

**Tulsa Welding School, Inc. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years ended September 30,

	2013	2012
<b>Cash flows from operating activities:</b>		
Net income	\$ 890,124	\$ 3,225,971
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,492,766	1,144,188
Provision for bad debts	3,274,555	3,418,453
Deferred income taxes	(41,553)	635,718
Deferred rent	47,175	54,451
Loss on disposal of fixed assets	(824)	-
Changes in:		
Accounts receivable	(3,699,453)	(4,032,826)
Inventory	92,418	(63,246)
Prepaid expenses and other current assets	21,925	(76,616)
Deposits	(26,631)	14,894
Accounts payable and accrued expenses	(712,617)	(19,901)
Accrued income taxes	(33,415)	(678,221)
Unearned tuition and fees	(513,227)	(607,016)
Net cash provided by operating activities	791,243	3,015,849
<b>Cash flows from investing activities:</b>		
Acquisition of furniture, equipment and improvements	(576,892)	(2,549,151)
Cash proceeds from sale of assets	9,000	-
Net cash used in investing activities	(567,892)	(2,549,151)
<b>Cash flows from financing activities:</b>		
Distributions to parent company	(1,511,998)	(694,921)
Net cash used in financing activities	(1,511,998)	(694,921)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,288,647)	(228,223)
<b>Cash and cash equivalents, beginning of year</b>	3,656,693	3,884,916
<b>Cash and cash equivalents, end of year</b>	\$ 2,368,046	\$ 3,656,693
<b>Supplemental disclosures of cash flow information:</b>		
Cash (received) paid during the year for income taxes	\$ (620,533)	\$ 535,681

The accompanying notes are an integral part of these consolidated financial statements.

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2013 and 2012**

**NOTE A - NATURE OF OPERATIONS**

Tulsa Welding School, Inc. is incorporated in the State of Oklahoma as a taxable corporation and owns 100% of Tulsa Welding School/Jacksonville Campus, Inc.; 100% of the Refrigeration School, Inc.; and 100% of Tulsa Welding School/Houston Campus, Inc. (collectively, the "Company"). Tulsa Welding School/Houston Campus, Inc. was created during 2012 and as of December 31, 2013, did not have any operating activity. The Company is a wholly owned subsidiary of T.H.E., Inc., ("Parent") which is a wholly owned subsidiary of TWS Acquisition Corporation, ("Ultimate Parent").

The Company has locations in Tulsa (Oklahoma) and Jacksonville (Florida) that provide proprietary, post-secondary education with instruction in structural, pipe, pipeline and aircraft welding, and nondestructive weld testing through structured instructional programs. The locations in Phoenix (Arizona) and Jacksonville (Florida) provide programs in heating and air conditioning, refrigeration, solar and electrical technologies.

Effective July 20, 2012, the Ultimate Parent changed its d/b/a from Beam Reach Education to StrataTech Education Group.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Principles of Consolidation**

The financial statements have been prepared on the accrual basis of accounting and include the accounts of the Company and its wholly owned subsidiaries. All material intercompany transactions and balances between the Company and its subsidiaries have been eliminated.

**2. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash in the bank and all short-term investments with an original maturity of 90 days or less.

**3. Accounts Receivable and Allowance for Doubtful Accounts**

The Company occasionally grants credit to its students for the tuition and fees related to the instruction provided. The majority of accounts receivable recorded by the Company relates to credit provided to the students through federally guaranteed grants and loan programs utilized by students to finance these education costs. An allowance for doubtful accounts is recorded based on management's assessment of the realizability of customer accounts. Management's assessment is based on the overall creditworthiness of the Company's customers and any specific disputes. Other factors considered by management in identifying accounts as past-due and potentially uncollectible include time since the student's last attendance date, time since the last payment was received, and the student's school status. Amounts are written-off when management deems these amounts uncollectible.

Tulsa Welding School, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2013 and 2012

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

Changes to the allowance account are as follows for the years ended September 30:

	2013	2012
Balance at beginning of year	\$ (1,865,368)	\$ (1,175,225)
Increase to reserve	(3,420,324)	(3,626,025)
Accounts written off	3,234,303	2,728,310
Recoveries	145,768	207,572
Balance at end of year	\$ (1,905,621)	\$ (1,865,368)

**4. Inventory**

Inventory consists of various welding and HVAC supplies, materials and textbooks, used for instruction purposes, which are carried at the lower of cost, determined by the first-in, first-out (“FIFO”) method of accounting, or market.

**5. Furniture, Equipment and Improvements**

Furniture, equipment and leasehold improvements are recorded at cost. Expenditures for renewals and betterments that extend the life of the asset are capitalized. Repair and maintenance items are charged to expense as incurred.

The major components of furniture, equipment and leasehold improvements at September 30 are as follows:

	2013	2012
Machinery and equipment	\$ 4,642,066	\$ 4,397,422
Furniture and fixtures	906,799	885,655
Leasehold improvements	7,849,425	7,655,976
	13,398,290	12,939,053
Less accumulated depreciation and amortization	(8,515,419)	(7,042,926)
Construction-in-progress	173,583	112,875
Furniture, equipment and Improvements, net	\$ 5,056,454	\$ 6,009,002

Depreciation expense was \$1,481,213 and \$1,101,318 for the years ended September 30, 2013 and 2012, respectively.

Tulsa Welding School, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

6. Depreciation and Amortization

Depreciation of furniture and equipment and amortization of leasehold improvements is provided in amounts sufficient to allocate the cost of depreciable assets to operations over their estimated useful lives, estimated at 3 to 15.7 years. Leasehold improvements are amortized over the shorter of the life of the respective lease or the service life of the improvements. The straight-line method of depreciation and amortization is followed for financial reporting purposes.

7. Goodwill

Goodwill represents the excess of cost of the assets acquired over the estimated fair value of the net assets as of the date of purchase. The Company reviews goodwill annually in September for impairment or whenever events or circumstances indicate that carrying amounts may not be recoverable. If such events or changes in circumstances occur, the Company will recognize an impairment loss if the fair value of the Company's goodwill is less than its carrying value. No impairment loss was identified or recorded in 2013 or 2012.

Additional goodwill resides at the Ultimate Parent company, TWS Acquisition Corporation, as the election was made in prior years not to push down the goodwill to the Company. No impairment loss was identified or recorded on that goodwill in 2013 or 2012.

8. Unearned Tuition and Fees and Revenue Recognition

Revenues from student tuition and related fees are deferred at the time of registration and recognized ratably over the term of the enrollment. Amounts remitted by students, or on behalf of students, in excess of tuition are recorded as unearned tuition, which may be refunded or utilized by the student to pay future tuition. Tuition adjustments for students who withdraw are calculated in accordance with federal, state and accrediting agency standards. Accounts receivable result when the Company has earned more tuition revenue than the student has paid. Unearned tuition revenue results when the Company has earned less tuition revenue than the student has paid.

In order to provide funding for students who are not able to fully finance the cost of their education under traditional governmental financial aid programs, commercial loan programs or other alternative sources, the Company has a self-funded institutional loan program. The Company has entered into agreements with third-party entities to service these loans. After the student enters into the loan agreement, monthly principal and interest payments are required over the related term of the loan. Interest charges begin accruing 30 days after the student's original graduation date. Loan terms may extend beyond their graduation date (ranging from 6 months to 18 months) and bear interest from 7-10%.

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**September 30, 2013 and 2012**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**8. Unearned Tuition and Fees and Revenue Recognition (continued)**

The major components of accounts receivable and unearned tuition and fees are shown below:

	2013	2012
Accounts receivable		
Uncollected tuition and fees	\$ 21,246,872	\$ 17,755,032
Uncollected tuition and fees not yet earned	(16,324,657)	(13,297,968)
Accounts receivable, uncollected tuition revenue earned but not collected	4,922,215	4,457,064
Allowance for doubtful accounts	(1,905,621)	(1,865,368)
Accounts receivable, net of allowance for doubtful accounts	\$ 3,016,594	\$ 2,591,696
Unearned tuition and fees		
Tuition and fees not yet earned	\$ 19,067,744	\$ 16,554,282
Uncollected tuition and fees not yet earned	(16,324,657)	(13,297,968)
Unearned tuition and fees	\$ 2,743,087	\$ 3,256,314

**9. Deferred Rent**

The cumulative excess of the amounts expensed over the payments required under the Company's leases is recorded as deferred rent. The Company recognizes rent expense on the straight-line method over the life of the respective lease.

