by Deposit Bank before Deposit Bank receives and has a reasonable opportunity to act on a Notice of Exclusive Control. Deposit Bank will not be liable to Debtor for complying with a Notice of Exclusive Control or with instructions or directions originated by Secured Party, even if Debtor notifies Deposit Bank that Secured Party is not legally entitled to issue the instructions or directions or Notice of Exclusive Control, unless Deposit Bank takes the action after it is served with an injunction, restraining order or other legal process enjoining it from doing so, issued by a court of competent jurisdiction, and had a reasonable opportunity to act on the injunction, restraining order or other legal process, or Deposit Bank acts in collusion with Secured Party in violating Debtor's rights.

This agreement does not create any obligation of Deposit Bank except for expressly set forth in this agreement. In particular, Deposit Bank need not investigate whether Secured Party is entitled under Secured Party's agreements with Debtor to give instructions or directions or a Notice of Exclusive Control. Deposit Bank may rely on notices and communications, which it believes, have been given by the appropriate party.

**INDEMNITY.** Secured Party and Debtor will indemnify Deposit Bank, its officers, directors, employees and agents against claims, liabilities and expenses arising out of this agreement (including reasonable attorneys' fees and disbursements), except to the extent the claims, liabilities or expenses are caused by Deposit Bank's gross negligence or willful misconduct. Secured Party's and Debtor's liability under this section is joint and several.

**TERMINATION; SURVIVAL.** Secured Party may terminate this agreement by notice to Deposit Bank and Debtor. Deposit Bank may terminate this agreement on 30 (THIRTY) days notice to Secured Party and Debtor. If Secured Party notifies Deposit Bank that Secured Party's security interest in the Deposit Account(s) has been terminated, this agreement will immediately terminate. Sections entitled "Deposit Bank's Responsibility" and "Indemnity" will survive termination of the Agreement.

**MISCELLANEOUS PROVISIONS. Governing Law.** This agreement and the Deposit Account(s) will be governed by the laws of jurisdiction of the Deposit Bank as determined by the Uniform Commercial Code. Deposit Bank and Debtor may not change the law governing the Deposit Account(s) without Secured Party's express written agreement. **Entire Agreement.** This Agreement is the entire agreement, and supersedes any prior agreements and contemporaneous oral agreements of the parties concerning its subject matter. **Amendments.** No amendment of, or waiver of a right under this Agreement will be binding unless it is in writing and signed by the party to be charged. **Severability.** To the extent a provision of this Agreement is unenforceable, this Agreement will be construed as if the unenforceable provision were omitted. **Successors and Assigns.** A successor to or assignee of Secured Party's rights and obligations under the security agreement between Secured Party and Debtor will succeed to Secured Party's rights and obligations under this Agreement. **Notices.** A notice or other communication to a party under this Agreement will be in writing, will be sent to the party's address set forth above or to such other address as the party may notify the other parties and will be effective on receipt.

**IN WITNESS WHEREOF**, Debtor, Secured Party and Deposit Bank have caused this Agreement to be duly executed as of the date first above written.

**DEBTOR:**

Taxpayer Identification Number: xx-xxxxxxx

By: \_\_\_\_\_(SEAL)  
Name: (Insert School Director/Owner name)  
Title:

**DEPOSIT BANK:**

(Insert Name of Bank)

By: \_\_\_\_\_(SEAL)  
Name: (Insert Bank Officer's Name)  
Title:

**ACCEPTED BY:**

State of North Carolina State Board of Community Colleges

By: \_\_\_\_\_(SEAL)  
Name: Martin Lancaster  
Title: President

**Do Not Complete: Will Be Completed by Office of Proprietary Schools**

**NOTICE OF EXCLUSIVE CONTROL**

**Deposit Account(s)**

**Date:**

**Name:**

**Address:**

**RE: Control Agreement (the “Control Agreement”), dated \_\_\_\_\_, among (“Debtor”), (“Secured Party”), and (“Deposit Bank”) regarding Deposit Account No(s) (the “Deposit Account(s).”)**

**This letter constitutes Secured Party’s Notice of Exclusive Control given to (Deposit Bank) in accordance with the Control Agreement. Deposit Bank is hereby directed to cease (i) complying with directions of Debtor with respect to the Deposit Account(s) and (ii) allowing Debtor to withdraw funds from or exercise any authority of any kind with respect to funds in the Deposit Account(s). Secured Party shall have the exclusive authority to withdraw, or direct the withdrawal of funds from the Deposit Account(s), and Debtor shall have no rights to exercise any authority of any kind with respect to the Deposit Account(s) and the funds deposited therein.**

**This Notice of Exclusive Control shall not apply to any earned interest on the Deposit Account(s). Deposit Bank may comply with the directions of the Debtor with respect to the interest earned.**

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES**

**By: \_\_\_\_\_**

**Name:**

**Title: President,**

**North Carolina**

**Community College System**







**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
 LICENSED PROPRIETARY SCHOOLS  
 ANNUAL REPORT  
 JANUARY 1, 2008 – December 30, 2008**

<b>SCHOOL NAME</b>
--------------------

President/Director \_\_\_\_\_ Telephone Number \_\_\_\_\_

Email Address of President/Director \_\_\_\_\_

Mailing Address	
Physical Address	

Month and year school was licensed      Year \_\_\_\_\_ Month \_\_\_\_\_

Total years licensed.      Years \_\_\_\_\_

What level of degrees      *(To mark boxes below, double click and select "checked" then "OK")*

do you offer?      Certificate     Diploma     Associate     Bachelors     Other

Beside the North Carolina Community College System, what other boards govern your proprietary school.

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**Accreditation Status**

Who is the accrediting body?

--

Number of years accredited

Years	
-------	--

Year school was accredited

Year	
------	--

Total years accredited.

Years	
-------	--

<b>ENROLLMENT</b>	
<b>Number of students enrolled Jan- Dec. 2008</b>	
Total day enrollment	<input style="width: 50px; height: 20px;" type="text"/>
Total evening enrollment	<input style="width: 50px; height: 20px;" type="text"/>
Total part-time enrollment	<input style="width: 50px; height: 20px;" type="text"/>
<b>Total Enrollment Jan- Dec. 2008</b>	<input style="width: 50px; height: 20px;" type="text"/>

**Amount of Guaranty Bond or Certificate of Deposit filed**

Amt. for FY 2007-2008		Amt. for Jan. –Dec. 2008	
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**Cost of Attendance**

Highest Tuition Cost	
Average cost of books & fees	
Annual Receipts Collected Jan.-Dec. 2008	
<input type="checkbox"/> Check to make this information confidential	

**Programs Offered**

Number of students enrolled by program Jan- Dec. 2008

<b><u>Name of Program</u></b>	<b><u>Number of Students Enrolled</u></b>
<b>Total Number of Students Enrolled</b>	

<b><u>Name of Program</u></b>	<b><u>Number of Graduates</u></b>

<b>Total Number of Graduates Jan.-Dec. 2008</b>	
<b>Total number of withdrawals Jan. –Dec, 2008</b>	
<b>Average rate of retention Jan.-Dec. 2008</b>	
<b><u>Job Placement</u></b>	
<b>Total number of graduates employed Jan-Dec.2008</b>	

**ADDITIONAL COMMENTS OR INFORMATION:**