



GRANTHAM
UNIVERSITY

September 30, 2013

Carolyn Small
Postsecondary Registration Administrator
Iowa College Student Aid Commission
430 East Grand Avenue, 3rd Floor
Des Moines, IA 50309-1920

RE: Application for Approval and Registration of Postsecondary School

Dear Ms. Small:

Enclosed please find Grantham University's completed Application for Approval and Registration of Postsecondary School, along with the supporting application materials, submitted for your review and approval by the Iowa College Student Aid Commission.

Grantham University, founded in 1951, is one of the oldest, private, postsecondary, degree-granting universities in the United States. Grantham has been continuously accredited by the Accrediting Commission of the Distance Education and Training Council since 1961. Grantham University is 100% online with administrative offices in Kansas City, Missouri. Grantham offers 38 associate, baccalaureate and master's degree programs, which position its graduates for success in their chosen career paths.

On behalf of the faculty and administration of Grantham University, I look forward to working with you through the approval process and to offering quality educational experiences for the benefit of Iowa residents in the years to come.

If you have any questions regarding the enclosed application materials, please do not hesitate to contact Jasmine Fields, regulatory specialist, at jfields6@grantham.edu or by telephone (800) 955-2527 ext. 426.

Sincerely,

Stephen D. Waldron
Acting President

Enclosures

Iowa College Student Aid Commission

*Postsecondary Registration Administrator
603 East 12th Street, FL 5th
Des Moines, IA 50319
(515) 725-3470*

Postsecondary Registration Iowa Code Chapter 261B

This is the application form for all schools that are required to register under Iowa Code Chapter 261B.

All items must be completed before the registration application or the exemption will be considered received for processing. If there is insufficient space on the form to provide all requested information, use additional pages as required, numbering to correspond to the item. Other documents or materials may be attached to the form in lieu of providing the information on the form. In such cases, the material or document should be referenced on the form and *clearly marked* for ease of identification.

Submit one paper copy and one electronic pdf copy of the application.

The information you provide will be open to public inspection under Iowa Code Chapter 22.11

Iowa College Student Aid Commission

Postsecondary Approval and Registration Administrator
603 East 12th Street, FL 5th
Des Moines, IA 50319
(515) 725-3470

Application for Approval and Registration of Postsecondary School Iowa Code Chapter 261B

Submit a paper document and a complete duplicate in pdf format on a CD or other electronic media. Applications may be submitted electronically by contacting the Postsecondary Approval Administrator at the Iowa College Student Aid Commission.

All items must be completed before the application will be considered as received by the Commission. Attach additional pages as needed to provide the requested information. Other documents or materials may also be attached to support the application. Attachments must be tabbed and clearly marked on both the paper and pdf documents.

(Registrations must be renewed every two years or upon any substantive change in program offerings, location, or accreditation.)

Name of school and address of the principal office as defined in Iowa Code Section 490.140 or 510.141:
[(261B.4(2))] and [(261B.4(1))]

Name of School: Grantham University
Suite: M
Street: 7200 NW 86th Street
City: Kansas City
State: Missouri
Zip: 64153
Country: United States
Telephone Number (including country or area code): (800) 955-2527

Type of school:

- For-profit
- Non-profit
- Public

Address of this school in all in other states, and in foreign countries:

Suite	Street	City	State	Zip	Country	Telephone
M	7200 NW	86th Street,	Kansas City,	MO 64	153 USA	(800) 955-2527

Address of all locations in Iowa where instruction is to be provided

Suite	Street	City	State	Zip	Country	Telephone
	n/a - Online Only					

Total tuition charges, fees and other costs payable to the school by a student. [(261B.4(3))]

Program to be Offered in Iowa	Tuition	Fees	Books and Supplies	Other	Total
Please see Exhibit 1					

Refund policy of the school for the return of refundable portions of tuition, fees, or other charges [(261B.4(4))] If the refund policy is attached, please summarize the policy below.
 A student may withdraw from Grantham for any reason. The refund policy is explained in Exhibit 2 and also on pages 13-15 in the Enrollment Agreement (included in Exhibit 3)
 Degrees granted by the school [(261B.4(5))]

Offered in Iowa [(261B.4(11))]
 Associate of Arts, Associate of Applied Science, Associate of Science, Bachelor of Science, Bachelor of Business Administration, Bachelor of Arts, Bachelor of Science in Nursing, Master of Business Administration, Master of Science

Name, business address and telephone number of the chief executive officer of the school: [(261B.4(7))]

Name: Joseph C. McGrath, President Stephen D. Waldron, Acting President
 Suite: M

Street: 7200 NW 86th Street
City: Kansas City, MO 64153
State: Missouri
Zip: 64153
Country: United States
Telephone Number (including country or area code): (800) 955-2527

Provide a copy or description of the means by which the school intends to comply with 261B.9 [(261B.4(8))].
Code section 261B.9 is as follows:

261B.9 DISCLOSURE TO STUDENTS.

Prior to the commencement of a course of instruction and prior to the receipt of a tuition charge or fee for a course of instruction, a school shall provide written disclosure to students of the following information accompanied by a statement that the information is being provided in compliance with this section:

1. The name or title of the course.
2. A brief description of the subject matter of the course.
3. The tuition charge or other fees charged for the course. If a student is enrolled in more than one course at the school, the tuition charge or fee for all courses may be stated in one sum.
4. The refund policy of the school for the return of the refundable portion of tuition, fees, or other charges. If refunds are not to be paid, the information shall state that fact.
5. Whether the credential or certificate issued, awarded, or credited to a student upon completion of the course or the fact of completion of the course is applicable toward a degree granted by the school and, if so, under what circumstances the application will be made.
6. The name of the accrediting agency recognized by the United States department of education or its successor agency which has accredited the school.

Response:

The above numbered items are disclosed to students via
a combination of Grantham University's catalog, website, and
enrollment agreement (Exhibit 3).

Name, address, and telephone number of a contact person in Iowa. [(261B.4(10))]. If the school is applying for distance education and has registered with the Iowa Secretary of State as a for-profit or non-profit corporation transacting business in Iowa, please list the corporation's Iowa registered agent.

Name: CT Corporation System
Suite: _____
Street: 500 East Court Avenue
City: Des Moines
State: Iowa
Zip: 50309
Country: USA

Telephone Number (including country or area code): (800) 974-0003

Name, address, and title of the other officers and members of the legal governing body of the school:
[(261B.4(6))]

Officer Number 1

Name: Joseph C. McGrath, President
Suite: M
Street: 7200 NW 86th Street
City: Kansas City
State: MO
Zip: 64153
Country: USA
Telephone No. (including country or area code): (800) 955-2527

For officers 2 or more, add pages as needed: Please see Exhibit 4 for additional Officers

Owner Number 2

Names and addresses of persons owning more than 10% of the school: [(261B.4(6))]

Name: Grantham Education Corporation
Suite: M
Street: 7200 NW 86th Street
City: Kansas City, MO 64153
State: MO
Zip: 64153
Country: USA
Telephone Number (including country or area code): (800) 955-2527

For owners 2 or more, add pages as needed Please see Exhibit 5 for additional information

Name all agencies accrediting the institution. For each agency, include name, address, telephone number, and whether the agency is recognized by the U.S. Department of Education. [(261B.4(9))] Attach copies of accreditation certificates of status for each agency. If the Iowa location is not accredited, provide accrediting agency certification that the Iowa location will be granted accreditation upon approval by the College Student Aid Commission. Provide documentation that every location of applicant school is approved by the accrediting agency and in good standing, for all locations throughout the world.
Please see Exhibit 6

Accrediting agency 1

Name: Accrediting Commission of the Distance Education and Training Council
Suite: 2
Street: 1601 18th Street, N.W.
City: Washington
State: D.C.
Zip: 20009
Country: United States
Telephone Number (including country or area code): (202) 234-5100
Contact Person: Leah Matthews, Executive Director

Is this agency recognized by the U. S. Department of Education? Yes No

Accrediting Agency 2

Name: _____
Suite: _____
Street: _____
City: _____
State: _____
Zip: _____
Country: _____
Telephone Number (including country or area code): _____
Contact Person: _____

Is this agency recognized by the U. S. Department of Education? Yes No

Accrediting Agency 3

Name: _____
Suite: _____
Street: _____
City: _____
State: _____
Zip: _____
Country: _____
Telephone No. (including country or area code): _____
Contact Person: _____

Is this agency recognized by the U. S. Department of Education? Yes No

Accrediting Agency 4

Describe the procedures followed by the school for permanent preservation of student records. [(261B.4(12))]

Student records are forever preserved in Grantham University's
Banner Document Management Suite (BDMS).
Items received at the Registrar's office pertaining to a student
are scanned and saved electronically in the student's file.

Provide the contact information to be used by students and graduates who seek to obtain transcript information.

Name: Gina Fleckinger, Associate Registrar
Suite: M
Street: 7200 NW 86th Street
City: Kansas City
State: MO
Zip: 64153
Country: USA
Telephone Number. (including country or area code): (800) 955-2527 ext. 224

List the states and approval or registration agencies for all states in which the school operates or maintains a presence.

State	Agency Name	Address	Contact Person	Telephone Number
Please see Exhibit 7 for agency name and contact information				

Describe the academic and instructional methodologies and delivery systems to be used by the school and the extent to which the school anticipates each methodology and delivery system will be used,, including, but not limited to, classroom instruction, correspondence, internet, electronic telecommunications, independent study, and portfolio experience evaluation. [(261B.4(13))]

Please see Exhibit 8 for more information.

Provide the name of every other State of Iowa agency required to approve the applicant school in Iowa, the school's contact person at the agency and the current status of that approval. Attach documentation in the form of a letter or certificate for each agency.

Agency Name	Contact Person	Telephone Number	Approval Status
n/a			

Is the school subject to a limitation, suspension or termination (LST) order issued by the U.S. Department of Education?

Yes No

If yes, explain below.

Provide the name and contact information for a U. S. Department of Education official who can verify the LST statement.

n/a

Do you:
Enroll students in Iowa? Yes No
Employ Iowa faculty? Yes No

Do you intend to:
Enroll students in Iowa? Yes No
Employ Iowa faculty? Yes No

Describe current operations or plans to enroll students in Iowa or employ Iowa faculty.
Upon obtaining approval from the Iowa College Student Aid Commission,
Grantham intends to enroll students in the State of Iowa.
At this time, given Grantham's online distance education
program offerings, instructors (persons other than full-time faculty)
are not employees; rather, they are independent contractors.

For more information regarding students enrolled in the School of Nursing
graduate degree programs, please see Exhibit 9.

Name, address, telephone number and resume of employees in Iowa. Please identify which employees are full time. N/A - Grantham University does not have any employees in Iowa.

Name: _____ Title: _____
Suite: _____
Street: _____
City: _____
State: _____
Zip: _____
Country: _____
Telephone Number (including country or area code): _____
* Resumes may be provided as attachments

Will your school comply with Iowa Code section 261B.7, which requires the school to disclose that it is registered by the Commission, including Commission contact information?
(See the Iowa Code for details)

Yes No

Will your school comply with the requirements of Iowa Code section 261.9(1)"e" to "h"?

(See the Iowa Code for details.) Yes No

Please provide policies that comply with these requirements as attachments.
Please see Exhibit 10 for these policies
Does the school agree to file annual reports that the Commission requires from all Iowa colleges and universities?

Yes No

Attached a copy of the applicant school's most recent audit prepared by a certified public accounting firm no more than 12 months prior to the application and state below where, in the audit report, there is evidence that the auditor is providing an unqualified opinion.

Please see Exhibit 11 for Grantham's most recent audit
Page 1 of the Independent Auditor's Report on Consolidated
Financial Statements and Supplementary Information provides
evidence that the auditor is providing an unqualified opinion.

Describe how students will be provided with access to learning resources, including appropriate library and other support services requisite for the schools' degree programs.

All undergraduate and graduate students at Grantham have access to
a virtual library. Grantham's range of databases from EBSCO includes
Academic Search Premier, Regional Business News, Business Source
Premier and CINAHL with Full Text with thousands of magazines,
journals, images and reference books available. EBSCO offers students
the ability to print, e-mail or export materials to their computers
or flash drives so they can use the resources online or offline as
needed. Grantham employs a full-time librarian to ensure sufficient
resources are available to students and to monitor usage of
resources. Please see Exhibit 12 for information on support services.

Provide evidence that faculty within an appropriate discipline are involved in developing and evaluating curriculum for the program(s) to be registered in Iowa.

Please see Exhibit 13 for more information

If applicable, please provide evidence that the school has adequate physical facilities appropriate for the program(s) to be offered and are located in the state. Include a copy of a signed agreement for a facility purchase or lease or option to purchase or lease. Please include a photograph of the location.

not applicable - Grantham University does not have any physical
facilities in the State of Iowa

Include a statement, signed by the chief executive officer of the applicant school, on school letterhead, demonstrating the school's commitment to the delivery of programs located in Iowa, and agreeing to provide alternatives for students to complete programs at other institutions if the applicant school closes the program before students have completed their courses of study.

Statement may be in an attached document. Please see Exhibit 14

Provide an organizational plan that shows the location and physical address, telephone number, fax number and contact information for all internet-based and site-based educational locations, administrative, and service centers operated by the applicant and any parent organization.

Please see Exhibit 15 for organizational plan

Provide documentation showing the school's policy for the resolution of student and graduate comments and complaints. Provide complete contact information to which complainants may be referred. Students with concerns or service requests should first contact the appropriate department for assistance. Students whose concerns or service requests are not timely resolved at the departmental level may file a grievance with the Grantham University Ombudsman. Please see Exhibit 16 which contains pages 28-29 of the University Catalog for more information regarding student grievances.

If applicable, provide a copy of a current Certificate of Authority provided by the applicant's home state and the Iowa Secretary of State.

Please see Exhibit 17

Provide the U.S. Department of Education cohort default rate for each associated organizational entity for which the U.S. Department of Education reports a cohort default rate.

not applicable - Grantham University did not begin offering Title IV funding until August 2011. Therefore, no cohort default has been calculated by the U.S. Department of Education.

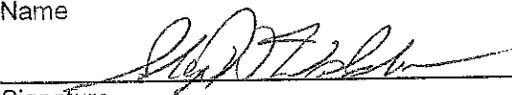
Provide the average debt upon graduation of individuals completing programs at each branch location and the entire organization,

Grantham University is only able to report on the Title IV loans that students have obtained while enrolled at Grantham. From 01-01-2012 to 12-31-2012, 1,991 students graduated. Title IV loans in the amount of \$183,674.00 were disbursed. The average debt upon graduation for each individual in 2012 was \$92.25. The amount shown is small because Grantham University did not begin disbursing Title IV funds until August 2011.

Provide the U. S. Department of Education cohort graduation rate for each branch location and the total organization, showing rates for graduates of diploma, two-year, and four-year, programs if those rates are reported to the U. S. Department of Education National Center for Education Statistics.
Cohort graduate rate numbers are not reported to the U.S. Department of Education National Center for education statistics.

SIGNATURE

Applicant School Chief Executive Officer

<u>Stephen D. Waldron</u>	<u>Acting President</u>
Name	Title
<u></u>	<u>9/30/2013</u>
Signature	Date

If any information in this application changes between the time of application Commission action, the school must inform the Commission by filing an Amended Application clearly indicating the information which is being amended. Amendments must be received before the Commission takes action.

A registration fee of \$2,000 is due and payable to the State of Iowa upon registration approval.

Program Inventory and Costs: Effective October 9, 2013.