**10. Advertising Costs**

Advertising costs are expensed as incurred and are reported as a marketing expense within the marketing financial statement caption in the accompanying consolidated statements of income and retained earnings. Total advertising expense for the years ended September 30, 2013 and 2012, was \$6,167,807 and \$5,514,776, respectively.

**11. Use of Estimates in the Preparation of Financial Statements**

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 amount of assets and liabilities at the date of the financial statements and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Significant estimates include, but are not limited to, the allowance for doubtful accounts; revenue recognition; fair value measurements used in annual goodwill impairment tests; deferred income taxes; and estimated useful lives of depreciable and amortizable assets. Actual results could differ from those estimates.

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**September 30, 2013 and 2012**

**NOTE C - CONCENTRATION OF CREDIT RISK**

The Company at times has cash deposits that exceed \$250,000 in various accounts at certain banks. The Federal Deposit Insurance Corporation ("FDIC") insures only the first \$250,000 of funds at member banks. At September 30, 2013 and 2012, the Company had \$993,787 and \$989,818, respectively, in banks in excess of the FDIC coverage. The Company and its subsidiaries have not experienced any losses in such accounts and believe it is not exposed to any significant credit risk in this area based on the high credit quality of these financial institutions.

The accounts receivable are primarily amounts receivable from students for tuition. These receivables are unsecured. Many of the Company's students are eligible for federal government loan and grant programs, which are administered by the Company.

**NOTE D - INCOME TAXES**

The Company files consolidated Federal and state income tax returns with its Ultimate Parent. Since the Company presents separate or stand-alone financial statements from its Ultimate Parent, the method of allocating income taxes among members of this consolidated group is based on the separate return method. As a result, the allocation of tax expense (or benefit) is based on what the Company's current and deferred tax expense would have been had the Company filed a separate tax return.

In determining its allocation of tax expense (benefit), the Company follows the asset and liability method of accounting for income taxes under which deferred income taxes are recorded based upon difference between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the underlying assets are received and liabilities settled.

The consolidated group is no longer subject to U.S. federal examination for years before 2010 and generally no longer subject to state examinations for years before 2008.

As part of the analysis of its tax expense (benefit) under the separate tax return method, the Company evaluates uncertain tax positions for recognition and measurement in the accompanying consolidated financial statements. To recognize a tax position, the Company determines whether it is more likely than not that the tax position will be sustained upon examination, including resolution of any related appeals or litigation, based on the technical merits of the position. A tax position that meets the more likely than not threshold is measured to determine the amount of benefit to be recognized in the financial statements. The amount of tax benefit recognized with respect to any tax position is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement.

The Company's policy is to recognize potential accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. The Company had no uncertain tax positions nor any related interest or penalties that required recognition in the consolidated financial statements at September 30, 2013 or 2012.

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

September 30, 2013 and 2012

**NOTE D - INCOME TAXES – (continued)**

The components of income tax expense are as follows:

	2013	2012
Current income tax expense	\$ 682,952	\$ 1,600,070
Deferred tax (benefit)/expense	(212,999)	676,320
Provision for income taxes	\$ 469,953	\$ 2,276,390

The effective tax rate for the years ended September 30, 2013 and 2012, differs from the federal statutory rate of 34% principally because of the effects of state income taxes and permanent differences.

Significant components of the Company's deferred tax assets and liabilities at September 30 are as follows:

	2013	2012
<u>Current deferred tax assets (liabilities)</u>		
Accruals	\$ 101,055	\$ 96,093
Allowance for doubtful accounts	333,131	306,138
Prepaid expense	(155,344)	-
Total current deferred tax assets, net	\$ 278,842	\$ 402,231
<u>Non-current deferred tax assets (liabilities)</u>		
Depreciation	\$ (363,750)	\$ (516,566)
Goodwill	(1,058,843)	(1,070,969)
Total non-current deferred tax liabilities, net	\$ (1,422,593)	\$ (1,587,535)

**NOTE E - COMMITMENTS AND CONTINGENCIES**

The Company and its subsidiaries currently lease classrooms, equipment and office space under the terms of operating leases with escalating lease payments, which continue through February 2026. The Company has an option to extend some of the leases for additional five-year terms. Future minimum rental payments under these agreements as of September 30 are as follows:

Years ending September 30,	
2014	\$ 1,299,432
2015	1,470,054
2016	1,221,701
2017	1,242,440
2018	1,089,944
Thereafter	9,069,544
Total	\$ 15,393,115

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**September 30, 2013 and 2012**

**NOTE E - COMMITMENTS AND CONTINGENCIES - (continued)**

The amount charged to rent expense for all operating leases for the years ended September 30, 2013 and 2012, was \$1,001,809 and \$973,641, respectively.

The Company has minimum purchase commitments with certain vendors that provide custom textbook and lab manuals. Contracts remain in effect until minimum commitments are met. Commitments as of September 30, 2013, totaled \$1,899,143.

In the ordinary course of business, the Company is periodically subject to lawsuits, investigations and claims, including but not limited to, claims involving students or graduates or routine employment matters. We do not believe that any currently pending legal proceeding to which we are a party will have a material adverse effect on our business, results of operations, cash flows or financial condition. However, the ultimate resolution of claims, investigations, or lawsuits cannot be predicted with any certainty.

**NOTE F - RELATED-PARTY TRANSACTIONS**

The Company participates in Student Financial Aid ("SFA") under the Title IV programs administered by the U.S. Department of Education ("ED") 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.

The Company has guaranteed loans totaling \$7,533,340 and \$10,133,336 at September 30, 2013 and 2012, respectively, on behalf of its Ultimate Parent. The loans will mature over the next three years. The common stock of the Company is part of the collateral on these loans.

The Ultimate Parent has separate management consulting agreements with three of the Ultimate Parent Company's shareholders for services provided to the Company and Ultimate Parent relating to business, administration and policies. Under the terms of the agreements, the Ultimate Parent is required to pay a total of \$50,000 per quarter to these three shareholders. These agreements remain in effect as long as the shareholders own at least 10% of the outstanding shares of the Ultimate Parent. An additional consulting agreement with one of the Ultimate Parent's shareholders and board member of the Company began September 2010 for \$95,000 annually for consulting services. The Ultimate Parent pays \$7,918 monthly for as long as the consulting services continue.

**NOTE G - RETIREMENT PLAN**

The Company has a 401(k) Retirement Savings Plan (the "Plan") for all eligible employees as defined by the Plan. The employees may contribute a percentage of their salary not to exceed the limits of the Internal Revenue Code.

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**September 30, 2013 and 2012**

**NOTE G - RETIREMENT PLAN – (continued)**

In July 2010, the Company converted the Plan to a Safe Harbor plan and matches 100% of employee contributions for the first 3% contributed and 50% of the next 2% not to exceed 4% of an employee's salary. All prior discretionary contributions made to the Plan were immediately vested. Employer safe-harbor matching contributions began January 1, 2011, and are 100% vested.

**NOTE H - ACCREDITATION**

Accreditation is a non-governmental process through which a school submits to ongoing qualitative review by an organization of peer institutions. Accrediting commissions primarily examine the academic quality of the school's instructional programs, and a grant of accreditation is generally viewed as confirmation that the school's programs meet generally accepted academic standards.

Accrediting commissions also review the administrative and financial operations of the schools they accredit to ensure that each school has the resources necessary to perform its educational missions. All of our schools are accredited by the Accrediting Commission of Career Schools and Colleges, or ACCSC, an accrediting commission recognized by the ED. Management believes that each of our schools is in substantial compliance with ACCSC accreditation standards. An accrediting commission may place a school on "reporting status" to monitor on more specified areas of performance in relation to accreditation standards. Currently, none of our campuses are on reporting status.

**NOTE I - REGULATORY**

To participate in the Title IV programs, an institution must be: (a) authorized to offer its programs by relevant state education agencies, (b) accredited by an accrediting commission recognized by ED, and (c) certified as eligible by ED. The ED will certify an institution to participate in Title IV Programs only after the institution has demonstrated compliance with the HEA and ED's extensive regulations regarding institutional eligibility. An institution must also demonstrate its compliance to the ED on an ongoing basis. All of our schools are certified to participate in Title IV programs. The ED's Title IV program standards are applied primarily on an institution basis, with an institution defined by the ED as a main campus and its additional locations, if any. Under this definition, the Company has the following two institutions: Tulsa Welding School with its main campus in Tulsa, Oklahoma, and a branch campus in Jacksonville, Florida; and The Refrigeration School with its main campus in Phoenix, Arizona, and no branch campuses.

