

**GUIDE TO CHANGE OF OWNERSHIP
CATEGORIES OF CHANGE AND THEIR REQUIREMENTS**

Requirements	Category of change				
	1	2	3	4	5
Notify NACCAS at least 45 days prior to the change	X		X	X	X
Submit notice as soon as possible but no later than 45 days after the change		X			
Within 45 days, submit a copy of the resolution or agreement which includes all the terms of the transfer, without consideration, of stock or partnership shares.	X				
Within 30 days after the sale, submit a copy of the state license showing the new owners, or a statement from the state licensing agency accepting the new owner for licensing	X	X	X	X	X
Submit a list of owners showing holdings before and after the change.	X	X			
List owners with specifics on any family relationships to the former owners. Indicate any business or employment relationships with the former owners and the school acquired, or another NACCAS-accredited school.	X	X		X	X
Submit biographies of the new owners.	X	X		X	X
Submit the name of the owner or employee designated as liaison with NACCAS for accreditation processes.	X	X		X	X
Submit evidence of the most recent accreditation workshop attended by the liaison or registration for a workshop to take place within four months.	X	X		X	X
Submit information on the parent corporation, if applicable.	X	X			
If the new owner has two years current involvement in the management of the institution, no on-site evaluation is required.		X			
Within six months after the change, undergo a partial-team on-site evaluation		X		X	
Within six months after the change, undergo a full-team on-site evaluation.					X
Submit application form at least 30 days before the change			X	X	X
Submit a non-refundable fee with the application			X	X	X
Submit a copy of the certificate of incorporation			X		
Submit a copy of the actual signed sales agreement or contract which includes all the terms of the sale, or				X	X

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certificate of incorporation within 7 days following the transaction. (If a lease agreement, a copy of the lease agreement must be submitted.)					
Submit a balance sheet (indicating assets and liabilities) for the school, at the date of the sale, within 30 days after the date the sale was completed. (May be unaudited but must be signed by the school's accountant.)			X	X	X
Within 30 days following the sale, submit a balance sheet and income statement for the previous owner for the last two fiscal years.				X	X
Submit a signed statement indicating whether the new owner, or previous owner assumes the responsibility for refunds due to students attending the school prior to the sale.				X	X
Undergo a consultation at a NACCAS Workshop, the school, or the NACCAS headquarters.					X
Submit a modified ISS within 90 days after the change or attendance at an Accreditation Workshop, whichever comes later.					X
The school may request an early renewal of accreditation to combine the change of ownership evaluation with an up-coming renewal process. The ISS could be submitted after the evaluation in order to carry out the evaluation within the six-month timeframe required for a change of ownership on-site visit.		X		X	X
The NACCAS Board of Commissioners, a delegated Committee, or staff may request other pertinent information. This should be submitted within 15 days of receipt of the request.	X	X	X	X	X
Submit a list of shortened versions of the school name and where they will be used.	X	X	X	X	X

The Categories

Category 1

- a. Re-assignment, when a shareholder or partner dies or retires, of his or her shares among remaining partners or shareholders, without consideration.
- b. Re-assignment of shares within a corporation or partnership, without consideration, and without any change of control.

Guide to Change of Ownership Categories

Category 2

- a. Transfer, through inheritance, to a family member and/or a current shareholder of the shares or interest of an owner who just died.

Category 3

- a. Change in financial structure from a sole proprietorship or partnership to a corporation or vice versa, without the shareholders changing.
- b. Transfer of the controlling interest of stock to the institution's parent corporation.
- c. Transfer of the institution's assets or liabilities to its parent corporation.

Category 4

- a. An individual, partnership, corporation or other entity which currently operates an accredited school purchases another accredited school or multiple NACCAS-accredited schools from the same owner.
- b. A person or entity that used to hold or control 50 percent or more of the total outstanding voting stock or partnership shares ceases to hold or control that proportion of the stock or shares.
- c. Purchase by a person who has worked for five years or longer in a management position in the school.
- d. Purchase by a person who has overseen the school purchased for five years or longer in an administrative position at the home office of multiple NACCAS-accredited institutions.
- e. Division of one institution into two or more institutions.
- f. A shareholder in the corporation or partnership acquires more than 50 percent of the outstanding voting stock or partnership shares.

Guide to Change of Ownership Categories

Category 5

- a. Acquisition of the controlling interest by a person or entity (individual, partnership, corporation or other entity) that has not owned a NACCAS-accredited school within the past five years.
- b. A person or entity acquires control of an institution that has been in withdrawal status (non-administrative) within the past eighteen months.