Program Title	CIP Code	Credential	Length in Weeks	Credit Hours	Tuition	Fees	Cost of Books & Supplies	Total Fees & Books	Total Program Cost
GRADUATE DEGREE PROGRAMS									
Business Administration	52.0201	MBA	96	36	\$11,700	\$550	\$1,424	\$1,974	\$13,674
Business Administration – Information Management	52.1201	MBA	96	36	\$11,700	\$550	\$1,336	\$1,886	\$13,586
Business Administration – Project Management	52.0201	MBA	96	36	\$11,700	\$550	\$1,177	\$1,727	\$13,427
Business Intelligence	52.1207	MS	96	36	\$11,700	\$550	\$780	\$1,330	\$13,030
Health Care Administration	51.0701	MHA	96	36	\$11,700	\$550	\$1,162	\$1,712	\$13,412
Health Systems Management	52.1206	MS	96	36	\$11,700	\$550	\$852	\$1,402	\$13,102
Information Management – Project Management	52.1201	MS	96	36	\$11,700	\$550	\$984	\$1,534	\$13,234
Information Management Technology	52.1206	MS	96	36	\$11,700	\$550	\$1,132	\$1,682	\$13,382
Information Technology	11.0103	MS	96	36	\$11,700	\$550	\$1,027	\$1,577	\$13,277
Nursing – Case Management	51.3802	MSN	96	36	\$11,700	\$550	\$492	\$1,042	\$12,742
Nursing – Nursing Education	51.3802	MSN	96	36	\$11,700	\$550	\$550	\$1,100	\$12,800
Nursing – Nursing Informatics	51.3802	MSN	96	36	\$11,700	\$550	\$568	\$1,118	\$12,818
Nursing – Nursing Management and Organizational Leadership	51.3802	MSN	96	36	\$11,700	\$550	\$568	\$1,118	\$12,818
Performance Improvement	52.1005	MS	96	36	\$11,700	\$550	\$759	\$1,309	\$13,009
RN to MSN Bridge Program*		N/A**	32	21	\$5,565	\$170	\$293	\$463	\$6,028
BACHELOR'S DEGREE PROGRAMS									
Accounting	52.0301	BS	160	121	\$32,065	\$830	\$3,191	\$4,021	\$36,086
Business Administration	52.0201	BS	168	122	\$32,330	\$865	\$2,522	\$3,387	\$35,717
Business Administration – Human Resource Management	52.1001	BBA	168	124	\$32,860	\$865	\$4,133	\$4,998	\$37,358
Business Management	52.0201	BS	160	121	\$32,065	\$830	\$2,759	\$3,589	\$35,654
Computer Engineering Technology	15.1201	BS	168	125	\$33,125	\$865	\$3,143	\$4,008	\$37,133
Computer Science	11.0701	BS	168	126	\$33,390	\$865	\$3,369	\$4,234	\$37,624
Criminal Justice	43.0103	BA	160	121	\$32,065	\$830	\$2,741	\$3,571	\$35,636
Electronics Engineering Technology	15.0303	BS	168	127	\$33,655	\$865	\$3,000	\$3,865	\$37,520
Engineering Management Technology	15.1501	BS	168	125	\$33,125	\$865	\$3,512	\$4,377	\$37,502
General Studies	24.0102	BA	160	121	\$32,065	\$830	\$2,327	\$3,157	\$35,222
Health Systems Management	52.1206	BS	160	120	\$31,800	\$830	\$2,365	\$3,195	\$34,995

Program Inventory and Costs: Effective October 9, 2013.

Program Title	CIP Code	Credential	Length in Weeks	Credit Hours	Tuition	Fees	Cost of Books & Supplies	Total Fees & Books	Total Program Cost
Information Systems	11.0901	BS	168	125	\$33,125	\$865	\$3,358	\$4,223	\$37,348
Information Systems Security	11.0901	BS	168	127	\$33,655	\$865	\$3,239	\$4,104	\$37,759
Multidisciplinary Studies	30.9999	BS	160	121	\$32,065	\$830	\$2,321	\$3,151	\$35,216
RN to BSN Completion Program	51.3801	BSN	48	124 total	\$9,010	\$340	\$1,966	\$2,306	\$11,316
Assoc. Degree Transfer Track			96	34 @ GU*	\$19,160	\$550	\$2,366	\$2,856	\$22,076
Diploma Transfer Track				74 @ GU*					
ASSOCIATE'S DEGREE PROGRAMS									
Business Administration	52.0201	AA	88	62	\$16,430	\$515	\$1,048	\$1,563	\$17,993
Business Management	52.0201	AA	80	61	\$16,165	\$480	\$1,040	\$1,520	\$17,685
Computer Science	11.0701	AS	88	63	\$16,695	\$515	\$1,311	\$1,826	\$18,521
Criminal Justice	43.0103	AA	80	61	\$16,165	\$480	\$1,040	\$1,520	\$17,685
Electronics and Computer Engineering Technology	15.0303	AS	88	67	\$17,755	\$515	\$1,450	\$1,965	\$19,720
Engineering Management Technology	15.1501	AA	88	62	\$16,430	\$515	\$1,212	\$1,727	\$18,157
General Studies	24.0102	AA	88	62	\$16,430	\$515	\$1,052	\$1,567	\$17,997
Medical Coding and Billing	51.0713	AAS	88	64	\$16,960	\$515	\$1,089	\$1,604	\$18,564
Multidisciplinary Studies	30.9999	AA	80	61	\$16,165	\$480	\$897	\$1,377	\$17,542

* Hours completed at Grantham University
 ** No credential is awarded. The RN to MSN Bridge Program Option contains 21 credits of undergraduate BSN course work, allowing Associate-degree in Nursing RNs to enter the MSN program upon successful completion of the 21 credits

Miscellaneous Fees	
Evaluation Fee**#	\$30
Returned Check	\$25
Graduation Fee	\$100
Technology Fee (effective for all registrations on or after January 12, 2012)	\$30 per 8-week term
Transcript	\$10
Replacement Diploma	\$25
Late Payment	\$5
Printed Course Guide	\$20
International Shipping Fee	\$50 per course

Table 1.8b

** An evaluation processing fee will be assessed to a new student at the time of enrollment, which shall be in the amount of \$30.00. This fee shall be considered a one-time fee. However, under the following circumstances, the evaluation processing fee may be assessed again if the student:

- Voluntarily withdraws from the University
- Does not re-enroll within 365 days of completing a course
- Fails to maintain Satisfactory Academic Progress (SAP)
- Is administratively withdrawn
- Violated Code of Conduct
- Does not return from an approved Military deployment withdrawal and applies for readmission at a later date

An Evaluation and Textbook and Software Grant that may be applied toward the cost of the evaluation fee is available to qualified students. Please see section 1.9 for further details

1.9 Course Textbooks, Software, Materials and Postage

An Evaluation and Textbook and Software Grant is available to students who qualify. The University will automatically ship new or used textbooks to the student after he/she has enrolled in a course. If the same textbook is used in more than one course, the textbook will only be provided once. Each student must supply his/her own writing materials, calculator, and postage for any communications to the University. The University pays postage on mail and parcels going to a student in the U.S. (including APO and FPO addresses and P.O. boxes within U.S. territories). A student in another country, or physical address inside a U.S. territory, must pay a \$50.00 per course shipping charge. Please refer to University Bookstore section for more information.

1.10 Institutional Refund Policy

A student may withdraw from Grantham University for any reason. The student is responsible for completing university formal withdrawal procedures as outlined in the Withdrawal Policy of this catalog. In addition, if a student registered via an online military portal, it is the responsibility of the student to withdraw via that same online military portal. A withdrawal is considered to have occurred on the date the student officially submits the withdrawal form or otherwise notifies the University of his or her desire to withdraw, or on the date the University determines the student ceased attendance or failed to meet published academic policies and is administratively withdrawn,

whichever comes first. This is the date of determination (DOD) used to compute the refund according to institutional policy.

If a student is withdrawn from the University for any reason; or if a student drops a course(s) within the period allowed in any given 8-week term, the amount already paid will be compared to the tuition of the completed portion of that 8-week term. Any amount the student has paid in excess of the required amount will be refunded; if the student has paid less than the required amount, the student will be responsible for paying the difference.

Time of Withdrawal	Refund
Within 7 days of course start date	100%
8-14 days after course start date	80% (less 20%*)
15-21 days after course start date	60% (less 20%*)
22-28 days after course start date	40% **(less 20%*)
29-35 days after course start date	20% (less 20%*)
36 days or more after course start date	0%

* Non-refundable tuition registration is the lesser of 20% of tuition or \$200 Table 1.9

** Georgia Residents Only: Georgia residents whose time of withdrawal is 22-28 days after the course start date will receive a 50% refund of tuition (less 20%*).

Grantham is subject to and must abide by the refund policies of any branch, agency or department of the federal government with which it is in any way associated or affiliated. In the event of a conflict between Grantham's Institutional Refund Policy and the refund policy of an affiliated federal branch, agency or department, the federal refund policy may supersede that of Grantham University. [Also, see Section 3.8 for Return of Title IV Funds information]

Institutional Refund Procedure

University Withdrawals

When a student is withdrawn from the University for any reason, a refund calculation will be performed and any monies due back to a third party or the student will be refunded within 30 days of the date of determination (DOD). Any unpaid balance of tuition and fees the University is eligible to retain after the calculation is performed must be paid by the student to the institution.

Course Drops

When a student drops or is dropped from a course(s), the institutional refund policy calculation will be performed for the charges applied to the course(s). Any monies due back to a third party or the student will be refunded within 30 days of the DOD. Any unpaid balance of tuition and fees the University is eligible to retain after the calculation is performed must be paid by the student to the institution.

Credit Balances

A report is run daily which lists student accounts with credit balances. Credit balances eligible for refund will be returned within 14 days from the date the credit balance occurred.

intended to assist students who are not Pell-eligible, but whose parent or guardian died as a result of military service in Iraq or Afghanistan after September 11, 2001, and who, at the time of the parent's or guardian's death, were less than 24 years old or were enrolled in college at least part-time. The amount awarded to any eligible student is equal to the maximum Pell Grant for the award year, not to exceed the cost of attendance.

William D. Ford Federal Direct Loan (Direct Loan) Program

Federal loans provided through the William D. Ford Federal Direct Loan Program are referred to as Direct Loans because the federal government—through the U.S. Department of Education—is the lender. Unlike grants, student loans are borrowed money that students are legally obligated to repay, with interest. Student must maintain an enrollment status of at least halftime to be eligible for Direct Loans. Additionally, all first-time Direct Loan borrowers must complete a Master Promissory Note (MPN) and Entrance Counseling before funds will be disbursed. Repayment begins after a six (6) month grace period following graduation, withdrawal from school, or enrollment of less-than-half-time (see Catalog Section 2.7 Enrollment Status). Direct Loans include the following:

- **Direct Subsidized Stafford Loans:** Subsidized loans are awarded on the basis of financial need. If a student is eligible for a subsidized loan, the U.S. Department of Education will pay (subsidize) the interest on the loan while the student is in school, for the first six (6) months after the student leaves school, and during periods of deferment. The fixed interest rate for Direct Subsidized Loans disbursed between July 1, 2011 and June 30, 2012 is 3.4% for Undergraduate Students and 6.8% for Graduate Students. The loan origination fee for Direct Loans first disbursed on or after July 1, 2010 is 1%.
- **Direct Unsubsidized Stafford Loans:** Unlike subsidized loans, the borrower is responsible for interest the accrues on Direct Unsubsidized Loans from the time the loan is disbursed until it is paid in full, and financial need is not required to receive an unsubsidized loan. The fixed interest rate for Direct Unsubsidized Loans disbursed between July 1, 2011 and June 30, 2012 is 6.8%, and the loan origination fee is 1%.
- **Direct PLUS Loans:** Parents may borrow Direct PLUS Loans to help pay for the educational expenses of the Dependent Undergraduate children (as determined by the FAFSA). Additionally, Graduate and Professional Degree seeking students may obtain PLUS Loans to help pay for their own education. PLUS Loans are not need-based, but applicants must not have an adverse credit history or they may be required to obtain an endorser who does not have an adverse credit history. The fixed interest rate for PLUS Loans disbursed between July 1, 2011 and June 30, 2012 is 7.9%, and the loan origination fee for Direct PLUS Loans is 4%. There is no grace period for these loans, and interest begins to accumulate at the time the first disbursement is made. Generally, repayment begins immediately following

disbursement unless the borrower obtains a deferment. The maximum annual amount for PLUS Loans is equal to the student's cost of attendance minus other financial aid received.

Return of Title IV Funds

When a student withdraws from the University, the law specifies how the school must determine the amount of Title IV program assistance that was earned. The Title IV programs administered by Grantham University that are covered by this law are: Federal Pell Grants, Iraq & Afghanistan Service Grants, Direct Stafford Loans, and Direct PLUS Loans. If the student received (or the parent or University received on the student's behalf) less assistance than the amount earned, the student may be able to receive those additional earned funds. If the student (parent, or University) received more assistance than earned, the excess funds must be repaid by the student (parent, or University).

The institution will use a pro-rata refund calculation that determines the percentage of Title IV funds proportional to the semester completed by the student. For example, if the student completed 30% of the semester, the student earned 30% of the Title IV funds that have been disbursed. If the student did not receive all of the funds earned, the student might be due a Post-withdrawal disbursement. If the Post-withdrawal disbursement includes loan funds, the University must obtain the student's permission before it can disburse funds.

There are some Title IV funds that a student might have been scheduled to receive that cannot be disbursed once the student withdraws because of other eligibility requirements. For example, if the student is a first-time, first-year undergraduate student and has not completed the first 30 days of his/her program before he/she withdrew then the student will not receive any Direct Loan funds that he/she was eligible to receive had he/she remained enrolled past the 30th day.

If a student receives (or the parent or University on the student's behalf) excess Title IV program funds that must be returned, the University must return a portion of the excess equal to the lesser of: 1) the student's institutional charges multiplied by the unearned percentage of the student's funds, or 2) the entire amount of excess funds. The University must return this amount even if it did not keep that amount of the student's Title IV program funds. If the University is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that the student (or the parent for a Direct PLUS Loan) must return must be repaid in accordance with the terms of the Master Promissory Note. That is, the student may make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned Federal Grant funds that a student must return is called an overpayment. The maximum amount of a Grant overpayment that a student must repay is half of the Grant funds received or scheduled to receive. The student does not have to repay a Grant overpayment if the original amount of the overpayment is \$50.00 or less. The student must make arrangements with the University to return the unearned Grant funds.

The requirements for Return of Title IV program funds when a student withdraws are separate and different than the Grantham University Institutional Refund Policy (see Catalog Section 1.10). Therefore, the student may still owe funds to the University to cover unpaid institutional charges. Grantham University may also charge the student for any Title IV program funds that the University was required to return on the student's behalf.

HEROS Act

The Higher Education Relief Opportunities for Students Act of 2003 sets forth waivers applicable to those serving on active duty during wartime, i.e., those who are "assigned to a duty station at a location other than the location at which the individual is normally assigned"; those called up to active duty from the Reserves, National Guard, or retirements; and those affected by declared natural disasters. Students affected by these circumstances who withdraw during a semester are not required to repay Federal Student Aid Grants.





7200 NW 86th Street, Kansas City, MO 64153

Enrollment Agreement Contract

Submitted On: 1/28/2013
Agreement ID: 149288

Test

BASIC INFORMATION

Grantham University does not discriminate on the basis of race, color, or national or ethnic origin in admitting students to its programs or in administering its educational policies, admissions policies, scholarship programs or other University administered programs. Admission policies are based on inclusiveness - Grantham believes that everyone should have the opportunity to pursue a college degree. Grantham accepts applications on a continuous basis throughout the year. A student has the option of enrolling as a degree candidate or on a course-by-course basis (non-degree).

Undergraduate applicants must supply official proof of high school graduation or its equivalency. Nursing applicants must show proof of a valid RN nursing license. Graduate applicants must supply official proof of a completed baccalaureate degree.

We appreciate the opportunity to receive your application. We look forward to helping you determine your next steps towards enrollment. Submitting this application begins your Grantham University enrollment process. We will review your application.

Name: Test
Nickname: Test
Previous or Maiden Name:
SSN/TIN: XXX-XX-1111
Gender: F
Date of Birth: 5/1/1980

CONTACT INFORMATION

Shipping Address: 1111 Main St
Buford, GA 30518

Primary Phone: 1-111-111-1111

Secondary Phone:

International Phone:

Primary Email: smyers1@grantham.edu

Secondary Email:

Preferred Contact Time(s): Weekdays 8am - 10am, 10am - 12pm, 12pm - 2pm, 2pm - 4pm, 4pm - 6pm

Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Preferred Contact Method: Phone



ADDITIONAL INFORMATION

Fluent in English: Yes

Country of Citizenship: United States

U.S. Military Veteran:

Using Veteran Benefits: No

Corporation or Association
Affiliated with Grantham: No

Corporate Affiliate:

U.S. Military Status: Active Duty

Using Military Tuition Assistance: Yes

U.S. Military Deployed: No

U.S. Military Pay Grade: E-3

U.S. Military Specialty: Ill

U.S. Military Branch: Marine Corps

U.S. Military Duty Station: Camp Lejeune

U.S. Military FOB:

Spouse In Military: No

Military Dependent: No

Permission granted to request
official SMART transcript: Yes

SMART Service Dates: -

AARTs Service Dates: -

How did you hear about
Grantham?:

Motivations:

Referrals:

REQUIRED EDUCATION INFORMATIONUndergraduate Applicants:**Attestation of High School Graduation or Equivalency**

High school graduation or its equivalent is a requirement for admission to Grantham University.