An institution must also demonstrate its compliance with HEA and the regulations promulgated thereunder to the ED on an ongoing basis. Political and budgetary concerns can significantly affect the Title IV programs, and Congress must reauthorize the HEA approximately every six years. As of September 30, 2013 and 2012, the Company's defined institutions were properly authorized by the regulatory agencies involved, and no regulatory reviews were being conducted by these respective agencies.

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**September 30, 2013 and 2012**

**NOTE I - REGULATORY – (continued)**

Regulations have been established that impose limitations on institutions whose former students default on the repayment of their federally guaranteed or funded student loans above specific rates (cohort default rate). An institution whose 2-year cohort default rate equals or exceeds 25% for its three most recent years will no longer be eligible to participate in the Federal Family Educational Loan program, Federal Direct Loan Program or the Pell program. An institution whose most recent 2-year cohort default rate exceeds 40% may have its eligibility to participate in the Title IV Programs limited, suspended or terminated by the ED. The last year that the ED released 2-year rates was 2011, which were released in 2013 as shown below.

In 2012, the ED began releasing 3-year cohort default rates. There will be no sanctions associated with 3-year cohort default rates until three years of 3-year rates have been collected. This means the first year a school will be subject to loss of eligibility is fiscal year 2011, which will be released in 2014. However, if a school's FY 2009 or 2010 3-year cohort default rates are greater than or equal to 30 percent, the institution must establish a default prevention task force that prepares a plan to identify the factors causing its cohort rate to exceed 30 percent and submit that to the ED for review. Neither of the Company's defined institutions' 2009 or 2010 3-year cohort default rates exceeded 30 percent.

Under the federal regulations mentioned above, the ED requires the Company to calculate a composite score based on a three-factor financial responsibility ratio for each institution. An institution that does not meet the ED's minimum composite score of 1.5 can demonstrate financial responsibility by meeting the "zone alternative" or posting a letter of credit in favor of the ED. The "zone alternative" includes a delayed method of cash funding for Title IV aid and the providing of additional information to the ED upon request.

Management determined that the institutions' cohort default rates and the composite score of the Company at September 30 were as follows:

<u>2-Year cohort default rate</u>	<u>2013</u>	<u>2012</u>
Tulsa Welding School, Inc.	14.7%	20.3%
The Refrigeration School, Inc.	8.8%	8.9%
Composite score	1.9	2.0

**Tulsa Welding School, Inc. and Subsidiaries**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**September 30, 2013 and 2012**

**NOTE J - 90/10 CALCULATION**

The Company derives a substantial portion of its revenues from SFA received by its students under the Title IV programs administered by the ED pursuant to the 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 Title IV programs. The failure of the Company to meet the 90 percent limitation will result in the loss of the Company's ability to participate in SFA programs. The percentage is measured and reportable by an ED institutional identifier known as the Office of Post-Secondary Education Identifier ("OPEID"). Management has determined that the percentage of Title IV funding for the years ended September 30 by OPEID was as follows:

	2013	2012
<u>Tulsa Welding School, Inc.</u>		
Total Title IV funds	\$ 20,311,359	\$ 23,247,441
Total eligible cash receipts	27,614,194	28,819,608
Title IV fund percentage	73.6%	80.7%
 <u>The Refrigeration School, Inc.</u>		
Total Title IV funds	\$ 6,499,449	\$ 8,178,468
Total eligible cash receipts	8,380,310	10,320,477
Title IV fund percentage	77.6%	79.2%

**NOTE K - SUBSEQUENT EVENTS**

The Company has evaluated events and transactions that occurred subsequent to September 30, 2013, through January 13, 2014, the date these financial statements were available to be issued, for potential recognition or disclosure in these consolidated financial statements.

**SUPPLEMENTAL INFORMATION**

Tulsa Welding School, Inc. and Subsidiaries

CONSOLIDATING BALANCE SHEET

September 30, 2013

	Tulsa Welding School, Inc.	Tulsa Welding School/ Jacksonville Campus, Inc.	Refrigeration School, Inc.	Tulsa Welding School/ Houston Campus, Inc.	Eliminations/ Reclassifications	Consolidated Total
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 1,887,708	\$ 160,028	\$ 320,310	\$ -	\$ -	\$ 2,368,046
Accounts receivable	1,732,657	2,332,099	857,459	-	-	4,922,215
Less allowance for doubtful accounts	(712,172)	(959,661)	(233,788)	-	-	(1,905,621)
Inventory	217,138	121,874	98,553	-	-	437,565
Due from affiliates	-	7,690,305	12,111,379	-	(19,801,684)	-
Deferred income taxes, current	90,381	198,919	-	-	(10,458)	278,842
Income tax receivable	216,367	206,058	18,336	-	(18,336)	-
Prepaid expenses and other current assets	101	-	104,948	-	-	105,049
Investment in subsidiary	3,432,180	9,749,622	13,277,197	-	(101)	527,373
Total current assets						6,628,420
<b>FURNITURE, EQUIPMENT AND IMPROVEMENTS</b>						
Machinery and equipment	3,179,025	1,267,826	195,215	-	-	4,642,066
Furniture and fixtures	470,224	229,863	206,712	-	-	906,799
Leasehold improvements	4,052,678	3,428,896	367,851	-	-	7,849,425
Accumulated depreciation and amortization	(7,701,927)	(4,926,585)	(769,778)	-	-	(13,398,290)
Construction-in-progress	(4,981,247)	(3,238,721)	(295,451)	-	-	(8,515,419)
	2,720,680	1,237	2,834	158,362	-	173,583
	-	1,700,251	477,161	158,362	-	5,056,454
	-	-	13,759,582	-	-	13,759,582
	10,580	36,713	-	-	-	36,713
	6,163,440	51,515	54,000	-	-	116,095
Total assets	\$ 6,163,440	\$ 11,538,101	\$ 27,567,940	\$ 158,362	\$ (19,830,579)	\$ 25,597,264
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 555,763	\$ 355,926	\$ 104,890	\$ -	\$ -	\$ 1,016,579
Due to affiliates	19,736,264	-	-	65,420	(19,801,684)	-
Accrued income taxes	75,271	24,366	-	1,029	(18,336)	82,330
Accrued expenses	354,081	261,383	121,178	-	-	736,642
Deferred income taxes, current	-	-	10,458	-	(10,458)	-
Unearned tuition and fees	1,383,538	887,084	472,465	-	-	2,743,087
Total current liabilities	22,104,917	1,528,759	708,991	66,449	(19,830,478)	4,578,638
<b>DEFERRED RENT</b>	19,337	234,725	-	-	-	254,062
<b>DEFERRED INCOME TAXES, non-current</b>	133,049	139,871	1,182,428	(32,755)	-	1,422,593
Total liabilities	\$ 22,257,303	\$ 1,903,355	\$ 1,891,419	\$ 33,694	\$ (19,830,478)	\$ 6,255,293
<b>SHAREHOLDER'S EQUITY</b>						
Common stock	101	1	-	-	(2)	100
Additional paid-in capital	2,274,999	-	14,224,671	-	(99)	16,499,571
Retained earnings (accumulated deficit)	(18,368,963)	9,634,745	11,451,850	124,668	-	2,842,300
Total shareholder's equity (deficit)	(16,093,863)	9,634,746	25,676,521	124,668	(101)	19,341,971
Total liabilities and shareholder's equity	\$ 6,163,440	\$ 11,538,101	\$ 27,567,940	\$ 158,362	\$ (19,830,579)	\$ 25,597,264

Tulsa Welding School, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF INCOME