I agree to provide the University with proof of high school graduation or equivalency in the form of an official transcript prior to matriculation.

Proof of graduation in the form of an official transcript or other approved documentation that confirms graduation from high school or its equivalent is required prior to matriculation. Failure to comply with this requirement will result in dismissal from the University.

High School Student Applicants

A high school student who wishes to enroll at Grantham University (while concurrently attending high school) may apply for admission as a non-degree seeking student and may enroll in no more than four (4) credit hours (undergraduate coursework) per term. Exceptions may be granted by the Provost for students wishing to enroll in more than four (4) credit hours. A high school applicant must submit a copy of his/her official high school transcript with a minimum 3.0 GPA to be considered for admission. The prospective student must also demonstrate one of the following:

- ACT with a minimum average selection index of 18
- SAT with a minimum average selection index of 440 Math and 440 English
- PSAT with a minimum average selection index of 147
- Successful completion (grade C or higher) of college coursework in which college credit was earned
- Present a recommendation and written permission from the high school Guidance Counselor

A student must provide a high school diploma or equivalent before he/she will be allowed to enroll into a degree program.

Home School Applicants

A home school student who wishes to enroll at Grantham University while concurrently finishing a home school high school degree/equivalent may apply for admission as a non-degree seeking student and may enroll in no more than four (4) credit hours (undergraduate coursework) per term. Exceptions may be granted by the Provost for students wishing to enroll in more than four (4) credit hours. The prospective student must demonstrate one of the following:

- ACT with a minimum average selection index of 18
- SAT with a minimum average selection index of 440 Math and 440 English
- PSAT with a minimum average selection index of 147
- Successful completion (grade C or higher) of college coursework in which college credit was earned
- Provide state verification of minimum 11th grade level competency

Any applicant who is beyond the age of compulsory school attendance and has not completed secondary school through home schooling must meet one of the above criteria to establish eligibility to benefit from instruction at Grantham University. No student below the compulsory age of attendance will be permitted to enroll until it is determined that enrollment will not be detrimental to student success. For persons not meeting the requirements for enrollment, a record will be made showing the reasons for acceptance. All exceptions to the above guidelines will be based on review and approval of the record by the



7200 NW 66th Street, Kansas City, MO 64153

Provost. A student must attain high school diploma or equivalent before he/she will be allowed to enroll into a degree program.

Graduating High School/Equivalency Information

High School/Testing Center:

Test High School

City / State / Zip:

Kansas City, MO 64153

Date of Graduation/GED Award Year:

5/1999

Prior Colleges/Transfer Institutions

Please list prior colleges you have attended and other sources of transfer credit (ACE, military, etc.). Once copies of transcripts have been received, you will receive an evaluation of transfer credit and a degree audit of your selected program. If you submit a Request for Transcript form for each institution, Grantham University will attempt to obtain your official transcripts. All transfer credit is provisional until official transcripts have been reviewed.



By checking this box I am digitally signing that I graduated high school or have a GED/equivalent and I agree to provide the University with proof of high school graduation or equivalent in the form of an official transcript or equivalent. Should graduation eligibility occur prior to receipt of proof of high school completion or equivalency, I understand that my degree will not be conferred until official documentation is received.

Full Legal Name: Test

DEMOGRAPHIC INFORMATION

Grantham collects, reports, and regularly evaluates student demographic information to ensure that it is honoring its mission. Your answers to the following questions, while voluntary, help us in this effort to serve our students better. The information you provide has no bearing on your application process.

Ethnic Background:

Community:

Parents Attended College:

Parents Graduated College:

Marital Status:

Employment Status: Employed

Employer: My Employer

Family's Annual Income:

Do you live on a military base or receive a military allowance for housing: Yes

Do you live with a spouse or parent(s) receiving a military allowance for housing: No

ENROLLMENT INFORMATION

All estimated costs and length of program are based on full-time enrollment.

Degree Program:	AA Criminal Justice
Length of Program:	62 semester credit hours
Tuition Cost:	\$16,430.00
Fees & Textbooks:	\$1,770.00
Total Program Cost:	\$18,200.00 *

* This is an estimate based on current tuition rates and cost of books. Total cost of the program may be reduced based on transfer credits accepted and any scholarship and grants awarded.

Registration Information

Finance Source(s):	Military Tuition Assistance	Credit Hours	Cost
Course			
Term 1/30/2013 - 3/26/2013			
GU100 Student Success		1	\$265.00
GP210 American Government I		3	\$795.00
PA301 Intro to Public Administration		3	\$795.00
	Technology Fee		\$30.00
	Sub Total	7	\$1,885.00
		Sub Total	\$1,885.00
	Grand Total	7	\$1,885.00

** Scholarships and other aid may reduce overall cost.*

If you are using U.S. Government Tuition Assistance (TA) Funds, please ensure that your TA voucher has been approved and submitted to Grantham University prior to enrollment.

While the above course(s) have been suggested, this course choice is ultimately yours. You will be held academically and financially responsible for these and all further course selections as well.

If you are participating in Grantham University's Evaluation Fee and Textbook and Software Grant program, please read and understand the following as it applies to you.

This grant will be applied to the \$30 evaluation fee and textbook charges up to \$4,000. Grantham University's Evaluation Fee and Textbook and Software Grant program is for students enrolled with Grantham University and in need of this grant to cover the cost of their books. It cannot be used at any other institution.

Student Qualifications:

Be an actively enrolling/registering student with Grantham University

You are considered actively enrolled as long as you complete one course within each 72 day period.

If you are to withdraw (voluntarily, involuntarily or administratively) from the University, you may have this Grant voided by the University.

Textbook Information:

Textbooks for a given course are shipped to a student only one time, unless extenuating circumstances exist.

The student will receive either a new or gently used textbook for the course(s) into which the student has enrolled.

If the same textbook is used in more than one course, the textbook will only be provided once.

The student will also receive software or links to software required for their course(s).

If the same software is used in more than one course, the software will only be provided once.

Grantham University will repurchase from students gently used textbooks meeting Grantham standards of quality, condition and version.

Excluded Scholarships: If you are using one of the below scholarships you are excluded from the above program.

Student receiving the Meridian Scholarship

Grantham University Employee Spouses

If you are participating on our payment deferral program, please read and understand the following as it applies to you.

If eligibility requirements are met (DANTES, Employer Reimbursement), the terms of the Tuition Deferral Program are as follows:

- a) A down-payment of \$100.00 is required upon enrollment and will not be required for subsequent re-enrollments, provided I remain in active status and my account is in good standing.
- b) I understand that my payment is due 90 days from my start date. Payments are made in the GLife Portal under the Student Services tab.
<https://glife.grantham.edu/>
- c) I understand that if I fail to make my payment by the due date, I authorize Grantham University to process a payment for all past due balances on my account using the last credit card/ACH information the University has on file and/or the last one used to make a payment.
- d) It is my responsibility to make the required payments on my account and failure to meet the terms of this agreement could result in collection action. If additional collection action is required, I will be responsible for all additional costs associated with the collection of this debt.
- e) If any of the terms referenced above are not met, I will no longer be eligible for the Grantham University Tuition Deferral Program, and all outstanding amounts due to Grantham University must be paid in full before I will be allowed to continue my course of study.
- f) In the event of a course drop or withdrawal, any remaining balance will be due immediately.

If you are paying tuition from your own funds and are not using Tuition Assistance, Veterans Administration benefits or Title IV Financial Aid and are financing through Grantham University, please read and understand the following financial agreement as it applies to you.

- a) I agree to the payment option of a \$199 deposit with fifty percent (50%) of the remaining tuition balance due on day 28 of the term (halfway through) and the remaining balance due on day 56 of the term. I understand that it is my responsibility to make the required payments on my account per the terms above until my balance is paid in full. I further understand that if I fail to make my payment by the due date, I authorize Grantham University to process a payment for all past due balances on my account using the last credit card/ACH information the University has on file and/or the last one used to make a payment. Failure to meet the terms of this agreement could result in collection action. If additional collection action is required, I will be responsible for all additional costs associated with the collection of this debt.
- b) If I am not current with my payments on the course(s) start date, my registration will be cancelled and past due amounts must be brought current before I am able to begin another course(s).
- c) By applying for admission and financing with Grantham University, I agree that Grantham University, a wholly owned subsidiary of Grantham Education Corporation, may obtain credit reports for the purposes of processing my enrollment agreement and for later purposes related to my student loan such as reviewing, updating, increasing, renewing and collecting it. Upon request, I will be informed whether or not a credit report was requested and the name and address of the consumer reporting agency that furnished the report. If tuition and fees are to be funded by local, state or federal monies, payment to the University must precede refunds to the student or appropriate agency(s) (unless otherwise dictated by regulation).

Students enrolled in the \$200 monthly payment plan prior to 12/5/2011 can continue registering under that plan as long as they maintain continuous enrollment per the University Catalog and stay in good financial standing. It is the student's responsibility to meet these requirements. If you don't meet these requirements you will be registering in the \$199 deposit with fifty percent (50%) of the remaining tuition balance due on day 28 of the term (halfway through) and the remaining balance due on day 56 of the term mentioned above.

Notice: Any holder of this consumer credit contract is subject to all claims and defenses that the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. Recovery hereunder by the debtor shall not exceed amounts paid by the debtor hereunder. Any dispute arising from this agreement will be governed in accordance with the laws of the State of Missouri, and adjudicated in the appropriate Missouri courts.



I have read and understand all my financial obligations to Grantham University.



DOWN PAYMENT INFORMATION

Down Payment Required: \$0.00

Paid On:

Transaction ID:



PROCTOR INFORMATION



I acknowledge that I have enrolled in a course(s) that requires a proctored examination.

Software Secure (SSI) Remote Proctor Now: Videos recorded during the exam session contain full-length webcam views, audios and desktop recordings. Videos are stored by SSI and available to University administrators for review. The course syllabus will indicate any unique exam rules that may apply, such as the use of a calculator, open/closed book, etc.; SSI staff will review videos with these rules in mind and report any violations to University administrators. Students using the SSI proctoring method must have an operational webcam/video, computer, high speed Internet connection, and allow Remote Proctor Now to access their webcam and microphone during the proctored assignment. Students are required to identify themselves to SSI with a valid government issued photo ID.

o Students may only have one Internet browser window open while taking their proctored exams, unless otherwise specified. The use of Internet accessible devices such as Blackberries, cell phones, and PDAs are strictly prohibited during the exam. Students may not bring removable media of any type during the proctored exam (e.g. CD Rom, flash drives, etc.)

o Students may not install software during the proctored exam; however, pre-installed software such as Maple and Mathlab is permissible. Students are not allowed to converse with anyone other than their proctor during the proctored assessment. Proctors are prohibited from assisting with the exam with the exception of procedural or administrative issues.

CURRENT POLICIES

Grantham's Enrollment Agreement Contract incorporates the University Catalog in effect at the time of the student's enrollment into the University, but the University may change its policies, procedures, courses, and degree programs at its sole discretion. Grantham University will announce changes in tuition and/or fees at least 30 days in advance of such changes. Generally, changes, if any, will be effective January 1st or July 1st.

Employment Disclaimer:

Grantham University does not guarantee employment for graduates upon completion of their degree program.

Academic Policies**Participation and Substantive Interaction Policy:****First Week Participation Requirements**

Students are required to establish participation by logging into each course within seven (7) days of the term start date and either submitting a Week 1 assignment or substantively interacting (See: Guidelines for Substantive Interaction, below) with fellow students and/or the course instructor. Students who have not logged into the course(s) and who do not meet the participation requirement within the first seven (7) days of the term will be administratively dropped from the course(s). Tuition will be refunded per the Institutional Refund Policy published in Section 1.10 of the Grantham University Catalog.

Participation and substantive interaction will be tracked on a weekly basis. Throughout the term, students must participate in such a way as to ensure successful completion of the course by the end of the term, i.e., submit assignments and continue to substantively interact with other students and/or the course instructor. Students are expected to abide by the participation and substantive interaction requirements according to the criteria outlined in each course syllabus. If the course instructor determines that a student has not met the participation and substantive interaction requirements, the instructor will administratively withdraw the student with a grade of W recorded on the student's academic transcript. Tuition will be refunded per the Institutional Refund Policy published in Section 1.10 of the Grantham University Catalog.

Withdrawal Policy:

A student may withdraw from courses at Grantham University for any reason. Should a student consider withdrawal from a course(s) or the University, it is important to note:

- All voluntary and involuntary withdrawals must abide by the Institutional Refund Policy. (See Grantham University Attendance Policy)
- A student who voluntarily withdraws from courses or the University in the first seven (7) days of the term will be considered a cancel and will receive a full refund.
- A student who voluntarily withdraws from courses or the University after the seventh (7th) day of the term start date and before the last week of the term end date will be assigned a grade of (W) for the course by the instructor. Any refund to the student is subject to the terms of the Institutional Refund Policy.
- A student who wishes to withdraw from a course during the last week of the term should strongly reconsider as this will result in an (F) grade for the course.
- A student may not withdraw from a course after an (I) incomplete has been granted. If a University withdrawal is requested while a course is in (I) incomplete status, the I grade will convert to an F.
- If a student needs to withdraw for reasons of military deployment, he/she should follow the Military Deployment Policy below that ensures a deployed student will incur no financial or academic penalty.

University Withdrawal – Process for Voluntary Withdrawal from University

When a student requests to be withdrawn from the University, that student is also withdrawn from all courses in which the student may be currently



registered. A student who voluntarily wishes to withdraw from the University should complete and submit a Withdrawal Form on GLife. However, completion of this form is not mandatory. If using this form, the student should specifically indicate the intention of withdrawing from the University on the Withdrawal Form. A student may request a University withdrawal at any time. The withdrawal is considered to have occurred on the date the student officially notifies Grantham of his/her intent to withdraw by submitting the withdrawal form or by indicating his or her intention to withdraw to a University employee or official via written or verbal communication. This is the date of determination (DOD) used to compute the refund according to institutional policy.

University Withdrawal - Involuntary/Administrative Withdrawal from the University

A student may be involuntarily/administratively withdrawn from the University if the University determines the student failed to maintain Active Student Status, violated the Code of Conduct Policy, failed to meet published academic policies or did not make a timely return from a leave of absence. The date of determination (DOD) used to compute the institution's refund policy is the date the University determined any of the aforementioned situations.

Course Withdrawal - Process for Voluntary Withdrawal from Courses

A formal withdrawal from courses requires that a student complete and submit a Withdrawal Form indicating the courses from which he/she desires to be withdrawn. The withdrawal is considered to have occurred on the date the student officially notifies Grantham of his/her intent to withdraw by submitting the withdrawal form or, if an online military portal student, on the date the student withdraws from the course in the specific military portal. This is the date of determination (DOD) used to compute the institution's refund policy. If a student registered for courses via an online portal, it is the responsibility of the student to withdraw from those courses via that same online portal.

Course Withdrawal - Involuntary/Administrative Withdrawal from Courses

If the University determines the student ceased attendance, violated the Code of Conduct Policy, or failed to meet published academic policies, he/she may be administratively withdrawn. Students using military Tuition Assistance (TA) who do not submit a voucher by the 7th day of the term will be withdrawn. The date of determination (DOD) used to compute the institution's refund policy is the date the University determined any of the aforementioned situations.

Military Deployment Policy

The Military Deployment Policy allows students who serve in the United States Armed Forces and who are deployed (or who receive deployment orders) prior to or during a term to have their courses for the respective term expunged. The policy accommodates deployments of up to 24 months. It is in the best interest of students who are being deployed and who wish to withdraw from the respective term to notify Grantham as soon as deployment papers are received.