Year ended September 30, 2013

	Tulsa Welding School, Inc.	Tulsa Welding School/ Jacksonville Campus, Inc.	Refrigeration School, Inc.	Tulsa Welding School/ Houston Campus, Inc.	Eliminations/ Reclassifications	Consolidated Total
<b>Revenues</b>						
Tuition and fees	\$ 17,586,302	\$ 13,139,923	\$ 8,747,219	\$ -	\$ -	\$ 39,473,444
Other income	182,468	164,982	22,571	-	-	370,021
Total revenues	17,768,770	13,304,905	8,769,790	-	-	39,843,465
<b>Expenses</b>						
Education	5,213,308	3,749,508	2,006,882	-	-	10,969,698
Marketing	4,333,874	4,435,735	1,925,049	-	-	10,694,658
Occupancy	730,578	1,053,206	519,544	134,909	-	2,438,237
General and administrative	5,162,295	5,211,932	2,513,802	-	-	12,888,029
Depreciation and amortization	1,038,790	316,500	137,476	-	-	1,492,766
Total expenses	16,478,845	14,766,881	7,102,753	134,909	-	38,483,388
(Loss)/income before taxes	1,289,925	(1,461,976)	1,667,037	(134,909)	-	1,360,077
Provision/(benefit) for income taxes	543,990	(528,361)	503,297	(48,973)	-	469,953
<b>NET INCOME/(LOSS)</b>	<b>\$ 745,935</b>	<b>\$ (933,615)</b>	<b>\$ 1,163,740</b>	<b>\$ (85,936)</b>	<b>\$ -</b>	<b>\$ 890,124</b>

Tulsa Welding School, Inc. and Subsidiaries

CONSOLIDATING BALANCE SHEET

September 30, 2012

	Tulsa Welding School, Inc.	Tulsa Welding School/ Jacksonville Campus, Inc.	Refrigeration School, Inc.	Eliminations/ Reclassifications	Consolidated Total
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 3,044,820	\$ 199,902	\$ 411,971	\$ -	\$ 3,656,693
Accounts receivable	1,484,356	1,990,893	981,815	-	4,457,064
Less allowance for doubtful accounts	(690,990)	(777,594)	(396,784)	-	(1,865,368)
Inventory	283,955	165,024	81,004	-	529,983
Due from affiliates	-	6,029,806	10,246,842	(16,276,648)	-
Deferred income taxes, current	161,506	212,753	27,972	-	402,231
Prepaid expenses and other current assets	201,871	225,879	121,548	-	549,298
Investment in subsidiary	1	-	-	-	-
Total current assets	4,485,519	8,046,663	11,474,368	(1)	7,729,901
<b>FURNITURE, EQUIPMENT AND IMPROVEMENTS</b>					
Machinery and equipment	3,064,431	1,156,192	176,799	-	4,397,422
Furniture and fixtures	462,557	226,117	196,981	-	885,655
Leasehold improvements	3,980,814	3,323,886	351,276	-	7,655,976
Accumulated depreciation and amortization	(7,507,802)	(4,706,195)	(725,056)	-	(12,939,053)
Construction-in-progress	(3,951,178)	(2,925,559)	(166,189)	-	(7,042,926)
	3,556,624	97,359	15,516	-	112,875
	-	1,877,995	574,383	-	6,009,002
	-	-	13,759,582	-	13,759,582
	8,105	34,466	8,215	-	8,215
	\$ 8,050,248	\$ 9,959,124	\$ 25,863,441	\$ (16,276,649)	\$ 27,596,164
<b>GOODWILL</b>					
<b>CURRICULUM ASSETS, net of accumulated amortization</b>					
DEPOSITS					
Total assets					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 393,568	\$ 392,495	\$ 478,003	\$ -	\$ 1,264,066
Due to affiliates	16,276,648	-	-	(16,276,648)	-
Accrued income taxes	33,808	14,865	67,072	-	115,745
Accrued expenses	440,646	351,016	410,110	-	1,201,772
Unearned tuition and fees	1,711,664	870,619	674,031	-	3,256,314
Total current liabilities	18,856,334	1,628,995	1,629,216	(16,276,648)	5,837,897
<b>DEFERRED RENT</b>					
<b>DEFERRED INCOME TAXES, non-current</b>					
Total liabilities	20,602	186,285	-	-	206,887
	255,316	200,512	1,131,707	-	1,587,535
	\$ 19,132,252	\$ 2,015,792	\$ 2,760,923	\$ (16,276,648)	\$ 7,632,319
<b>SHAREHOLDER'S EQUITY</b>					
Common stock	100	1	-	(1)	100
Additional paid-in capital	2,274,900	-	14,224,671	-	16,499,571
Retained earnings (accumulated deficit)	(13,357,004)	7,943,331	8,877,847	-	3,464,174
Total shareholder's equity (deficit)	(11,082,004)	7,943,332	23,102,518	(1)	19,963,845
Total liabilities and shareholder's equity	\$ 8,050,248	\$ 9,959,124	\$ 25,863,441	\$ (16,276,649)	\$ 27,596,164

Tulsa Welding School, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF INCOME

Year ended September 30, 2012

	Tulsa Welding School, Inc.	Tulsa Welding School/Jacksonville Campus, Inc.	Refrigeration School, Inc.	Eliminations/Reclassifications	Consolidated Total
<b>Revenues</b>					
Tuition and fees	\$ 17,180,582	\$ 15,210,909	\$ 10,662,466	\$ -	\$ 43,053,957
Other income	261,397	180,067	17,577	-	459,041
Total revenues	<u>17,441,979</u>	<u>15,390,976</u>	<u>10,680,043</u>	-	<u>43,512,998</u>
<b>Expenses</b>					
Education	4,887,118	4,330,990	2,105,535	-	11,323,643
Marketing	4,075,086	3,962,323	1,891,049	-	9,928,458
Occupancy	840,940	1,113,803	510,266	-	2,465,009
General and administrative	5,168,817	5,186,775	2,793,747	-	13,149,339
Depreciation and amortization	687,944	318,771	137,473	-	1,144,188
Total expenses	<u>15,659,905</u>	<u>14,912,662</u>	<u>7,438,070</u>	-	<u>38,010,637</u>
Income before taxes	1,782,074	478,314	3,241,973	-	5,502,361
Provision for income taxes	(768,672)	(193,631)	(1,314,087)	-	(2,276,390)
<b>NET INCOME</b>	<u>\$ 1,013,402</u>	<u>\$ 284,683</u>	<u>\$ 1,927,886</u>	<u>\$ -</u>	<u>\$ 3,225,971</u>

**COMPLIANCE SECTION**



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Audit • Tax • Advisory

Grant Thornton LLP  
2398 E Camelback Road, Suite 600  
Phoenix, AZ 85016-9004

T 602.474.3400  
F 602.474.3421

[www.GrantThornton.com](http://www.GrantThornton.com)

Board of Directors  
Tulsa Welding School, Inc. and Subsidiaries

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 consolidated financial statements of Tulsa Welding School, Inc. and Subsidiaries, (the "Entity"), which comprise of the consolidated balance sheet as of September 30, 2013, and the related statements of income and retained earnings, and cash flows for the year then ended and the related notes to the financial statement, and have issued our report thereon dated January 13, 2014.

**Internal control over financial reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Entity's internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity'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 Entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in the Entity's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our consideration of internal control was also not designed to identify all deficiencies in internal control that might be significant deficiencies. 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. We identified one deficiency in internal control over financial reporting, described herein, that we consider to be a significant deficiency in the Entity's internal control. Accounting personnel at each campus, who record journal entries into the general ledger, are also responsible for reconciling their respective campus accounts. In order to provide for appropriate segregation of duties and oversight, campus accounting personnel should not be reconciling accounts over which they have control.

#### **Compliance and other matters**

As part of obtaining reasonable assurance about whether the Entity's consolidated financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Intended purpose**

The purpose of this report 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 on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

Phoenix, Arizona  
January 13, 2014

# Tab 10

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## Evidence of Faculty Involvement in Curriculum



Postsecondary Registration Coordinator  
Iowa College Student Aid Commission  
430 E. Grand Ave., FL 3  
Des Moines, Iowa 50309

5/9/2014

To Whom It May Concern,

The Director of Training and Director of Welding Education for Tulsa Welding School asks our Instructor's for their opinions in regards to changes to the curriculum at different times throughout the year, as well as before the TEAC meeting in which we go over the entire curriculum. The Director of Training, Director of Welding Education, and the AOSWT Instructor attend all TEAC meetings where changes to the curriculum are discussed. This is the time when the Director of Training and/or the Director of Welding Education would present the Instructors ideas, changes, or suggestions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Staats', written over a white background.