Institutional Refund Policy

A student may withdraw from Grantham University for any reason. The student is responsible for completing university formal withdrawal procedures as outlined in the Withdrawal Policy of this catalog. In addition, if a student registered via an online military portal, it is the responsibility of the student to withdraw via that same online military portal. A withdrawal is considered to have occurred on the date the student officially submits the withdrawal form or otherwise notifies the University of his or her desire to withdraw, or on the date the University determines the student ceased attendance or failed to meet published academic policies and is administratively withdrawn, whichever comes first. This is the date of determination (DOD) used to compute the refund according to institutional policy.

If a student is withdrawn from the University for any reason; or if a student drops a course(s) within the period allowed in any given 8-week term, the amount already paid will be compared to the tuition of the completed portion of that 8-week term. Any amount the student has paid in excess of the required amount will be refunded; if the student has paid less than the required amount, the student will be responsible for paying the difference.

Time of Withdrawal	Refund
Within 7 days of course start date	100%
8-14 days after course start date	80% (less 20%*)
15-21 days after course start date	60% (less 20%*)
22-28 days after course start date	40% (less 20%*)



29-35 days after course start date	20% (less 20%*)
36 days or more after course start date	0%
<i>*Non-refundable tuition registration is the lesser of 20% of tuition or \$200 **Georgia Residents Only: Georgia residents whose time of withdrawal is 22-28 days after the course start date will receive a 50% refund of tuition (less 20%).</i>	

Grantham is subject to and must abide by the refund policies of any branch, agency or department of the federal government with which it is in any way associated or affiliated. In the event of a conflict between Grantham's Institutional Refund Policy and the refund policy of an affiliated federal branch, agency or department, the federal refund policy may supersede that of Grantham University. [Also, see Section 3.8 for Return of Title IV Funds Information]

Institutional Refund Procedure

University Withdrawals

When a student is withdrawn from the University for any reason, a refund calculation will be performed and any monies due back to a third party or the student will be refunded within 30 days of the date of determination (DOD). Any unpaid balance of tuition and fees the University is eligible to retain after the calculation is performed must be paid by the student to the institution.

Course Drops

When a student drops or is dropped from a course(s), the institutional refund policy calculation will be performed for the charges applied to the course(s). Any monies due back to a third party or the student will be refunded within 30 days of the DOD. Any unpaid balance of tuition and fees the University is eligible to retain after the calculation is performed must be paid by the student to the institution.

Credit Balances

A report is run daily which lists student accounts with credit balances. Credit balances eligible for refund will be returned within 14 days from the date the credit balance occurred.

- I attest that I have read and understand the above stated policies. I also understand the importance of regularly reviewing the University catalog and Student Portal.
- I attest that I understand the University Catalog and Student Handbook is published and available for review on the University's website.
- I acknowledge that I have read and understand the Enrollment Agreement Contract and that I have received or will save a copy.
- I acknowledge that my submission of this Enrollment Agreement Contract serves as my legal signature on this document.
- I certify that I am of legal age to contract in my state.

Admissions

Grantham University
7200 NW 86th Street
Kansas City, MO 64153
Fax #: 1-816-695-6757

Acceptance of the Enrollment Agreement Contract is contingent upon the applicant meeting all published requirements for admission.

For Grantham University:

Mr. Joseph C. McGrath, President

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 4

Page 5 - Additional Officers and Board of Governors

Officers

Edward L. Sammarco, Treasurer
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Jayne E. Ritzinger, Secretary
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Board of Governors

Everett Alvarez
7200 NW 86th Street, Suite M
Kansas City, MO 64153

John Ashford
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Harry Hagerty
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Karen Harmeyer
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Herb London
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Joseph C. McGrath
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Larry Rebman
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Thomas Rhame
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 5

Page 5 - Names and addresses of persons owning more than 10% of the school

Grantham University Inc., d/b/a Grantham University, is a wholly-owned subsidiary of Grantham Education Corporation, a Delaware corporation.

Officers of Grantham Education Corporation:

Thomas M. Macon, Chair
7200 NW 86th Street, Suite M
Kansas City, MO 64153

John R. Ferris, Secretary
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Board of Directors of Grantham Education Corporation:

A. Scott Andrews
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Joseph Eash, III
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Joel R. Jacks
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Thomas M. Macon
7200 NW 86th Street, Suite M
Kansas City, MO 64153

George E. Northup
7200 NW 86th Street, Suite M
Kansas City, MO 64153

Peter M. Schulte
7200 NW 86th Street, Suite M
Kansas City, MO 64153

E. Christian Stengel
7200 NW 86th Street, Suite M
Kansas City, MO 64153

DETC ACCREDITING COMMISSION

1601 18th Street, N.W., Suite 2 • Washington, D.C. 20009 • (202) 234-5100; fax (202) 332-1386 • www.detc.org



February 9, 2012

Mr. Joe McGrath, Interim President
Grantham University
7200 NW 86th Street
Kansas City, MO 64153

Dear Mr. McGrath:

The Accrediting Commission of the Distance Education and Training Council met January 20, 2012 and voted to re-accredit Grantham University.

We extend congratulations to you and your staff on this re-accreditation.

In extending this grant of accreditation, the Commission directed that the University submit a report by December 1, 2012, bringing the Commission up to date on the implementation and the results of the 2011 Multi-Year Strategic Plan. Please submit one hard copy and one electronic copy of the report.

In the report, please provide a full discussion of how the plan has achieved the attainment of University goals and enhanced the institution overall. In particular, describe how the senior management team has been reviewed on a quarterly basis against progress made in each of their respective areas, as will all other employees of the University. Discuss the results of the implementation of a comprehensive training and development program for all employees at all levels that will continue to reduce staff turnover and achieve the faculty and staff's professional development, longevity, and stability.

This grant of accreditation covers to the following University programs:

- Certificate in Computer Forensic Investigations
- Certificate in Criminal Investigation
- Certificate in Emergency Operations Management
- Certificate in Juvenile Justice
- Associate of Arts in Criminal Justice
- Associate of Arts in General Studies
- Associate of Applied Science in Medical Coding and Billing
- Associate of Arts in Multidisciplinary Studies
- Associate of Arts in Business Administration
- Associate of Arts in Business Management
- Associate of Science in Computer Science
- Associate of Science in Electronics and Computer Engineering Technology
- Associate of Arts in Engineering Management Technology
- Bachelor of Arts in Criminal Justice
- Bachelor of Arts in General Studies
- Bachelor of Science in Health Systems Management
- Bachelor of Science in Multidisciplinary Studies
- Bachelor of Science in Nursing
- Bachelor of Science in Accounting
- Bachelor of Science in Business Administration
- Bachelor of Science in Business Management
- Bachelor of Business Administration in Human Resource Management
- Bachelor of Science in Computer Engineering Technology
- Bachelor of Science in Computer Science
- Bachelor of Science in Information Systems
- Bachelor of Science in Information Systems Security
- Bachelor of Science in Electronics Engineering Technology

Mr. Joe McGrath, Interim President
Grantham University
February 9, 2012
Page 2

- Bachelor of Science in Engineering Management Technology
- Master of Healthcare Administration
- Master of Science in Health Systems Management
- Master of Science in Nursing-Case Management
- Master of Science in Nursing-Nursing Education
- Master of Science in Nursing-Nursing Informatics
- Master of Science in Nursing-Nursing Management & Organizational Leadership
- Master of Business Administration
- Master of Business Administration-Information Management
- Master of Business Administration-Project Management
- Master of Science-Business Intelligence
- Master of Science-Information Management Technology
- Master of Science-Information Management-Project Management
- Master of Science-Information Technology
- Master of Science-Performance Improvement

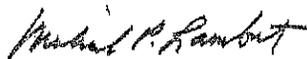
The University has already received and responded to the Examining Committee Chair's Report so you are well aware of the Committee's findings. As you and your associates plan for the future, the University will want to keep in mind both the formal and informal observations of the Examining Committee.

Please keep us advised on an on-going basis of new developments, programs, and procedures undertaken at the University in the months and years to come. Please keep in mind that accreditation for the institution dates from 2011. The accreditation expires in June of 2016. The next full re-accreditation visit is scheduled for the Spring of 2016. Your *Certificate of Accreditation* is enclosed. Please note that this Certificate remains the property of the Accrediting Commission of the Distance Education and Training Council, and should the University resign or lose accreditation, the Certificate must be returned to DETC.

We look forward to your strong support of the Distance Education and Training Council. We hope that you will attend or be represented at our Annual Conference in Maui, HI on April 15-17. If you are able to attend, we can have a public presentation for your Certificate of Accreditation from the Commission Chair at the DETC Annual Business Meeting on April 16th.

Please call on us for assistance at any time. Again, please accept our congratulations and best wishes on the accreditation of Grantham University.

Sincerely,



Michael P. Lambert
Executive Director

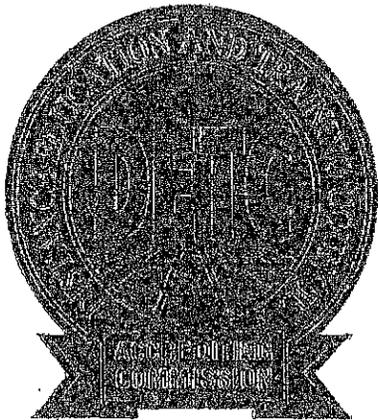
The Accrediting Commission
of the
Distance Education
and Training Council
Washington, D.C.

Certifies that

Grantham University
of
Kansas City, Missouri

has been duly examined and been found to meet the Educational and Ethical Business Standards of the Accrediting Commission of the Distance Education and Training Council on the 21st day of July 1961 and most recently re-accredited on the 20th day of January 2012.

*In witness whereof, we, the undersigned by
order of the Commission, have hereunto
affixed our signatures.*



Timothy M. H.

Chairman

Michael P. Lambert

Executive Director

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 7

Page 7 – List the states and approval or registration agencies for all states in which the school operates or maintains a presence

State	Agency Name	Address	Contact Person	Telephone No.
AL	Alabama Commission on Higher Education	P. O. Box 302000 Montgomery, AL 36130-2000	Elizabeth French	(334) 242-2179
	Alabama Department of Postsecondary Education	135 South Union Street Montgomery, AL 36130-2130	Anette Funderburk	(334) 293-4500
GA	Nonpublic Postsecondary Education	2082 East Exchange Place, Suite 220 Tucker, GA 30084	Carl Camann	(770) 414-3208
KS	Board of Regents	1000 SW Jackson, Suite 520 Topeka, KS 66612	Jacqueline Johnson	(785) 296-4917
LA	Board of Regents	1201 N. Third Street Baton Rouge, LA 70802	Larry Tremblay	(225) 342-4253
MD	Maryland Higher Education Commission	6 N. Liberty Street, 10 th Floor Baltimore, MD 21210	Lauren Jones-Lush	(410) 767-3268
MO	Missouri Department of Higher Education	3515 Amazonas Drive Jefferson City, Missouri 65109	Leroy Wade	(573) 751-2361
MT	Montana University System Office of the Commissioner of Higher Education	2500 Broadway Street Helena, Montana 59620-3201	Clayton Christian	(406) 444-6570
NV	Nevada Commission on Postsecondary Education	3663 East Sunset Road, Suite 202 Las Vegas, Nevada 89120	David Perlman	(702) 486-7330
OR	Oregon Office of Degree Authorization	775 Court Street NE Salem, OR 97301	Jennifer Diallo	(503) 373-0072
SD	South Dakota Secretary of State	500 East Capitol Avenue Pierre, South Dakota 57501	Debra Ramquist	(605) 773-4845
TX	Higher Education Coordinating Board (authorized to recruit students)	1200 E. Anderson Lane Austin, TX 78752	Van Davis	(512) 427-6223
WY	Department of Education	2300 Capitol Avenue Hathaway Building, 2 nd Floor Cheyenne, WY 82002	Elaine Marces	(307) 777-6210

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 8

Page 7 – Describe the academic and instructional methodologies and delivery systems to be used by the school and the extent to which the school anticipates each methodology and delivery system will be used.

Grantham's delivery system is currently Angel, a learning management system created by the Blackboard company. In 2014, Grantham University will be migrating to Blackboard Learn, a modern version of Blackboard. The capabilities of Angel and Blackboard are identical from the student experience. Currently, faculty utilize Angel to facilitate their courses, and deliver classroom activities such as assignments, readings, discussions and assessments. This tool is the primary classroom experience for students, and student to faculty and student-to-student interactions occur on a regular basis. This tool also offers the ability to communicate with students through announcements, as well as email and instant messaging. The learning management system is available to students 24 hours a day, seven days a week to accommodate flexibility and to enhance the asynchronous learning experience.

Feedback and interaction is a big part of the learning experience at Grantham University. Students are required to interact with one another, with the professor using their textbooks and lecture material, and the Internet, and do so through weekly discussion forums as well as assignments. Instructor feedback in small sections help students realize preparation time for assignments and exams, as well as require their direct involvement in the learning process. Testing frequently and building performance expectations as the course progresses ensure information mastery toward higher levels of application of synthesis and evaluation. Student responsibilities in Grantham University courses require reflection about how they learn best, whether actively or reflectively, sequentially or intuitively, visually or verbally.

Grantham University instructors realize a wide range of student abilities and learning styles must be utilized in their online sessions in order to maximize the learning experience. Some students exhibit skills and backgrounds rivaling students in the nation's best universities. Other students are under prepared learners who need extra support at their current skill levels. Faculty take into account the wide diversity of student skills and abilities coming in to classes and work to deliver materials at a level that are appropriate for the student to comprehend. To support those students that might need extra support the Student Advising and Learning Center offers tutorial services and supplemental assistance to help a variety of topics. Courses are built to complement faculty engagement within the classroom and are structured with choice of assignments in some cases, the ability to accelerate time to course completion, and access to a not only their current instructor what a wide range of talented instructors and tutors who are experts in their disciplines.

Being aware of the diverse student body at Grantham University, we will continue to utilize the swaddling support services to support students in every class at every level. As we move to the coming year, we will continue to create courses that are extension of superb faculty facilitation as well as take advantage of electronic resources available to students on the Internet. The concept of offering students choice in the types of assignments they submit, as well as creating

choice in the types of discussions that take place will continue to be explored at Grantham as we attempt to tap into all learning styles to truly maximize the student learning outcomes.

Courses are built upon interactive instructional principles and technologies and faculty utilize innovative instructional technologies to supplement instructor-student interaction using ANGEL (Learning Management System), instant messaging, e-mail, video and voice recording tools and telephone conversations.

To support effective teaching methodologies and classroom management, Grantham University created *Visible, Immediate, Personal and Proactive VIP2* as a method to instruct the adult learner. Each new faculty candidate must complete and pass GU900, which uses VIP2 and serves as a faculty orientation course giving candidates the same type of ANGEL experience as the Grantham student. Upon successful completion of the course, new faculty will be able to:

- Define/describe Best Practices for online instruction using the VIP2 model.
- Identify retention strategies for Grantham students to improve their course learning objectives and course completion probability.
- Examine ways of improving faculty proactive approach through an improved VIP2 course management style.
- Understand the principles of andragogy and apply them to the adult learners in their Grantham University courses

GU950 is a peer-coaching course designed for the new Grantham instructor. The eight-weeks of GU950 run parallel with the instructor's first course assignment. Each folder corresponds to situations an instructor will encounter. During week 1, instructors are coached through setting up course. During week eight, they learn how to successfully conclude the course and close out their grade book. GU950 is one way to show new faculty their value to Grantham University and to provide one-on-one peer support helping them feel comfortable teaching their first course.

Some of the VIP2 weekly highlights of GU950 include:

- Setting up a Welcoming and Engaging Online Classroom
- Understanding the military learner
- How to Engage learners in discussion
- Understanding Grantham Policies and Procedures

To ensure the faculty are continuing to perform classroom duties as well as deliver the grant them methodologies within their course facilitation faculty evaluation are integral to the development of both teaching skills and an understanding of how students learn. Both formal and informal processes assist Grantham University faculty in recognizing their strengths and build upon them.

New faculty are monitored during their first course assignment to ensure they follow the guidelines established during training. Additional monitoring is conducted by Deans and Chairs

daily through dashboard views into every active course. Faculty participation, weekly logins, grade distribution, and timeliness are monitored electronically and anyone not meeting standards is identified and informed of corrective action to be taken, or provided additional training. Student survey and login data are used to identify faculty for particular courses. If adjustments to teaching schedules are required, TLC and the appropriate Dean or Chair will notify the course scheduler to modify assignments. Grantham University recognizes the important role faculty plays in staying active and being available to students and through these active trainings and evaluation and active communications were able to establish a set methodology that creates a unique Grantham teaching culture.