**Mark Staats**

Campus President

**Tulsa Welding School**

2545 E. 11th Street, Tulsa, OK. 74104

Phone: 800-331-2934 Ext. 225

Fax: 918-295-6821

Email: [mark.staats@twsweld.com](mailto:mark.staats@twsweld.com)



Postsecondary Registration Coordinator  
Iowa College Student Aid Commission  
430 E. Grand Ave., FL 3  
Des Moines, Iowa 50309

5/12/2014

To Whom It May Concern,

The Director of Training and Academic Dean for Tulsa Welding School asks our Instructors for their opinions in regards to changes to the curriculum at different times throughout the year, as well as before the PAC meeting in which we go over the entire curriculum. The Director of Training and Academic Dean attend all PAC meetings where changes to the curriculum are discussed. This is the time when the Director of Training and/or the Academic Dean would present the Instructors ideas, changes, or suggestions.

Sincerely,

A handwritten signature in blue ink that reads 'Dianne Ely'.

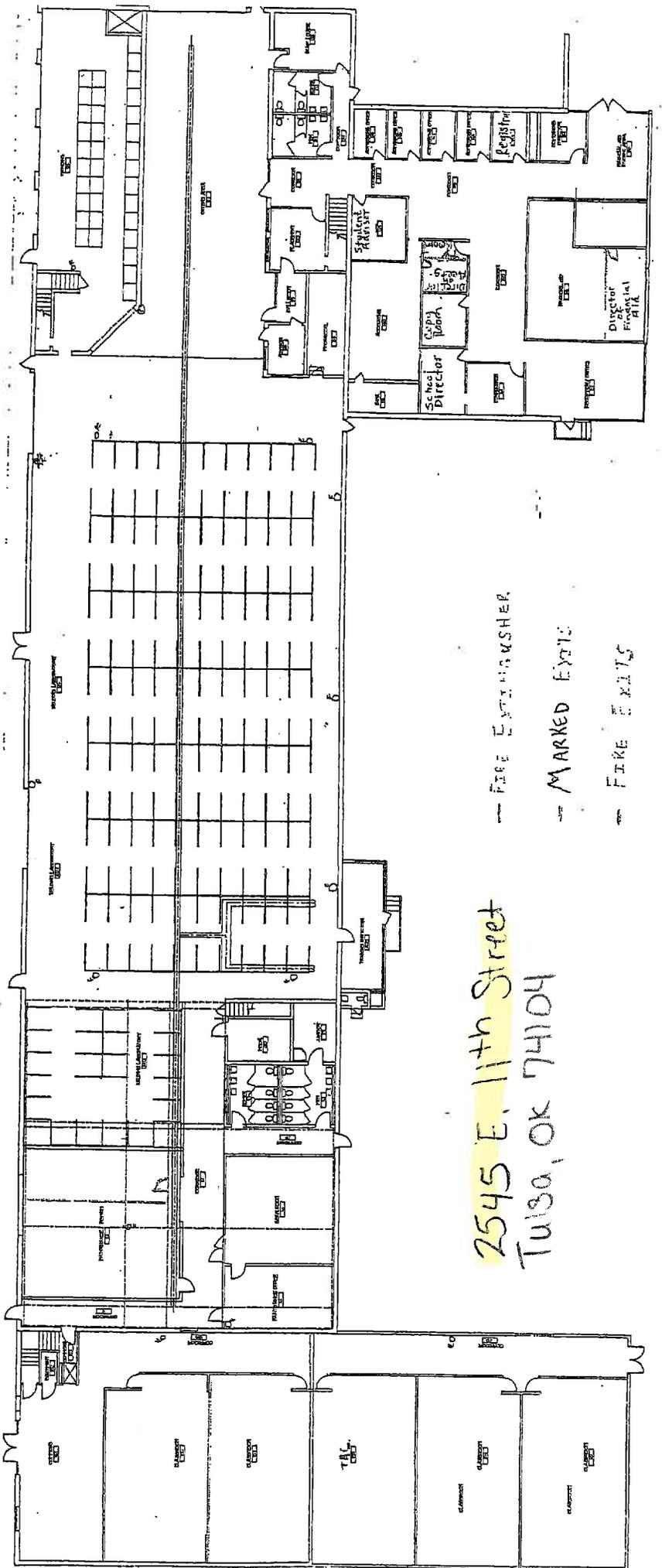
**Dianne Ely**  
Campus President  
Tulsa Welding School  
3500 Southside Blvd.  
Jacksonville, FL 32216  
Phone: 877-935-3529 Ext. 222  
Fax: 904-646-9956  
Email: [Dianne.Ely@twsweld.com](mailto:Dianne.Ely@twsweld.com)

Tab 11

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Floor Plans

Oxygen  
 Argon  
 Propylene



— FIRE EXTINGUISHER  
 — MARKED EXIT  
 — FIRE EXITS

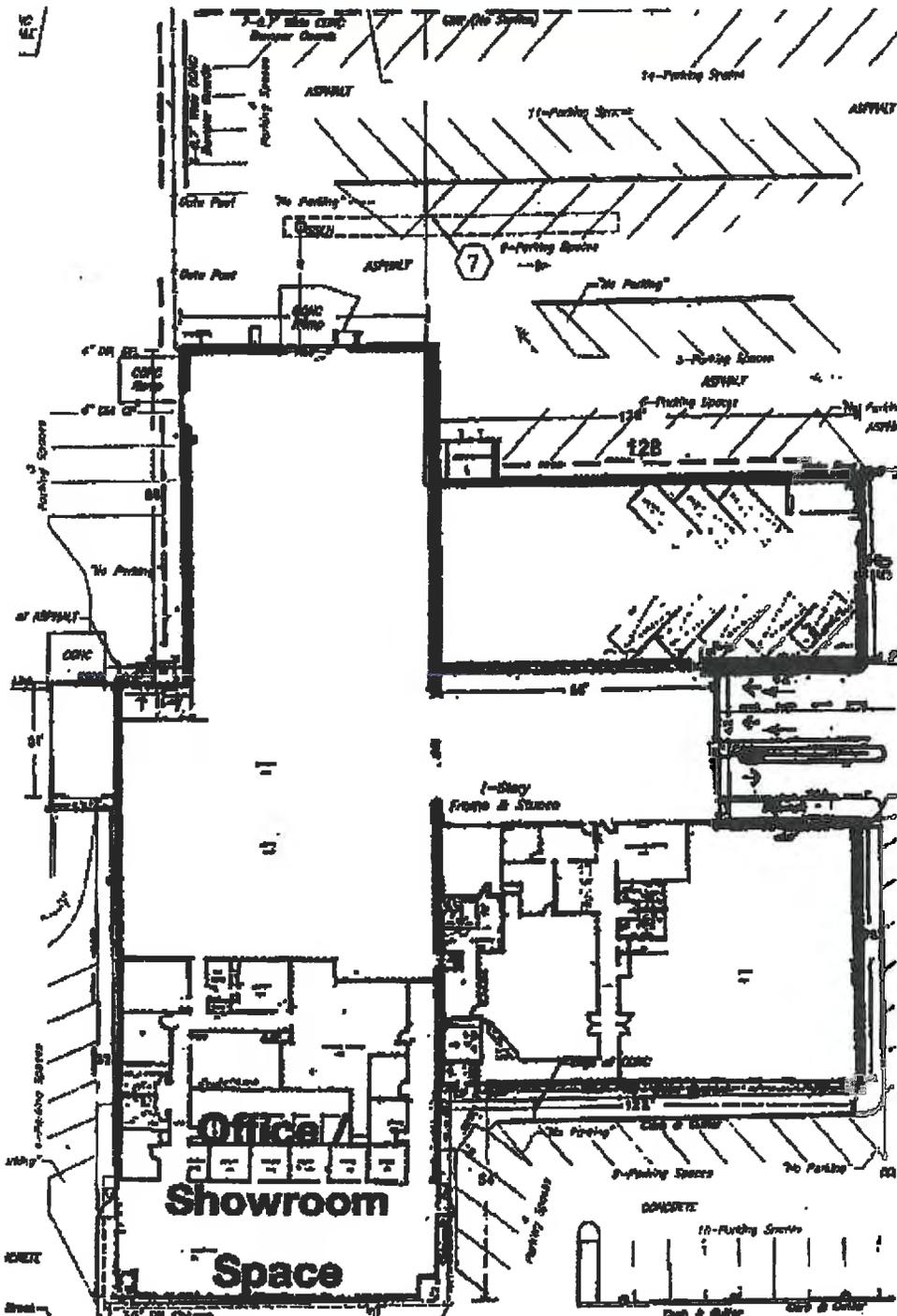
2545 E. 11th Street  
 Tulsa, OK 74104

# EXHIBIT A-1

## Floor Plan

FEBRUARY 19,

Attached to and made a part of a lease agreement dated ~~January~~ <sup>February</sup> 19, 2010,  
between Gardner Tax Service, an Oklahoma Corporation (Landlord) and  
Tulsa Welding School, an Oklahoma Corporation (Tenant)  
2233 E 11th Street, Tulsa, OK.



# EXHIBIT A-2

## Site Plan

FEBRUARY 19,

Attached to and made a part of a lease agreement dated ~~January~~ \_\_\_\_\_ 2010,  
between Gardner Tax Service, an Oklahoma Corporation (Landlord) and  
Tulsa Welding School, an Oklahoma Corporation (Tenant)  
2233 E 11th Street, Tulsa, OK.

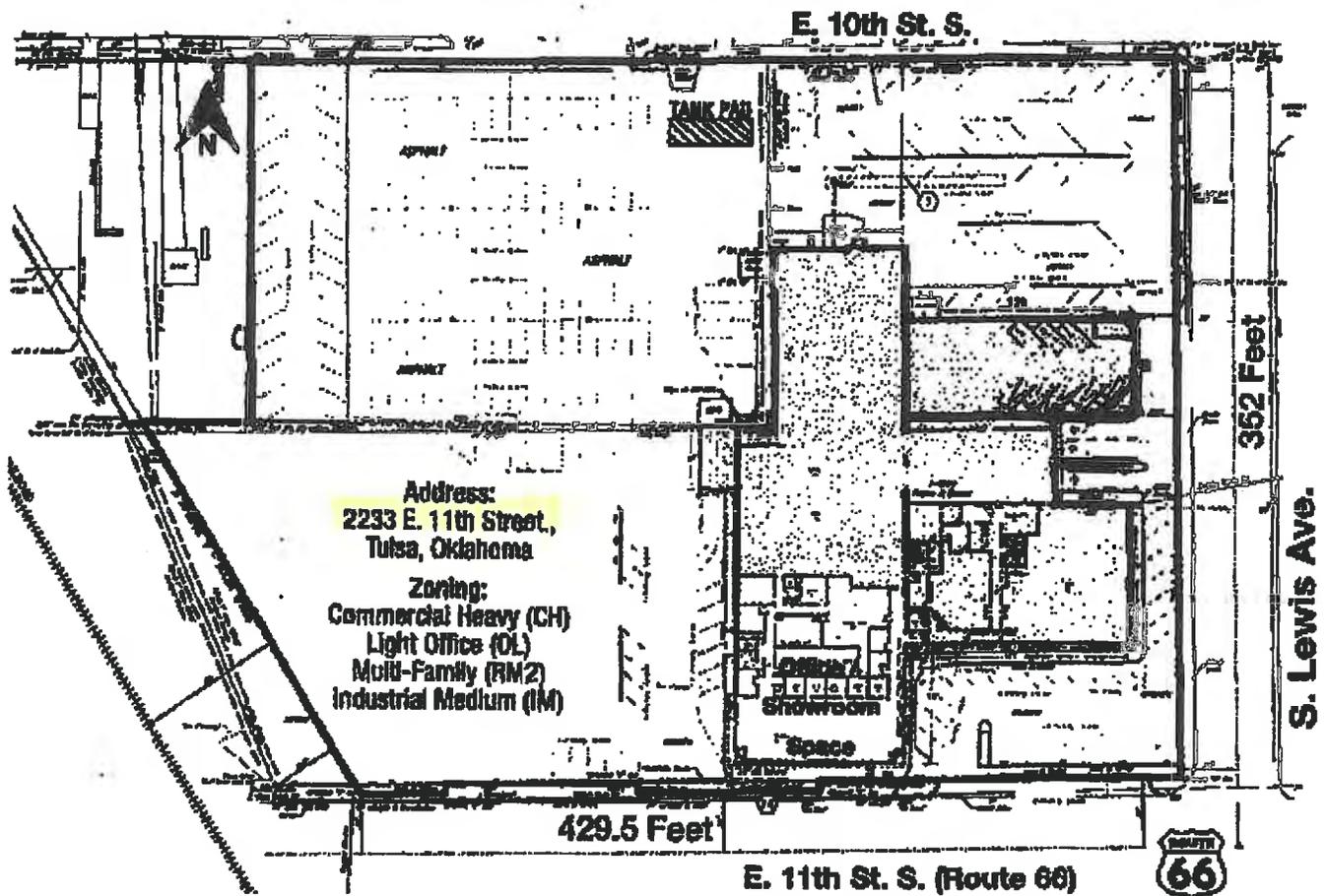
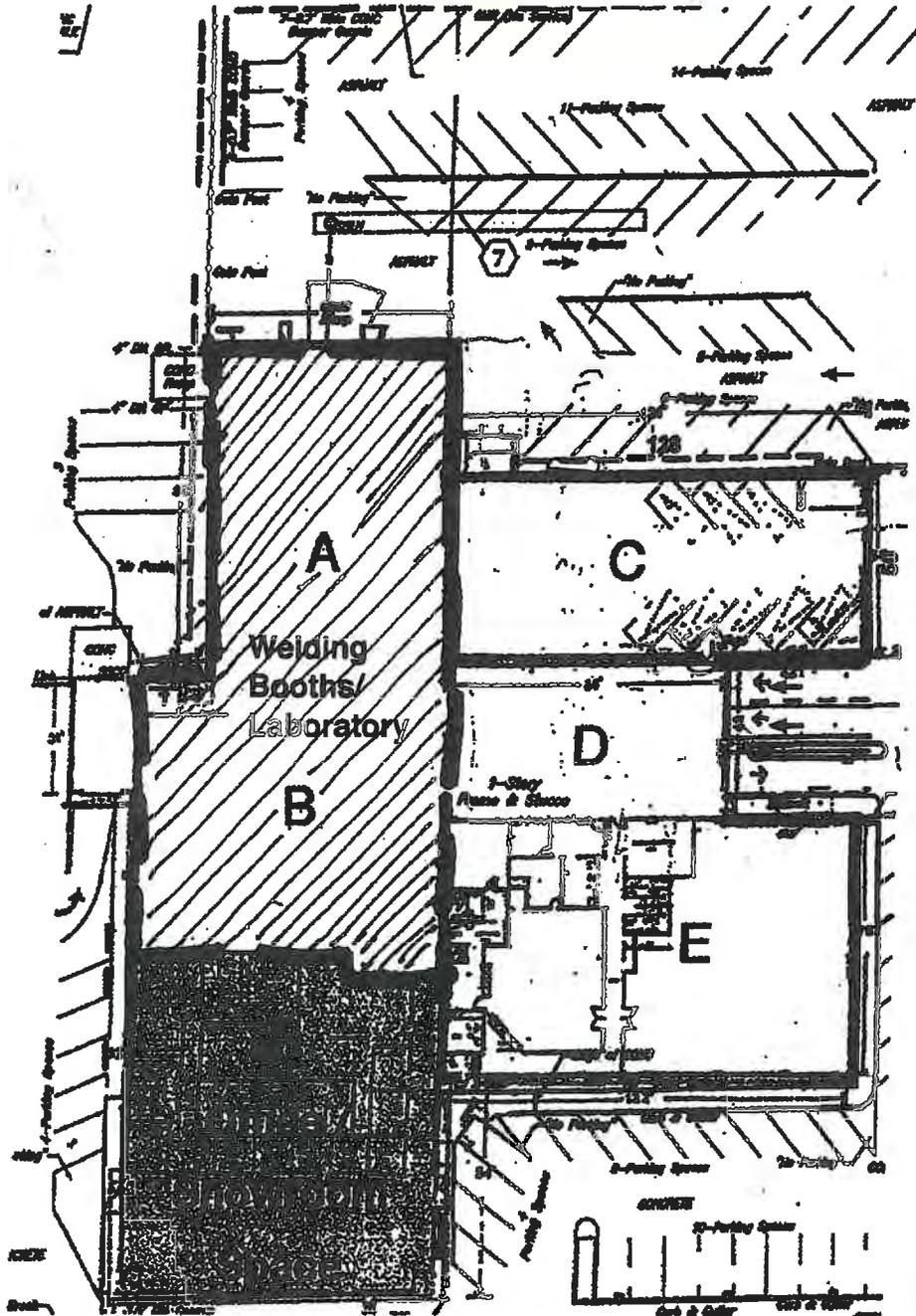