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 9

Page 8 – Describe current operations or plans to enroll students in Iowa or employ Iowa faculty

(continued)

Students enrolled in the Master of Science in Nursing degree programs will complete a 3 credit hour (144 contact hours) practicum within a healthcare facility, doctor's office or healthcare business office, as appropriate to the degree. The student will be supervised onsite by an employee of the facility. The onsite employee is not an employee of Grantham University, but may receive a nominal honorarium from the University.

Additionally, a Grantham University faculty member will serve as a practicum coordinator, communicating with both the student and onsite employee throughout the practicum experience. The onsite facility and Grantham University enter into an affiliation agreement that includes the duties and responsibilities of both entities. Grantham's responsibilities include providing general comprehensive liability insurance for the student while he/she is onsite at the healthcare/office facility.

Grantham University requires students to hold a valid, current registered nursing license for admission into its nursing programs.

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 10

Page 8 – Will your school comply with Iowa Code Section 261B.7?

Grantham University will comply with Iowa Code section 261B.7 by updating the Catalog and website in the Accreditation and Certification section to reflect that the University is registered by the Iowa College Student Aid Commission.

Page 8 - Please provide policies that comply with the requirements of Iowa Code section 261.9(1)"e" to "h"

Requirements of Iowa Code section 261.9(1)"e" and "f" are satisfied below and can be located on pages 33-36 in the University Catalog.

Drug Abuse Prevention Policy

Grantham University is committed to promoting a drug-free learning environment. The University has a vital interest in maintaining a safe and healthy environment for the benefit of its employees and students. Dignity and self-respect are essential components to the mission of the University. The use of performance-impairing drugs can impair judgment and increase the risk of injuries.

Consistent with the Drug-Free Schools and Communities Act

Amendments of 1989 (Public Law 101-226), all students and employees are advised that individuals who violate Federal, State or Local laws and campus policies are subject to University disciplinary action and criminal prosecution. The possession, use or distribution of a controlled substance or dangerous drugs, or any drug unlawful to possess, e.g. marijuana, except as expressly permitted by law, is a violation of law and of campus policy. Penalties may include required participation in and completion of appropriate rehabilitation programs in addition to federal, state and local sanctions.

Students should be aware there are significant psychological and physiological health risks associated with the use of illicit drugs and alcohol. Physical addiction, loss of control and withdrawal syndrome as well as serious damage to vital organs of the body can result from drug and alcohol abuse.

The following resources are available for assisting employees with possible problems of chemical abuse:

<http://www.aa.org/?Media=PlayFlash> - Alcoholics Anonymous Support Group

<http://www.niaaa.nih.gov/Pages/default.aspx> - National Institute on Alcohol Abuse and Alcoholism

<http://www.ncadd.org/> - National Council on Alcoholism and Drug Dependence

<http://www.mayoclinic.com/health/alcoholism/DS00340> - Mayo Clinic Effects and Symptoms of overdose, withdrawal and misuse of alcohol and drugs

A description of alcohol and drug categories, their effects, symptoms of overdose, withdrawal symptoms and indications of misuse can be found at:

<http://ncadi.samhsa.gov/> - Substance Abuse and Mental Health Services Administration
<http://www.usdoj.gov/dea/concern/concern.htm> - The Drug Enforcement Administration of the U.S. Department of Justice

Federal Trafficking Penalties can be found at <http://www.usdoj.gov/dea/agency/penalties.htm>

Requirements of Iowa Code section 261.9(1) "g" is satisfied below and can be located on page 19 in the University Catalog.

Military Deployment Policy

The Military Deployment Policy allows students who serve in the United States Armed Forces and who are deployed (or who receive deployment orders) prior to or during a term to have their courses for the respective term expunged. The policy accommodates deployments of up to 24 months. It is in the best interest of students who are being deployed and who wish to withdraw from the respective term to notify Grantham as soon as deployment papers are received.

Obtaining a Military Deployment Withdrawal and Leave of Absence

When you receive deployment papers, the following policy will assist and support you. If you are deployed and wish to withdraw from courses please follow the following process:

- Contact your Admission Representative (AR) or Student Advisor (SA)
- Provide a copy of deployment orders prior to deployment
- Fax, mail, or e-mail copies of above materials to AR or SA

If you are eligible for a military deployment tuition waiver, Grantham University will:

- Forgive tuition owed for the term if payment has not been received, or tuition credit for you to return and take the course(s) within 90 days of returning from deployment. A necessary refund will be made to the appropriate party as determined by the Finance Office.
- Expunge the student record of registration for the current term while leaving all other student records intact.

Returning from Deployment

When you return to Grantham University after deployment covered by the travel orders, you should follow the procedure below to streamline enrollment and to facilitate readmission:

- Notify your AR or SA who will assist you with registration
- If you were in a Grantham degree program previously, you will reenter with the catalog year you started the degree program. If you enter the degree program for the first time, you are in effect under the Catalog at the time of your return.
- If you are returning to a Grantham degree program, you will continue in your previously enrolled program as long as you resume your program within 12 months from the original term end date. Students who are deployed longer than 12 months may retain previous transfer and credits earned if all other requirements are met.
- You will have all transfer credits previously awarded continued to be honored
- You will be exempted from a degree program re-evaluation (except if previously required course are no longer available)

Military Obligations Policy

The Military Obligations Policy allows active service members, government civilians, and government contractors who receive orders during a term of enrollment at Grantham University to receive appropriate accommodations in support of their education. This policy allows students

to be withdrawn from courses or receive an Incomplete in the course (student must have completed over 50% of the course milestones to be eligible for an incomplete). It is in the best interest of students who receive orders (TDY, AT, convalescent leave, or similar orders) and who wish to receive some accommodation, to notify Grantham University as soon as the orders are received.

Students should follow the procedures below to request a withdrawal under the Military Obligations Policy:

- Submit an Academic Requests Submission Form available in GLife
- Include a copy of TDY (DD 1610) or relevant orders
- Submit the request within 30 days of the date of issue of the orders

Students should follow the procedures below to request an incomplete under the Military Obligations Policy:

- Submit an Academic Requests Submission Form available in GLife
- Include a copy of the TDY (DD 1610) or relevant orders
- Submit the request within 30 days of the date of issue of the orders

Requirements of Iowa Code section 261.9(1) "h" do not apply to Grantham University. No employees of Grantham University have responsibilities that include examining, attending, counseling or treating a child in the event suspected physical or sexual abuse should be reported.

Grantham Education Corporation and Subsidiary

Auditor's Reports and Consolidated Financial Statements

December 31, 2012 and 2011



Grantham Education Corporation and Subsidiary

December 31, 2012 and 2011

Contents

Independent Auditor's Report on Consolidated Financial Statements and Supplementary Information.....	1
Consolidated Financial Statements	
Balance Sheets.....	3
Statements of Income.....	4
Statements of Stockholders' Equity.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Schedule of Findings and Questioned Costs.....	20
Supplementary Information	
Consolidating Schedule of Assets and Liabilities – December 31, 2012.....	22
Consolidating Schedule of Operations – December 31, 2012.....	23
Consolidating Schedule of Assets and Liabilities – December 31, 2011.....	24
Consolidating Schedule of Operations – December 31, 2011.....	25
Notes to Supplemental Information.....	26
Title IV 90/10 Revenue Test.....	27

**Independent Auditor's Report
on Consolidated Financial Statements
and Supplementary Information**

Board of Directors
Grantham Education Corporation and Subsidiary
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Grantham Education Corporation and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grantham Education Corporation and Subsidiary as of December 31, 2012 and 2011, and the results of their operation and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information including the consolidating schedules, the Company's calculation of its Title IV 90/10 revenue test and related party transactions as required by the U.S. Department of Education, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2013, on our consideration of the Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BKD, LLP

Kansas City, Missouri
June 5, 2013

Grantham Education Corporation and Subsidiary
Consolidated Balance Sheets
December 31, 2012 and 2011

Assets

	2012	2011
Current Assets		
Cash and cash equivalents	\$ 11,300,610	\$ 1,838,835
Accounts receivable, net of allowance; 2012 - \$1,850,000 and 2011 - \$1,536,000	8,041,899	10,412,080
Loans to employees	-	989
Inventories	568,714	459,930
Prepaid expenses and other	476,674	638,905
Income taxes refundable	-	713,170
Deferred income taxes	860,300	904,700
Total current assets	21,248,197	14,968,609
Property and Equipment, Net	3,859,771	4,309,454
Other Assets		
Intangible assets	3,906	4,791
Deposits	7,328	28,214
Total other assets	11,234	33,005
	\$ 25,119,202	\$ 19,311,068

See Notes to Consolidated Financial Statements

Liabilities and Stockholders' Equity

	<u>2012</u>	<u>2011</u>
Current Liabilities		
Accounts payable	\$ 1,838,308	\$ 1,406,668
Accrued expenses	2,571,913	2,638,283
Deferred revenue	4,228,505	4,372,974
Federal student financial aid received in advance	1,103,746	-
Current portion of deferred rent	10,822	143,653
Current portion of long-term debt	1,276,208	1,208,064
Income taxes payable	367,042	-
	<u>11,396,544</u>	<u>9,769,642</u>
Long-term Debt	<u>1,346,960</u>	<u>2,624,199</u>
Deferred Rent, Long-term	<u>-</u>	<u>10,822</u>
Deferred Income Taxes	<u>389,400</u>	<u>568,600</u>
Stockholders' Equity		
Common stock, (\$.01 par value, 90,000,000 shares authorized; 26,377,740 shares issued)	263,777	263,777
Additional paid-in capital	4,787,652	4,168,955
Retained earnings	9,934,869	4,905,073
Less treasury stock, 7,000,000 shares, at cost	<u>(3,000,000)</u>	<u>(3,000,000)</u>
	<u>11,986,298</u>	<u>6,337,805</u>
	<u>\$ 25,119,202</u>	<u>\$ 19,311,068</u>

Grantham Education Corporation and Subsidiary
Consolidated Statements of Income
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue		
Tuition and other, net	\$ 52,765,457	\$ 45,712,057
Operating Expenses		
Salaries and wages	25,306,298	23,463,504
Instruction costs and services	3,987,453	3,610,067
Selling and promotional	4,582,795	5,996,146
General and administrative	9,900,364	10,172,565
Stock-based compensation expense	638,397	1,042,603
	<u>44,415,307</u>	<u>44,284,885</u>
Operating Income	8,350,150	1,427,172
Other Income (Expense)		
Interest income	-	3,162
Interest expense	(179,845)	(247,511)
Other income	3,491	257,194
	<u>3,491</u>	<u>257,194</u>
Income Before Income Taxes	8,173,796	1,440,017
Income Tax Expense	<u>3,144,000</u>	<u>564,000</u>
Net Income	<u>\$ 5,029,796</u>	<u>\$ 876,017</u>

Grantham Education Corporation and Subsidiary
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2012 and 2011

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance, January 1, 2011	26,377,740	\$ 263,777	7,000,000	\$ (3,000,000)	\$ 3,126,352	\$ 4,029,056	\$ 4,419,185
Net income	-	-	-	-	-	876,017	876,017
Stock-based compensation income	-	-	-	-	1,042,603	-	1,042,603
Balance, December 31, 2011	26,377,740	263,777	7,000,000	(3,000,000)	4,168,955	4,905,073	6,337,805
Net income	-	-	-	-	-	5,029,796	5,029,796
Stock-based compensation expense	-	-	-	-	638,397	-	638,397
Deferred tax asset valuation allowance	-	-	-	-	(19,700)	-	(19,700)
Balance, December 31, 2012	26,377,740	\$ 263,777	7,000,000	\$ (3,000,000)	\$ 4,787,652	\$ 9,934,869	\$ 11,986,298

See Notes to Consolidated Financial Statements

Grantham Education Corporation and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Activities		
Net income	\$ 5,029,796	\$ 876,017
Items not providing (requiring) cash		
Depreciation and amortization	1,168,286	1,030,688
Loss on disposal of property and equipment	20,347	55,306
Stock-based compensation	638,397	1,042,603
Deferred income taxes	(154,500)	173,500
Provision for allowance for doubtful accounts	(314,057)	(104,000)
Deferred rent	(143,653)	(153,500)
Changes in		
Accounts receivable	2,684,238	(337,970)
Inventories	(108,784)	199,291
Prepaid expense and other	162,231	50,247
Deposits and other	21,875	208,132
Accounts payable and accrued expenses	175,728	620,981
Income taxes payable/refundable	1,080,212	(1,027,634)
Deferred revenue	(144,469)	555,534
Federal student financial aid received prior to term	1,103,746	-
Net cash provided by operating activities	<u>11,219,393</u>	<u>3,189,195</u>
Investing Activities		
Purchase of property and equipment	(548,523)	(1,703,037)
Proceeds from sale of property and equipment	-	9,500
Net cash used in investing activities	<u>(548,523)</u>	<u>(1,693,537)</u>
Financing Activities		
Principal payments on notes payable	(1,209,095)	(1,140,964)
Net cash used in financing activities	<u>(1,209,095)</u>	<u>(1,140,964)</u>
Increase in Cash and Cash Equivalents	9,461,775	354,694
Cash and Cash Equivalents, Beginning of Year	<u>1,838,835</u>	<u>1,484,141</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,300,610</u>	<u>\$ 1,838,835</u>
Additional Cash Payment Information		
Income taxes paid	\$ 2,218,288	\$ 1,415,500
Interest paid	179,845	249,696
Payable incurred for equipment acquisition	212,534	22,992

Grantham Education Corporation and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Through its wholly owned subsidiary, Grantham University, Inc., the Company operates Grantham University (the University) located in Kansas City, Missouri. The University is a four-year and graduate degree nationally accredited private institution of higher education. The University delivers its educational programs worldwide via computerized and online educational delivery systems.

During 2010, the University received a provisional approval from the U.S. Department of Education (DOE) to participate in the Title IV student financial aid programs until June 30, 2012. During 2012, the University reapplied and received a new provisional approval from the DOE to participate in the Title IV student financial aid programs until December 31, 2013. The University must reapply to continue its participation in the Title IV program by September 30, 2013. At that time, a determination will be made by the DOE to determine whether the University meets the requirement of full certification. During the years ended December 31, 2012 and 2011, 15% and 1.8% of the University's cash received, respectively, was derived from funds obtained by students through federal Title IV student aid programs and 85% and 98.2%, respectively, was derived from funds paid to the institution by students and other sources.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Grantham University, Inc. (hereinafter collectively known as the Company). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The allowance for uncollectible accounts receivable is the most significant estimate in the Company's consolidated financial statements.

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2012 and 2011, cash equivalents consisted primarily of money market accounts.

At December 31, 2012, the Company's cash accounts did not exceed federally insured limits.

Pursuant to legislation enacted in 2010, the FDIC fully insured all noninterest-bearing transaction accounts beginning December 31, 2010, through December 31, 2012, at all FDIC-insured institutions. This legislation expired on December 31, 2012. Beginning January 1, 2013, noninterest-bearing transaction accounts are subject to the \$250,000 limit on FDIC insurance per covered institution.

Grantham Education Corporation and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Accounts Receivable

Accounts receivable consists of tuition and fees charged to students. Accounts receivable is recorded net of estimated uncollectible amounts. The Company's accounts receivable are written off once the account is deemed to be uncollectible, which typically occurs once the Company has exhausted all efforts to collect the amount.

The Company permits students to withdraw from an enrolled course within a specified timeframe and receive a refund of tuition on a prorated basis. The Company reduces outstanding accounts receivable, deferred revenues and tuition revenue for actual cancellations.

Inventories

Inventories consist of textbooks and software used for courses. Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Annual depreciation is primarily computed using the straight-line method.

The Company's software consists primarily of custom-developed and packaged software used for internal operations. Such costs are amortized using the straight-line method over an estimated useful life of three years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful lives of the related assets. Maintenance and repairs are expensed as incurred. The Company capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing.

Property and equipment are depreciated or amortized over the following estimated useful lives:

Buildings	39 years
Leasehold improvements	6-7 years
Automobiles	5 years
Computer equipment and software	3-5 years
Furniture and equipment	5 years

Grantham Education Corporation and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to the management's judgment.

The Company is no longer subject to federal and state examinations by tax authorities for years prior to 2009.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of the asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value. No provision for impairment of other long-lived assets was recorded in 2012 or 2011.

Deferred Rent

Included in operating leases is a seven-year lease for office space located in Kansas City, Missouri. During 2006, the landlord paid for \$887,400 in leasehold improvements. This amount is being amortized using the straight-line method over the life of the lease, which expires on February 18, 2013. The amount of deferred rent totaled \$10,822 and \$154,475 as of December 31, 2012 and 2011, respectively.

Grantham Education Corporation and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Revenue Recognition

Net revenue consists of tuition and fees charged to students. Net revenue is reduced for student refunds and scholarships. Tuition revenue is recognized as it is earned over the students' contract period. Deferred revenue represents the portion of tuition that was billed, but not earned; it is reflected as a current liability in the accompanying consolidated balance sheets.

Advertising Costs

The Company expenses advertising costs as they occur. Advertising expense, which is included in selling and promotional expenses, was \$4,582,795 and \$5,996,146 in 2012 and 2011, respectively.

Stock Option Plan

The Company has a share-based employee compensation plan, which is described more fully in Note 6.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

Note 2: Property and Equipment

	2012	2011
Buildings and improvements	\$ 1,302,226	\$ 1,302,226
Automobiles	-	22,000
Computer equipment and software	5,916,816	5,511,013
Furniture and equipment	924,668	922,662
Project in process	145,800	54,740
	<u>8,289,510</u>	<u>7,812,641</u>
Less accumulated depreciation and amortization	<u>4,429,739</u>	<u>3,503,187</u>
	<u>\$ 3,859,771</u>	<u>\$ 4,309,454</u>

Grantham Education Corporation and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Note 3: Long-term Debt

	2012	2011
Note payable, bank	\$ 2,623,168	\$ 3,832,263
Less current maturities/portion	1,276,208	1,208,064
	\$ 1,346,960	\$ 2,624,199

The Term Note is payable in 60 monthly payments concluding December 1, 2014, including interest at a floating prime rate, adjusted daily; however, at no time shall the interest rate be greater than 7.25% or be less than 5.5%. Interest rate was 5.5% at December 31, 2012. The note is secured by substantially all the Company's assets.

The Company's Term Note Payable to the bank required the majority shareholder to personally guarantee the repayment of the note. In return for the guaranty, the Company has agreed to pay the majority shareholder an annual fee equal to 3% calculated based on the aggregate principal amount of Note outstanding due on the first day of each month.

During May 2011, the Company ended the personal guarantee annual fee and no longer recorded guarantee expense associated with this agreement. During 2011, the Company had recorded guarantee expense to the majority shareholder totaling \$57,850. As of December 31, 2012, the personal guarantee payable was paid in full.

In connection with this note payable to bank, the Company is required, among other things, to maintain certain financial conditions, including bank debt to tangible net worth of not more than three to one, funded debt to EBITDA of no more than ten to one, debt service coverage ratio of at least 1.25 to 1 and minimum net worth of \$2.5 million. Management believes the Company passed all financial covenants for the years ended December 31, 2012 and 2011.

Subsequent to the year ended December 31, 2012, the Company entered into a capital lease for equipment. The Company will record a capital lease liability for \$495,538 and will make 33 monthly payments with an interest rate of 3.804%. Additionally, the Company entered into a purchase commitment after year end which will be financed during 2013 for \$1,857,770. As of the date of the audit report, the Company has entered into an equipment financing contract for \$1,001,457 with the remaining borrowings expected during 2013.

Aggregate annual maturities due at December 31, 2012 were:

	Long-term Debt
2013	\$ 1,276,208
2014	1,346,960
	\$ 2,623,168

Grantham Education Corporation and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Note 4: Operating Leases

The Company's leases generally require the Company to pay all executory costs (property taxes, maintenance and insurance) in addition to monthly rent. During 2009, the Company entered into a sub-lease agreement for its Arlington, Virginia office. This sub-lease resulted in lease revenues of \$63,832 and \$109,427 for 2012 and 2011, respectively. The total net rent expense, including month-to-month leases, was \$727,711 and \$612,657 for the years ended December 31, 2012 and 2011, respectively.

Future minimum lease payments at December 31, 2012 were:

2013	\$	486,728
2014		480,985
2015		120,246
		<hr/>
	\$	<u>1,087,959</u>

There are no future minimum lease receipts at December 31, 2012.

Note 5: Income Taxes

The provision for income taxes includes these components:

	2012	2011
Current		
Federal	\$ 2,757,400	\$ 338,100
State	541,100	63,500
	<hr/> 3,298,500	<hr/> 401,600
Adjustments and settlements	-	(11,100)
Deferred income taxes	(154,500)	173,500
	<hr/> (154,500)	<hr/> 173,500
Income tax provision	<u>\$ 3,144,000</u>	<u>\$ 564,000</u>

Grantham Education Corporation and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

A reconciliation of income tax expense at the statutory rate to the Company's actual income tax expense is shown below:

	2012	2011
Computed at the statutory rate (34%)	\$ 2,779,100	\$ 489,600
Difference resulting from		
Nondeductible expenses	14,500	14,100
State taxes and state operating losses	341,200	58,900
Change in deferred tax asset valuation allowance	19,700	-
Other	(10,500)	1,400
Actual tax expense	\$ 3,144,000	\$ 564,000

The tax effects of temporary differences related to deferred taxes shown on the consolidated balance sheets were:

	2012	2011
Deferred tax assets		
Amortization of intangible assets	\$ 237,200	\$ 274,500
Allowance for doubtful accounts	721,500	582,500
Accrued vacation and payroll	162,500	132,400
Stock-based compensation	655,600	395,400
Accrued shareholder interest	-	94,800
Litigation reserve	-	110,000
Investment reserve	39,000	37,900
Accrued employee graduation bonus	46,900	30,800
Accrued rent	12,200	53,900
Other	18,200	9,400
	1,893,100	1,721,600
Deferred tax liabilities		
Deferred rent	(341,900)	(283,200)
Depreciation of property and equipment	(959,600)	(997,400)
Prepaid expenses	(101,000)	(104,900)
	(1,402,500)	(1,385,500)
Net deferred tax asset before valuation allowance	490,600	336,100
Valuation allowance		
Beginning balance	-	-
Increase during the period	(19,700)	-
Ending balance	-	-
Net deferred tax asset	\$ 470,900	\$ 336,100

Grantham Education Corporation and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

The above net deferred tax asset is presented on the consolidated balance sheets as follows:

	2012	2011
Deferred tax asset - current	\$ 860,300	\$ 904,700
Deferred tax liability - long-term	(389,400)	(568,600)
Net deferred tax asset	<u>\$ 470,900</u>	<u>\$ 336,100</u>

Income Tax Examination

During 2012, the Company was selected for a tax examination of its 2010 and 2011 federal tax returns by the Internal Revenue Service (IRS). As of the date of the Auditor's Report, the IRS had not completed its examination of the Company's return. It is the opinion of management that the ultimate results of this IRS examination will not have an adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

Note 6: Employee Stock Plans

Stock Option Plan

The Grantham Education Corporation 2011 Equity Incentive Plan (the Plan), adopted on October 3, 2011, provides for the grant of nonqualified options to purchase shares of voting common stock, subject to certain limitations. Nonqualified stock options can be issued only to eligible officers and employees of the Company. The Company believes that such awards better align the interests of its employees with those of its shareholders. The per-share exercise price of a stock option may not be less than 100% of the fair market value of the common stock, as determined by the Board of Directors, on the date the option is granted. Those option awards generally vest based on two to three years of continuous service.

The calculated value of each option award is estimated on the date of grant using a Black-Scholes option valuation model that uses the assumptions noted in the following table. Expected volatility is based on historical volatility of common stock held by similar for-profit schools. The Company uses historical data to estimate option exercise and employee termination within the valuation model. The expected term of options granted represents the period of time that options are expected to be outstanding; the range given below results from certain groups of employees exhibiting different behavior. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

	2012	2011
Expected volatility	44.80%	47.01%
Expected dividends	0%	0%
Expected term (in years)	3.8 - 9.4	4.2
Risk-free rate	1.12% - 1.86%	1.07%

Grantham Education Corporation and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

A summary of option activity under the Plan as of December 31, 2012 and 2011, and changes during the years then ended, is presented below:

	2012			2011		
	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term
Outstanding, beginning of year	1,185,000	\$ 2.63		-		
Granted	300,000	\$ 2.78		1,185,000	\$ 2.63	
Forfeited	(70,000)	\$ 2.63		-		
Exercised	-			-		
Expired	-			-		
Outstanding, end of year	<u>1,415,000</u>	\$ 2.66	4 Years	<u>1,185,000</u>	\$ 2.63	4 Years
Exercisable, end of year	<u>1,323,335</u>	\$ 2.66	4 Years	<u>1,025,000</u>	\$ 2.63	4 Years

As of December 31, 2012 and 2011, there was approximately \$62,000 and \$134,000, respectively, of the total unrecognized compensation expense relating to unvested options. There were 300,000 and 1,185,000 options granted during the years ended December 31, 2012 and 2011, respectively, resulting in a compensation cost of \$638,397 and \$1,042,603, respectively. The compensation cost and reversal of compensation costs are separately identified within the Operating Expenses on the Consolidated Statements of Income. The recognized tax benefit related thereto was approximately \$243,000 and \$395,400 for the years ended December 31, 2012 and 2011, respectively.

Note 7: Employee Benefit Plan

The Company has a 401(k) retirement savings plan covering all employees that meet certain eligibility requirements. Eligible participating employees may elect to contribute up to a maximum amount of tax deferred contribution allowed by the Internal Revenue Code. The Company has the option to contribute a discretionary matching percentage as determined by the Company on an annual basis. The Company made no contributions to the Plan for the years ended December 31, 2012 and 2011.

Note 8: Significant Estimates and Concentrations

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

Grantham Education Corporation and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Concentrations of Credit Risk and Revenue

Concentrations of credit risk with respect to accounts receivable result from the large number of students who are serving in the military. As of December 31, 2012 and 2011, the majority of accounts receivable were due from agencies of the United States Department of Defense. Additionally, for the years ended December 31, 2012 and 2011, the majority of the Company's revenue was from agencies of the United States Department of Defense. Loss of this revenue source would have a material adverse impact on the Company.

Significant Estimate

The allowance for uncollectible accounts receivable is the most significant estimate in the Company's consolidated financial statements. Differences between the estimated allowance for uncollectible accounts recorded in the financial statements and actual results could be material.

Note 9: Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of assets, declines in the volume of business, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect the Company's results of operations in future periods. The current instability in the financial markets may make it difficult for the Company and its students to obtain financing. Difficulty in students obtaining adequate financing could significantly impact student enrollments and Company collections.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in allowances for accounts receivable, realization of deferred tax assets and valuation of intangibles that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

Grantham Education Corporation and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 10: Related Party Transactions

The Company began participating in Student Financial Aid (SFA) under the Title IV programs administered by the U.S. Department of Education pursuant to the Higher Education Act of 1965, as amended, during 2011. Those regulations require that all related party transactions be disclosed, regardless of their materiality to the financial statements.

	2012	2011
Guarantee fee payable to majority shareholder	\$ -	\$ 270,684
Guarantee fee expense to majority shareholder	-	57,850
Loans to employees	-	989

The Company offers its employees paid education benefits, including 100% paid tuition, books and related software.

Note 11: Department of Education Matters

As of December 31, 2012 and 2011, the Company's management believes it has met the USDOE's standards of financial responsibility in accordance with 34 CFR 668.15.

Federal Student Financial Aid expenditures are subject to future audit by the USDOE. The Company's management believes the Federal Student Financial Aid Programs have been managed appropriately and does not anticipate any material adjustments resulting from future audits. Due to the complex nature of the USDOE regulations, the ultimate impact of future audits on the Company's financial statements could vary materially.

Management has determined that an error was made in the return to Title IV refund calculation during 2012 as a result of using incorrect dates in the determination of earned Title IV funds for unofficial withdrawals. Management has estimated that these errors resulted in approximately \$202,000 that is due back to the USDOE, which is reflected in accounts payable at December 31, 2012.

Note 12: 90/10 Regulatory Provisions

The Company assessed its compliance with the 90/10 regulatory provisions for the years ended December 31, 2012 and 2011. These provisions state that the percentage of cash revenue derived by federal Title IV student assistance program funds cannot exceed 90% of total cash revenues. This is commonly referred to as the 90/10 Rule that was modified as part of legislation extending the Higher Education Opportunity Act of 1965, as amended. The Company's 90/10 percentages was 15.0% and 1.8%, respectively, for the years ended December 31, 2012 and 2011. The accompanying supplemental schedules include the required Department of Education disclosures under 34 CFR 668.23(d).

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of the Financial Statements Performed in
Accordance with Government Auditing Standards**

Board of Directors
Grantham Education Corporation and Subsidiary
Kansas City, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Grantham Education Corporation and Subsidiary (Company), which comprise the balance sheets as of December 31, 2012 and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2013.

Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the Company's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 12-1 and 12-2, that we consider to be significant deficiencies in internal control.

Compliance

As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 12-2.

Management's Response to Findings

The Company's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Other Matter(s)

We also noted certain matters that we reported to the Company's management in a separate letter dated June 5, 2013.

The purpose of this communication is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Kansas City, Missouri
June 5, 2013

Grantham Education Corporation and Subsidiary
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

Reference Number	Finding	Questioned Costs
12-1	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting and safeguarding assets.</p> <p>Condition – During our testing, we noted instances where miscellaneous cash reconciling items were not resolved on a timely basis. We also noted instances where student refunds were not recorded in the University's general ledger in a timely manner.</p> <p>Context – The timely reconciliation of cash accounts is a crucial component of the University's internal control environment.</p> <p>Effect – Untimely reconciliations can expose the University to potential errors in financial reporting and increase the risk of missappropriation of assets.</p> <p>Cause – The staff that was assigned the bank reconciliation duties was unable to complete this process in a timely manner.</p> <p>Recommendation – To enhance the University's overall internal control environment, we recommend that management investigate and resolve all cash reconciling items on a monthly basis. We also recommend that all student refunds be recorded and reviewed on a timely basis.</p> <p>Views of Responsible Officials and Planned Corrective Actions – Student refunds are reviewed in a timely manner. The issue was related to posting the activity to the General Ledger in a timely manner. The cause of the delay was primarily due to a significant increase in Title IV volume late in the year. We have implemented a process to ensure all cash activity is recorded monthly. All cash accounts will be reconciled timely and reconciling items researched and resolved.</p>	None

Grantham Education Corporation and Subsidiary
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

Reference Number	Finding	Questioned Costs
12-2	<p>Criteria or Specific Requirement – The Company is required to maintain internal controls over the Federal Student Financial Aid (SFA) process and is required to ensure the accuracy of data and processes including accurate and timely refunds.</p> <p>Condition – During SFA testing performed by another outside auditing firm, instances of inaccurate Federal refund calculations were noted during 2012 as a result of using incorrect dates in the determination of earned Title IV funds for the payment period.</p> <p>Context – The Company participates in an external audit of their Federal Student Financial Aid processes, files and refund calculations annually.</p> <p>Effect – The Company will likely refund \$201,870 of federal funds back to the U.S. Department of Education.</p> <p>Cause – The Company relied on an incorrect date of respective student's last date of an academic related activity from their system for unofficial withdrawals.</p> <p>Recommendation – The Company should revise and monitor its Title IV refund calculations to ensure that Title IV funds are refunded accurately and timely.</p> <p>Views of Responsible Officials and Planned Corrective Actions – This issue was caused by a difference in the date used for the last day of activity. We have adjusted our systematic calculation to use the date recommended by West & Associates, the Financial Aid auditors. Further adjustments to the return process that will simplify the calculation are being considered.</p>	\$ 201,870

Supplementary Information

Grantham Education Corporation and Subsidiary
Consolidating Schedule of Assets and Liabilities
December 31, 2012