EXHIBIT A -3

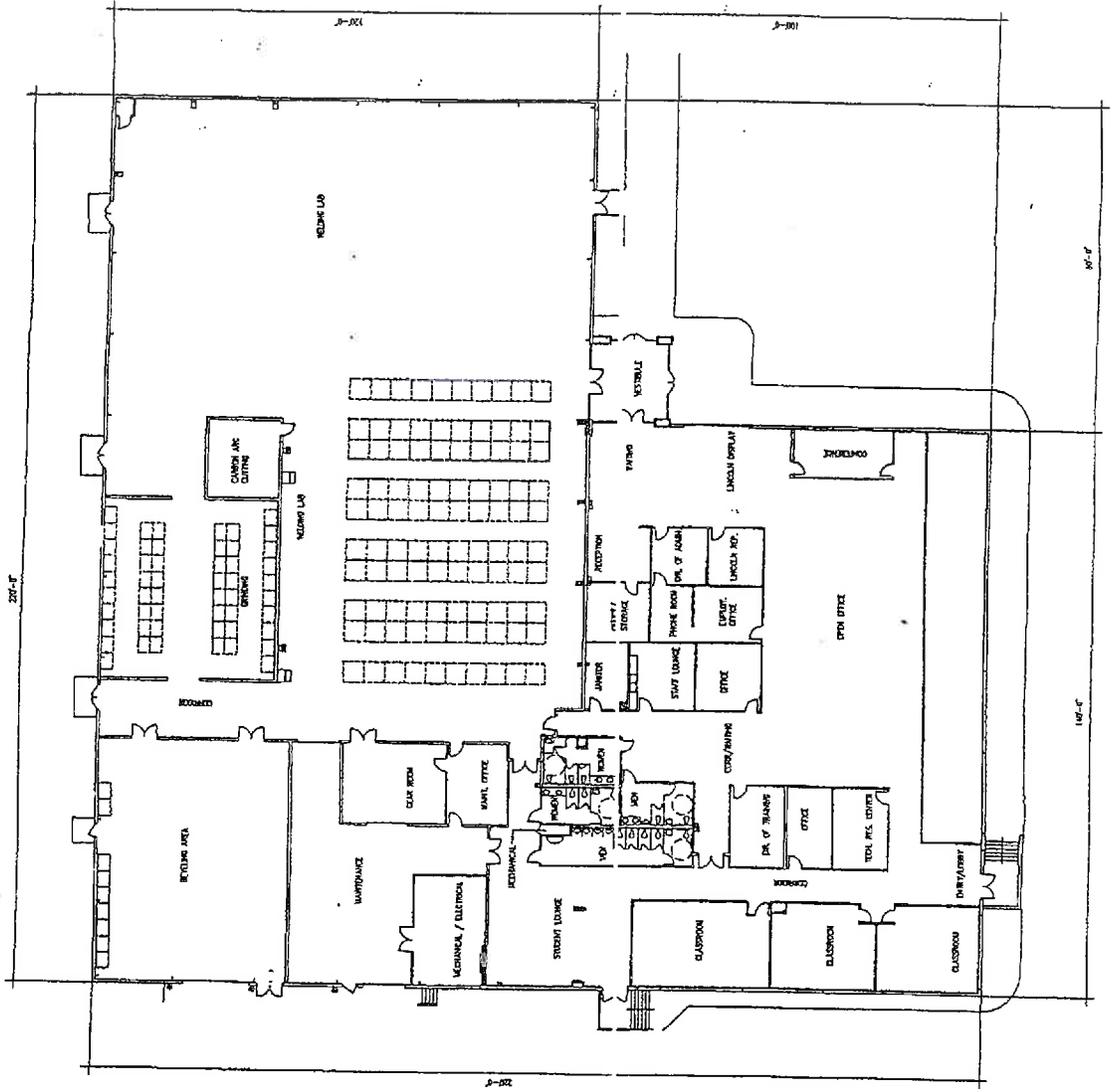
Location of Laboratory/Welding Booths

Attached to and made a part of a Lease Agreement dated February 19, 2010  
between Gardner Tax Service, Inc., an Oklahoma Corporation (Landlord) and Tulsa  
Welding School, Inc., an Oklahoma Corporation (Tenant)  
2233 E 11th Street, Tulsa, OK.



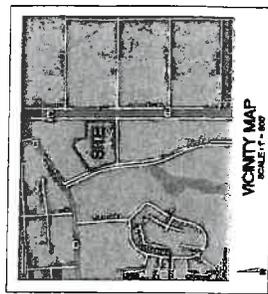
3500 Southside Blvd.  
Jacksonville, FL 32216

TULSA WELDING SCHOOL - JACKSONVILLE CAMPUS  
ROSS BLUM



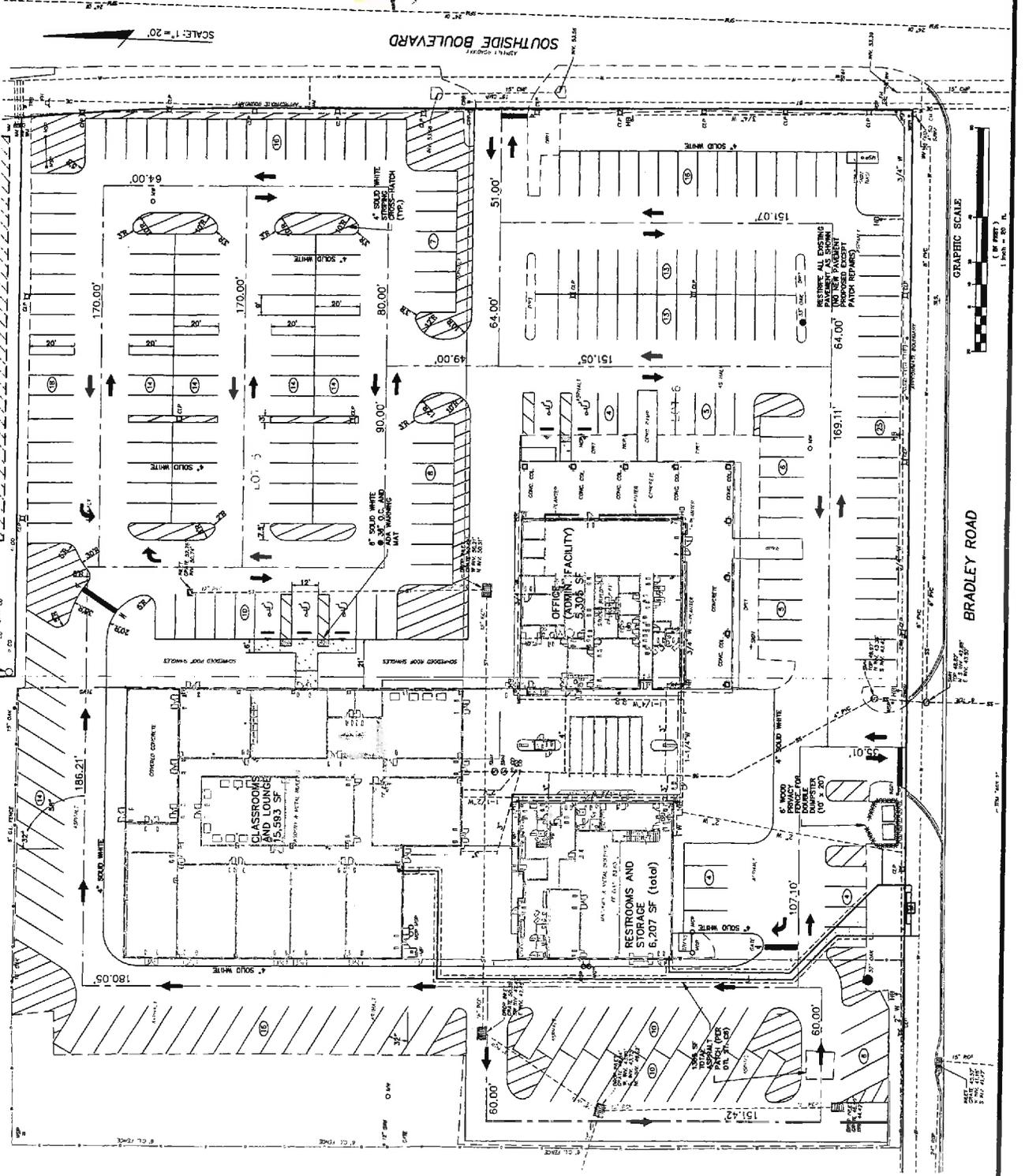
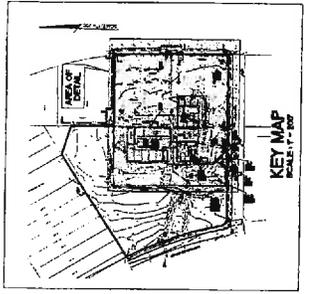
TULSA WELDING SCHOOL  
 GEOMETRIC AND STRIPING PLAN