Assets

	Grantham University	Grantham Education	Consolidated
Current Assets			
Cash and cash equivalents	\$ 11,038,677	\$ 261,933	\$ 11,300,610
Accounts receivable, net of allowance	8,041,899	-	8,041,899
Inventories	568,714	-	568,714
Prepaid expenses and other	450,197	26,477	476,674
Deferred income taxes	-	860,300	860,300
Total current assets	<u>20,099,487</u>	<u>1,148,710</u>	<u>21,248,197</u>
Property and Equipment, Net	<u>3,859,771</u>		<u>3,859,771</u>
Other Assets			
Intangible assets	3,906	-	3,906
Deposits	7,328	-	7,328
Total other assets	<u>11,234</u>	<u>-</u>	<u>11,234</u>
	<u>\$ 23,970,492</u>	<u>\$ 1,148,710</u>	<u>\$ 25,119,202</u>

Liabilities and Stockholders' Equity

Current Liabilities			
Accounts payable	\$ 1,810,788	\$ 27,520	\$ 1,838,308
Accrued expenses	2,417,938	153,975	2,571,913
Deferred revenue	4,228,505	-	4,228,505
Federal student financial aid received prior to term	1,103,746	-	1,103,746
Current portion of deferred rent	10,822	-	10,822
Current portion of long-term debt	-	1,276,208	1,276,208
Income taxes payable	328,070	38,972	367,042
Total current liabilities	<u>9,899,869</u>	<u>1,496,675</u>	<u>11,396,544</u>
Due from GEC to GU	<u>2,548,991</u>	<u>(2,548,991)</u>	<u>-</u>
Long-term Debt	<u>-</u>	<u>1,346,960</u>	<u>1,346,960</u>
Deferred Income Taxes	<u>568,600</u>	<u>(179,200)</u>	<u>389,400</u>
Stockholders' Equity			
Common stock	-	263,777	263,777
Additional paid-in capital	-	4,787,652	4,787,652
Retained earnings	10,953,032	(1,018,163)	9,934,869
Treasury stock	-	(3,000,000)	(3,000,000)
Total stockholders' equity	<u>10,953,032</u>	<u>1,033,266</u>	<u>11,986,298</u>
	<u>\$ 23,970,492</u>	<u>\$ 1,148,710</u>	<u>\$ 25,119,202</u>

Grantham Education Corporation and Subsidiary
Consolidating Schedule of Operations
Year Ended December 31, 2012

	Grantham University	Grantham Education	Consolidated
Revenue			
Tuition and other, net	\$ 52,765,457	\$ -	\$ 52,765,457
Operating Expenses			
Salaries and wages	24,331,165	975,133	25,306,298
Instruction costs and services	3,987,453	-	3,987,453
Selling and promotional	4,450,847	131,948	4,582,795
General and administrative	9,097,941	802,423	9,900,364
Stock-based compensation expense	-	638,397	638,397
	<u>41,867,406</u>	<u>2,547,901</u>	<u>44,415,307</u>
Operating Income (Loss)	10,898,051	(2,547,901)	8,350,150
Other Income (Expense)			
Interest expense	(3)	(179,842)	(179,845)
Other	(1,961,350)	1,964,841	3,491
	<u>8,936,698</u>	<u>(762,902)</u>	<u>8,173,796</u>
Income (Loss) Before Income Taxes	8,936,698	(762,902)	8,173,796
Income Tax Expense	<u>2,908,028</u>	<u>235,972</u>	<u>3,144,000</u>
Net Income (Loss)	<u>\$ 6,028,670</u>	<u>\$ (998,874)</u>	<u>\$ 5,029,796</u>

Grantham Education Corporation and Subsidiary
Consolidating Schedule of Assets and Liabilities
December 31, 2011

Assets

	Grantham University	Grantham Education	Consolidated
Current Assets			
Cash and cash equivalents	\$ 1,712,128	\$ 126,707	\$ 1,838,835
Accounts receivable, net of allowance	10,412,080	-	10,412,080
Loans to employees	989	-	989
Inventories	459,930	-	459,930
Prepaid expenses and other	601,934	36,971	638,905
Income taxes refundable	-	713,170	713,170
Deferred income taxes	-	904,700	904,700
Total current assets	<u>13,187,061</u>	<u>1,781,548</u>	<u>14,968,609</u>
Property and Equipment, net	<u>4,309,454</u>		<u>4,309,454</u>
Other Assets			
Intangible assets	4,791	-	4,791
Deposits	7,328	20,886	28,214
Total other assets	<u>12,119</u>	<u>20,886</u>	<u>33,005</u>
	<u>\$ 17,508,634</u>	<u>\$ 1,802,434</u>	<u>\$ 19,311,068</u>

Liabilities and Stockholders' Equity

Current Liabilities			
Accounts payable	\$ 1,390,544	\$ 16,124	\$ 1,406,668
Accrued expenses	2,267,016	371,267	2,638,283
Deferred revenue	4,372,974	-	4,372,974
Current portion of deferred rent	129,864	13,789	143,653
Current portion of long-term debt		1,208,064	1,208,064
Total current liabilities	<u>8,160,398</u>	<u>1,609,244</u>	<u>9,769,642</u>
Due from GU to GEC	<u>3,844,452</u>	<u>(3,844,452)</u>	<u>-</u>
Long-term Debt	<u>-</u>	<u>2,624,199</u>	<u>2,624,199</u>
Deferred Rent, Long-term	<u>10,822</u>	<u>-</u>	<u>10,822</u>
Deferred Income Taxes	<u>568,600</u>	<u>-</u>	<u>568,600</u>
Stockholders' Equity			
Common stock	-	263,777	263,777
Additional paid-in capital	-	4,168,955	4,168,955
Retained earnings	4,924,362	(19,289)	4,905,073
Treasury stock	-	(3,000,000)	(3,000,000)
Total stockholders' equity	<u>4,924,362</u>	<u>1,413,443</u>	<u>6,337,805</u>
	<u>\$ 17,508,634</u>	<u>\$ 1,802,434</u>	<u>\$ 19,311,068</u>

Grantham Education Corporation and Subsidiary
Consolidating Schedule of Operations
Year Ended December 31, 2011

	<u>Grantham University</u>	<u>Grantham Education</u>	<u>Consolidated</u>
Revenue			
Tuition and other, net	\$ 45,712,057	\$ -	\$ 45,712,057
Operating Expenses			
Salaries and wages	22,216,437	1,247,067	23,463,504
Instruction costs and services	3,610,067	-	3,610,067
Selling and promotional	5,996,146	-	5,996,146
General and administrative	9,527,378	645,187	10,172,565
Stock-based compensation income	-	1,042,603	1,042,603
	<u>41,350,028</u>	<u>2,934,857</u>	<u>44,284,885</u>
Operating Income	4,362,029	(2,934,857)	1,427,172
Other Income (Expense)			
Interest income	3,162	-	3,162
Interest expense	-	(247,511)	(247,511)
Other income	-	257,194	257,194
	<u>3,162</u>	<u>(247,511)</u>	<u>257,194</u>
Income (Loss) Before Income Taxes	4,365,191	(2,925,174)	1,440,017
Income Tax Expense	<u>402,866</u>	<u>161,134</u>	<u>564,000</u>
Net Income (Loss)	<u>\$ 3,962,325</u>	<u>\$ (3,086,308)</u>	<u>\$ 876,017</u>

Grantham Education Corporation and Subsidiary

Notes to Supplemental Information

December 31, 2012

Related Party Transactions

The Company participates in the Student Financial Aid (SFA) under the Title IV programs administered by the U.S. Department of Education pursuant to the Higher Education Act of 1965, as amended (HEA). The Company must comply with the regulations promulgated under the HEA. Those regulations require that all related party transactions be disclosed, regardless of their materiality to the financial statements.

This information is required by the U.S. Department of Education and is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The Company offers its employees paid education benefits, including 100% paid tuition, books and related software.

Title IV 90/10 Revenue Test

The Company derives a portion of its revenues from Student Financial Aid (SFA) received by its students under the Title IV programs administered by the U.S. Department of Education pursuant to the Higher Education Act of 1965, as amended (HEA). To continue to participate in the SFA programs, the Company must comply with the regulations promulgated under the HEA. The regulations restrict the proportion of cash receipts for tuition and fees from eligible programs to not more than 90 percent from the Title IV programs. The failure of the Company to meet the 90 percent limitation for two consecutive years will result in the loss of the Company's ability to participate in SFA programs. For the year ended December 31, 2012, the Company received approximately \$8,134,000 of Title IV funds with total eligible cash receipts of approximately \$54,386,000 resulting in a percentage of 15.0%. Included in these funds received are approximately \$202,000 of funds which will be refunded by the Company due to a correction to the calculation of return of Title IV funds (R2T4). These refunds are included in accounts payable in the consolidated balance sheets. This information is required by the U.S. Department of Education and is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements.

Grantham Education Corporation and Subsidiary

Title IV 90/10 Revenue Test

December 31, 2012

	<u>Amount Disbursed</u>	<u>Adjusted Amount</u>
Adjusted Student Title IV Revenue		
Subsidized loans	\$ 1,058,337	\$ 1,058,337
Unsubsidized loans	1,698,445	1,698,445
Federal Pell Grant	5,354,069	5,354,069
PLUS loans	23,166	23,166
Total Adjusted Student Title IV Revenue		<u>\$ 8,134,017</u>
Student Non-Title IV Revenue		
Student Payments	<u>12,011,905</u>	
Student Non-Title IV Revenue	<u>\$ 12,011,905</u>	
Revenue from Other Sources		
Funds paid to the institution by, or on behalf of, students for education and training in qualified non-Title IV eligible programs	<u>34,240,620</u>	
Revenue from Other Sources	<u>\$ 34,240,620</u>	
Total Revenue	<u>\$ 54,386,542</u>	
90/10 Revenue Percentage		15.0%

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 12

Page 9 – Describe how students will be provided with access to learning resources, including appropriate library and other support services requisite for the schools' degree programs.

(continued)

The Student Advising Learning Center (SALC) promotes student learning through the provision of tutoring, academic support, and mentoring programs. SALC provides tutoring in many subjects for students who are struggling academically. Students are encouraged to seek help from their instructor prior to requesting a tutor.

About SALC

SALC offers tutorial assistance to any undergraduate student who experiences academic difficulty and needs individualized attention in order to understand the fundamental concepts and principles of a course. Grantham offers two Tutoring Centers where students can go for help with College Math & Writing. Students can access the Tutoring Centers to find information and resources about the topics.

Mission Statement

The Student Advising Learning Center enhances student learning by helping students develop the skills and behaviors necessary to succeed in an online learning environment. Through tutorial services, learning strategies instruction, academic support, and mentoring, SALC strives to improve students' academic performance and foster personal development.

Goals

- Enhance student learning and academic achievement
- Provide academic support and resources for students
- Help students identify learning styles and develop effective study strategies
- Improve the academic performance of students who are struggling with coursework

Contact information

Email: salc@grantham.edu

Phone: 1-800-955-2527 ext. 659

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 13

Page 9 - Provide evidence that faculty within an appropriate discipline are involved in developing and evaluating curriculum for the program(s) to be registered in Iowa.

Curriculum Continues Improvement

Courses are reviewed every semester by faculty that teach the individual sections. At the end of the course faculty are surveyed and asked to give a review of the course content, resources available, rigor level and ability for the content to appropriately meet the course objectives. The results are reviewed and in the even a revision is needed it is immediately scheduled and assignment to a subject matter expert for revision. Faculty can at any time request a change to something during the course using the "Redmine" ticketing system. The Redmine ticketing system allows for a notification to be created and assigned to the Dean of Curriculum for review and potential revision of the course or content item within a course.

Programs are reviewed by the Program Deans in collaboration with the advisory board and faculty that operate within these programs. At the advisory board meetings input it is given on the existing programs and programmatic outcomes.

Curriculum Development

The Curriculum Development process at Grantham University involves a systematic approach to ensure the learning objectives for each course are addressed and that there is a suitable amount of rigor and learning methodologies in use to compliment the level of Blooms. This is accomplished though a collaboration with subject matter experts which are comprised of the Grantham faculty pool and Academic Deans. The structure of each course utilizes a standard rhythm creating a consistency in the design and flow of the learning materials.

There are several stages to the course creation process to ensure proper implementation and feedback loops. This process fosters continuous improvement of courseware.

The stages of curriculum development are:

- Preplanning
- Content creation
- Assessment Creation
- Media Integration
- Pilot and Feedback

In the preplanning stages of a courses development an approved syllabus is submitted to the curriculum team. The syllabus will contain the course description and learning objectives for the course. The Dean of Curriculum assigns a Subject Matter Expert (SME) to the course creation

process. The subject matter expert or experts will assign modules for each learning objective. Grantham courses are eight weeks in duration; therefore all objectives are broken up into eight weeks. Using a predetermined course rhythm, mentioned above, a Content Developer (CD) creates a template course that includes empty placeholders for content that may include:

- Reading
- Lecture
- Discussion
- Assignment
- Alternative or Standard assessment

During the content creation process the subject matter expert provides content in digital form for each week that corresponds to the placeholders. The elements submitted by the subject matter expert are reviewed by the Dean of Curriculum to ensure the assignments are relevant to the learning and level of blooms it relates to is appropriate. Once reviewed the subject matter expert continues developing the course until the entire course is submitted. This process takes approximately nine weeks. Once the content is in place the next step in the development process is to determine the type of assessment that will be utilized.

The assessments that are utilized depend on the suggestions of the subject matter expert. In courses that have deliverables in the areas of technology or where a physical project is more appropriate than a standard assessment an alternative assessment may be used. Some examples of this include programs, scripts, a website, presentation and any form of assessment that is a quality measurement for the course objectives.

In some case where alternative assessment does not fit, a standard assessment is utilized. This can be in the form of a weekly quiz and final exam and may include a mid-term exam. Once the assessments are in place the content developer will implement as needed simple media solutions such as screencasts, PowerPoint slideshows and video streams to enhance the learning outcomes.

Once the course is completed the course is piloted and facilitated by the original developing subject matter expert as well as fellow subject matter experts. The course is surveyed at the end of the first offering to determine if there are any areas that need improvement or refinements. Surveys data is gathered from both students as well as subject matter experts as they end the course. If the data indicates something is in need of revision at the course objective level or anything relating to the original syllabus, the data is submitted to the faculty council for review and revision and then resubmitted for development. If the course has no needed revision the course is offered again and the process repeats.

The flowchart below shows the process.

The approval process for new degrees at Grantham University should follow the steps detailed below.

1. Proposals for new degrees will emanate from the Academic Department. Generally the degree proposal will be introduced by a faculty member or an academic dean. From time to time, the Provost may propose new degree proposals. But these proposals must go to the appropriate dean or academic department for initiation.
2. Before any proposed degree can enter the approval process, a brief Degree Proposal Plan must be completed. This narrative must include the following components:
 - A brief description of the degree
 - How the degree supports the Mission of the Institution
 - How the degree fits into the organizational structure of the Academic Department (is it a degree in an existing unit? Does a new unit have to be established? Is so, what are the staffing needs and what are the proposed timelines for getting the new unit established?)
 - Can the degree be offered efficiently and effectively online? (Are there components such as internships, practicum, required field experiences, etc. that will be required? If so, how will these be accommodated?)
3. In consultation with Academic Technology, the appropriate academic dean will provide a detailed development plan for the new courses needed for the degree with timelines for each task and deliverable.
4. The appropriate academic dean will manage the development of the degree.
5. In the Degree Proposal Form, the expected outcomes of the degree shall be detailed (enrollment growth, enhanced services, potential new revenue, etc.)
6. Develop a chart indicating estimated new enrollments over a three years period for the degree along with the direct instructional expenses, predicted annual revenue, investment funds needed to support degree development (marketing costs, needs assessment, new personnel, if needed, consultants, etc.), and contribution to overhead.
7. Indicate the impact, if any, of the degree with regard to compliance with Grantham's accrediting agencies.
8. The Degree Plan Form will be submitted to the Provost for review and approval. If approved, the Provost will forward the proposal to the University President for review and approval. The final step in the approval process will be submission to the University Board of Governors. If approved by the Board, the plan may be implemented.

9. Courses for the approved degree will be submitted to the respective Curriculum Committee, the Assessment Committee, and Academic Council for review and approval prior to offering the program or its courses. A brief course description and outcomes for the course are supplied and will be used as a draft for the course syllabus.
10. Following approval of the Curriculum and Assessment Committees, the faculty and dean in the sponsoring academic unit will begin development of the degree courses including the finalized course syllabus and provide information to the Catalog Committee about the degree requirements, start date of the program and any other specific information needed for the IEP and catalog presentation.
11. Time Frame: Marketing (1 month) > Distance Education and Training Council Accreditation Approval (1-2 months) > Missouri Distance Higher Education Council Approval (6-8 months)

As per Distance Education and Training Council (DETC) guidelines, our faculty are required to have a degree above the level they are teaching. For our undergraduate degree programs, faculty must have a minimum of a master's degree to include 18 graduate credit hours in the subject area being taught. For master's level courses, they hold a terminal degree with a minimum of 18 graduate credit hours in the subject they teach.

STATEMENT OF COMMITMENT

I, Stephen D. Waldron, Acting President of Grantham University, hereby state the University's commitment to the delivery of programs located in Iowa, and agree to provide alternatives for students to complete programs at other institutions if the University closes the program(s) before students have completed their courses of study.

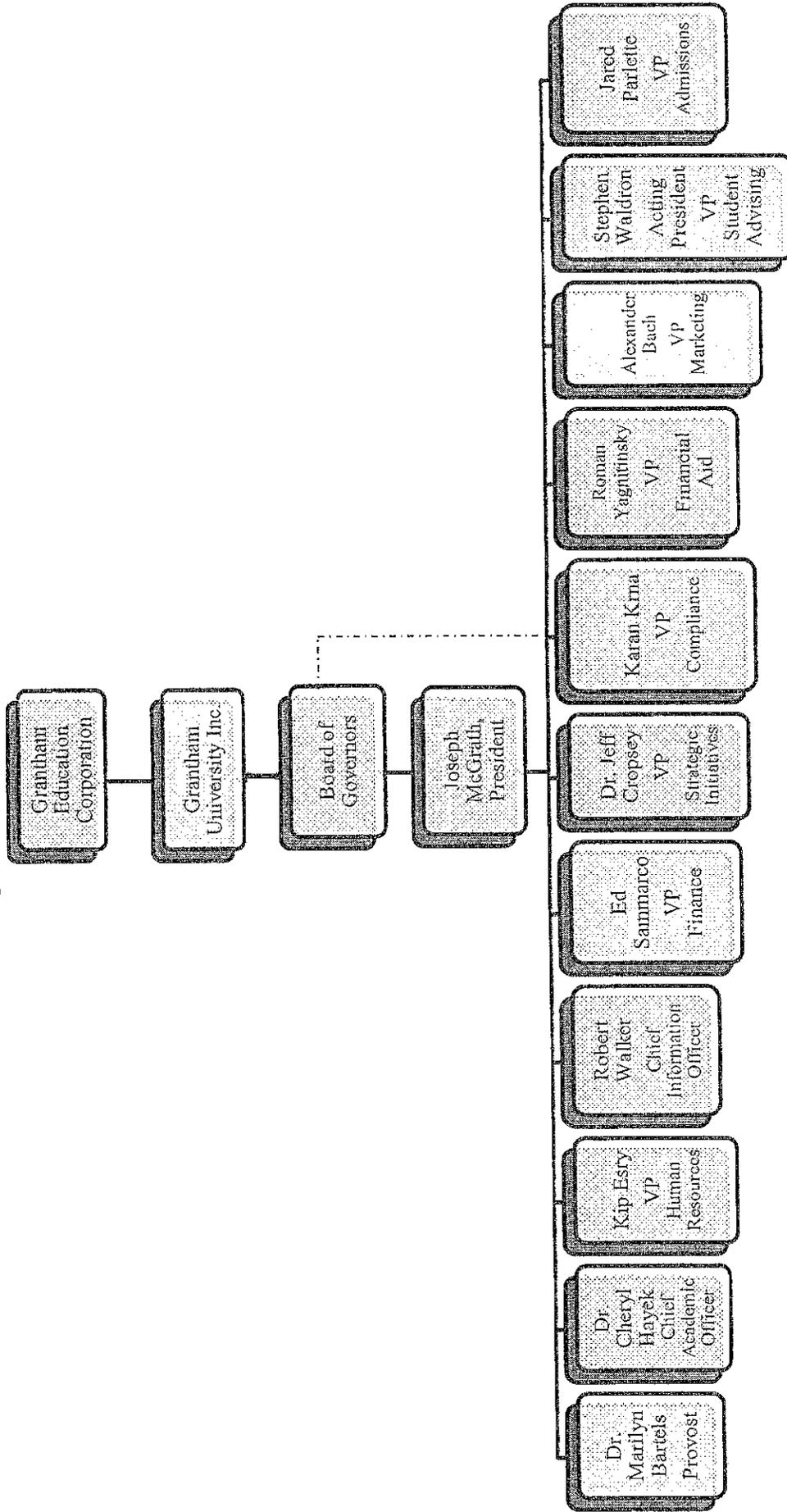


Stephen D. Waldron, Acting President

9/30/2013
Date

Iowa College Student Aid Commission
 Application for Approval and Registration of Postsecondary School

EXHIBIT 15 - Organizational chart for Grantham University



Permanent Physical/Mailing Address:
 7200 NW 86th Street, Kansas City, MO 64153
 Telephone Number (816) 595-5759 Facsimile (816) 595-5757
 All administrative activities of the University are held at this location.

Iowa College Student Aid Commission
Application for Approval and Registration of Postsecondary School

EXHIBIT 15

Plant and Equipment

Standard: Buildings, workspace, and equipment comply with local fire, building, health, and safety regulations and are adequately equipped to handle the educational program(s) of the institution.

The University currently utilizes the following computer and records systems. All equipment is owned by the University:

- Servers
 - All University-owned servers are self-hosted at a biometrically secure subterranean data center located in Lenexa, Kansas
 - Two major services are vendor hosted. These include the ANGEL Learning Environment hosted by Blackboard and Gmail, which is hosted by Google.
 - All servers are backed up daily and monthly to digital media and stored by contractor Iron Mountain, Inc.
 - Windows Server 2008, Red Hat Linux Server
- Primary Active Directory, DNS
 - Banner ERP System
 - Electronic Document Management
 - Windows Server 2008
 - Red Hat Linux Server
 - Document Imaging and Call Monitoring System
 - System stores all scanned images (Student records, invoice, financial statement, etc)
 - System tracks all inbound/outbound calls
 - Financial applications and user data
 - Telephony Call Monitoring
 - Redmine tracking/workflows application
 - Local Active Directory, DNS, DHCP
 - Development Server
- Computers
 - Windows XP & Windows 7 Professional (Approximately 300 computers)
- Printers/Faxes
 - A variety of printers and faxes
- Telephony
 - Voice Over Internet Protocol (VOIP)

Grantham University Bookstore Buy-Back Policy

Grantham University offers a book buy-back option for students. Using the Book Buy-Back link under the Student Services tab on GLife, students can search to see whether the university is buying back their books. If the ISBN a student enters coincides with a book Grantham is buying back, the student will see the price at which the university is buying the book back, and the student will have the option of printing a shipping label to mail back that book. If the ISBN does not come back with a price, Grantham will not buy the book back. As well, if a book is damaged or otherwise unusable, Grantham will not buy the book.

Grantham reserves the right to refuse to purchase books sent back under the book buy-back system. Course materials sent to Grantham will not be returned to students.

Grantham University Bookstore Shipping Policy

The Grantham University Bookstore maintains a regular shipment schedule of books to students. The University pays postage on mail and parcels going to students in the U.S. (including APO and FPO addresses and PO boxes within U.S. territories). A student in any other country, or physical address inside a U.S. territory, must pay a \$50.00 per course shipping charge.

United States Physical Address

Ships: Up to 10 days prior to course start date

Carrier: Fed Ex

Extra Charge: No

United States Post Office Box Address

Ships: Up to 5 days prior to course start date

Carrier: USPS

Extra Charge: No

United States Territories (Puerto Rico, Guam, Northern Mariana Islands, and the U.S. Virgin Islands) Post Office Box Address

Ships: Up to 5 days prior to course start date

Carrier: USPS

Extra Charge: No

United States Territories (Puerto Rico, Guam, Northern Mariana Islands, and the U.S. Virgin Islands) Physical Addresses

Ships: Up to 10 days prior to course start date

Carrier: Fed Ex

Extra Charge: Yes

APO/FPO

Ships: Up to 30 days prior to course start date

Carrier: USPS

Extra Charge: No

International and Addresses not Listed Above

Ships: Up to 10 days prior to course start date

Carrier: Fed Ex

Extra Charge: Yes

NOTES:

- If enrollments are received in the bookstore after the shipping deadlines listed above, the books are shipped within 48 hours of receipt of enrollment.
- APO/FPO shipments made during November and December can experience delays due to heavy volume. Shipment times can be extended by as long as 30 days during this time period.

Additional Materials

In some cases, courses may require additional materials such as data files or program files for labs. These files are available for download in the online learning environment.

Some courses may recommend additional books or software to enhance the learning experience. These recommended materials are not available through the bookstore. They may be obtained at the discretion and expense of the student.

4.8 Misrepresentation

Grantham University holds itself to the highest levels of integrity and will not intentionally provide any false, erroneous, or misleading statements to a student or prospective student, to the family of an enrolled or prospective student, or to the Department of Education. This includes disseminating testimonials and endorsements given under duress. In fact one of Grantham University's Core Values is Institutional Integrity:

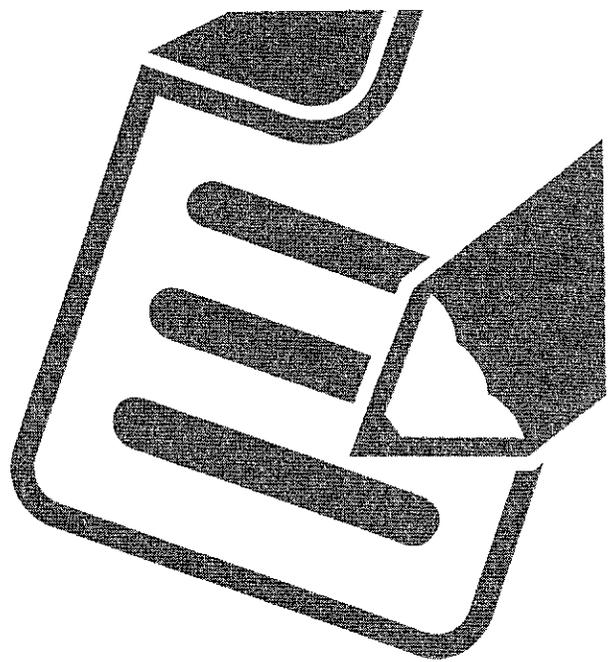
Grantham University commits all students, faculty, staff and administrators to uphold the highest standards of integrity, honesty and personal responsibility. To provide a quality academic experience, the University is committed to continually assessing and re-evaluating every aspect of its academic model. The University endeavors to build an institutional culture grounded in candor, transparency and best professional practices.

4.9 Student Grievances

Students with concerns or service requests should first contact the appropriate department for assistance. A list of concerns and departmental contact information is included in the table below (see Table 4.9). The following information may also be helpful:

- Grantham has an "open door" policy – any Grantham staff member or department can be contacted via phone or e-mail (see Table 4.9).
- Academic-related requests, e.g. grade posting, incomplete grades, military deployment, etc., may be made by submitting the Academic Appeal Form available on GLife.

- Grade appeals and similar academic concerns should be made following the policy outlined in Section 4.10 of the University Catalog/Student Handbook. The appropriate Grantham personnel will analyze the situation and then attempt to remedy the situation.
- All student concerns or service requests will be routed to the appropriate department.
- Appropriate Grantham staff members will analyze the concern or service request and attempt to remedy the situation, generally within one business day unless additional research is required.
- Students should include their Grantham student number in all correspondence.



Concern	E-Mail Address	Phone Number
Information About the University	admissions@grantham.edu	(800) 955-2527
Initial Enrollment Concerns	admissions@grantham.edu	(800) 955-2527 ext. 190
Re-registration Concerns	registrations@grantham.edu	(800) 955-2527 ext. 442
Transfer Credit Evaluation	evaluations@grantham.edu	(800) 955-2527 ext. 615
VA Education Benefits State Vocational Rehabilitation	veteranservices@grantham.edu	(800) 955-2527 ext. 255
Faculty Concerns		(800) 955-2527
Dean of Arts and Sciences	pillian@grantham.edu	(800) 955-2527 ext. 603
Dean of Business	nbuckley@grantham.edu	(800) 955-2527 ext. 432
Dean of Engineering & Computer Science	rtracy@grantham.edu	(800) 955-2527 ext. 486
Dean of Nursing	sfairchild@grantham.edu	(800) 955-2527 ext. 206
Chair of Allied Health	cakagi@grantham.edu	(800) 955-2527 ext. 260
Chair of Criminal Justice	tfreestone@grantham.edu	(800) 955-2527 ext. 452
Academic Appeals and Concerns	GLife > Quick Links > Submit Academic Appeal	Contact your SA
Student Accounts	accounting@grantham.edu	(800) 955.2527 ext. 128
Non-Academic After-Hours and Weekend Support	N/A	(800) 955.2527 ext. 600
Compliance (ADA, FERPA)	compliance@grantham.edu	(800) 955.2527, ext. 195
Withdrawal(s)	Submit Withdrawal Form	Contact your SA
Financial Aid Department	financial_aid@grantham.edu	(866) 850-2980 ext. 839

Table 4.9

Students whose concerns or service requests are not timely resolved at the departmental level may file a grievance with the Grantham University Ombudsman. The ombudsman is charged with resolving disputes within the University community and does not act on behalf of any party, but rather as an advocate for fairness between all parties. Student grievances should be addressed to:

Office of the Ombudsman
 Grantham University
 7200 NW 86th Street
 Kansas City, MO 64153
 Ombudsman@grantham.edu

Concerns may also be addressed to: Accrediting Commission of the Distance Education and Training Council (DETC), 1601 18th Street, NW, Washington, DC 20009, Phone: 202-234-5100; or to Missouri Department of Higher Education (MDHE), 205 Jefferson Street, P.O. Box 1469, Jefferson City, MO 65102, Phone: 573-751-2361.

Students may also address concerns to the state authority in their state of residence. A complete list of contact information for state agencies is published on the Grantham University Website at: <http://www.grantham.edu/student-complaint/>

IOWA

No: W00842919
Date: 05/01/2013

SECRETARY OF STATE

490 FP-456499
GRANTHAM UNIVERSITY INC.

ACKNOWLEDGEMENT OF DOCUMENT FILED

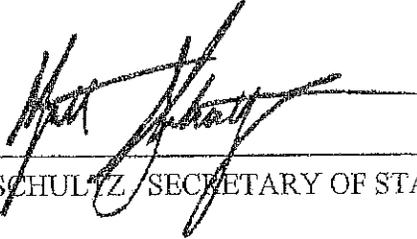
The Secretary of State acknowledges receipt of the following document:

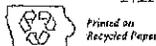
Certificate of Authority

The document was filed on Apr 29 2013 10:29AM, to be effective as of Apr 29 2013 10:29AM.

The amount of \$100.00 was received in full payment of the filing fee.




MATT SCHULTZ, SECRETARY OF STATE



STATE OF MISSOURI



Jason Kander
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, JASON KANDER, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

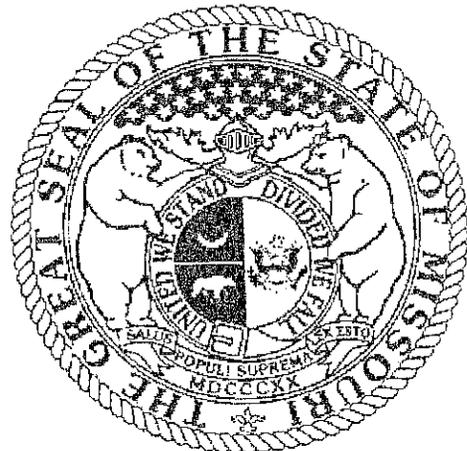
GRANTHAM UNIVERSITY INC.
00852587

was created under the laws of this State on the 30th day of October, 2007, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 31st day of July, 2013

A handwritten signature in cursive script that reads "Jason Kander".

Secretary of State



Certification Number: 15551453-1 Reference:
Verify this certificate online at <https://www.sos.mo.gov/businessentity/soskb/verify.asp>