EISMAN & BRUSSO  
 CONSULTING ENGINEERS  
 1515 POND WALK  
 JACKSONVILLE, FL 32218  
 PHONE: (904) 211-4121 FAX: (904) 211-4122



1750 Southside Blvd  
 Jacksonville, FL 32218

**PARKING CALCULATIONS**  
 TOTAL PARKING REQUIRED: 11 PER 300 SF FLOOR AREA  
 2. STRIPING PER 100 SF OF AREA  
 TOTAL PARKING PROVIDED: 277 REGULAR SPACES  
 1 LARGE REGULAR SPACE  
 100 BICYCLE SPACES  
 TOTAL PROVIDED = 388 SPACES



# Tab 12

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## Cohort Default Rates

UNITED STATES DEPARTMENT OF EDUCATION  
WASHINGTON, D.C. 20202  
September 2013

Tulsa Welding School  
2545 East 11th Street  
Tulsa, OK 74104-3909  
NL01

OPE ID: 009618  
FY 2011 Cohort Default Rate: 14.7

RE: FY 2011 Official Cohort Default Rate Notification Letter

Dear President:

This letter officially notifies you of your school's fiscal year (FY) 2011 cohort default rate based on Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan) Program loans made to students for attendance at your school. Your school's FY 2011 cohort default rate is shown above. Please note that even if your school is no longer participating in the student loan program(s), federal law requires the U.S. Department of Education (Department) to notify your school of its cohort default rate.

Note: The FY 2011 2 year cohort default rate will be the last two year cohort default rate released. Next year, in 2014 the FY 2011 three year cohort default rate will be the only cohort default rate released.

Since the Department is no longer mailing hardcopies of the cohort default rate notification letters to any schools, please refer to <http://www.ed.gov/offices/OSFAP/defaultmanagement/ecdr.html> for a description of the other files that the Department transmitted to you along with this letter.

WHAT FORMULA DID THE DEPARTMENT USE TO CALCULATE MY SCHOOL'S RATE?

The Department uses one of three methods for calculation of cohort default rates:

1. Official non-average rate for schools with 30 or more borrowers entering repayment,
2. Official average rate for schools with 29 or fewer borrowers entering repayment, and
3. Unofficial rate for schools with 29 or fewer borrowers entering repayment with less than three years of data.

For a complete explanation of the three types of rates, please see Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>.

WHAT TYPES OF LOANS DID THE DEPARTMENT INCLUDE IN MY SCHOOL'S RATE CALCULATION?

The Department included three types of loans in your school's cohort default rate calculation:

- 1) Federal Stafford Subsidized and Federal Stafford Unsubsidized Loans

2) Federal Direct Subsidized and Federal Direct Unsubsidized Loans

3) Federal Supplemental Loans for Students (Federal SLS Loans). Although rare, it is possible for Federal SLS loans to be included in your school's cohort default rate calculation.

WHAT LOAN RECORD DETAIL REPORT (LRDR) ACCOMPANIES THIS NOTIFICATION LETTER?

If your school's FY 2011 official cohort default rate is a non-averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2011. If your school's FY 2011 official cohort default rate is an averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2011, FY 2010 and FY 2009.

Please note that if a technical problem caused by the Department results in an inability to access the data, schools have five business days from the receipt of the eCDR notification package to notify Operations Performance Division at the email address given below. All schools must meet the established submission timeframes for cohort default rate adjustments and appeals. The Department will not review adjustments and appeals that any school submits outside of the established timeframes.

For more information on how to read the loan record detail report, please refer to Chapter 2.3 of the Cohort Default Rate Guide, Reviewing the Loan Record Detail Report, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>.

WHAT SANCTIONS AND BENEFITS APPLY TO MY SCHOOL BASED ON THIS RATE?

According to the Higher Education Act of 1965 (HEA), as amended, the Higher Education Reconciliation Act of 2005 (HERA), Pub.L.109-71 and the Department's regulations, your school is not subject to any sanctions based on your school's FY 2011 cohort default rate. However, if your school's official FY 2011 cohort default rate is 25.0 percent or greater, the Department may provisionally certify your school when your school applies for recertification to participate in the Federal Student Aid Programs. For more information about provisional certification, please refer to 34 C.F.R. Section 668.16(m)(1) and (2)(i) or contact the School Participation Management Division at 202-377-3173.

If your school's most recent official cohort default rate is less than 5.0 percent and your school is an eligible home institution that certifies/originates a loan to cover the cost of attendance in a study abroad program, your school is eligible for this benefit. Your school may disburse/deliver loan proceeds in a single installment and may choose to release loan proceeds to first-year, first-time borrowers prior to 30 calendar days after the first day of the borrower's program of study. Once your school receives notice from the Department that your school's official cohort default rate is 5.0 percent or greater, this benefit will end within 30 calendar days of the notification.

Institutions with a cohort default rate of less than 15.0 percent for each of the three most recent fiscal years for which data are available, including eligible foreign institutions, may disburse, in a single installment, loans that are made for one semester, one trimester, one quarter, or a four-month period. Such an institution is also no longer required to delay the delivery or disbursement of the first disbursement of a loan for 30 days for first-time, first-year undergraduate borrowers.

Once your school receives notice from the Department that your school's official cohort default rate is 15.0 percent or greater, this benefit will end within 30 calendar days of the notification.

For more information on the sanctions and the benefits associated with official cohort default rates, please refer to Chapter 2.4 of the Cohort Default Rate Guide, Cohort Default Rate Effects, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>.

WHY DOES THIS LETTER SAY THAT MY SCHOOL IS NOT SUBJECT TO SANCTIONS BUT MY RATES EXCEED THE SANCTION THRESHOLD?

If your school has official FY 2011, FY 2010, and FY 2009 cohort default rates that are 25.0 percent or greater or your school has an official FY 2011 cohort default rate that is greater than 40.0 percent, your school is NOT subject to the loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program eligibility because your school met one or more of the following criteria:

FY 2011, FY 2010, FY 2009 Cohort Default Rates >= 25.0%	FY 2011 Cohort Default Rate > 40.0%
At least two of your schools three most recent cohort default rates are official average cohort default rates and would be less than 25.0 percent if the Department had calculated the rate using the data for that cohort fiscal year alone.	Your schools FY 2011 cohort default rate is an official averaged cohort default rate.
Thirty or fewer borrowers entered into repayment during your schools three most recent official cohort default rates.	
Your school submitted a successful participation rate index challenge/appeal based on your schools draft FY 2011 cohort default rate, official FY 2010 cohort default rate, or official FY 2009 cohort default rate.	
Your school entered into a settlement agreement with the U.S. Department of Education that supersedes any sanctions the Department would apply based on cohort default rate calculations.	

WHAT RIGHTS DOES MY SCHOOL HAVE TO APPEAL THIS RATE INFORMATION?

Based on your school's FY 2011 cohort default rate, your school may be eligible to submit the following adjustments/appeals:

Uncorrected Data Adjustment  
<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

Loan Servicing Appeal  
<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

New Data Adjustment  
<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

Averaged Rates Appeal

<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

Thirty-or-fewer Borrowers Appeal

<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

All Uncorrected Data Adjustments and New Data Adjustments must be made through the eCDR Appeals application. Unless other instructions have been provided via an IFAP announcement, the Loan Servicing Appeal will continue to be submitted via hard copy. The Averaged Rates Appeal and Thirty-or-fewer Borrowers Appeal will continue to be submitted via hard copy. The eCDR Appeals application, as it is known, allows schools to electronically submit certain challenge/ adjustment requests during the specified timeframes and allows data managers (guaranty agency or Federal Loan Servicer) and Federal Student Aid (FSA) personnel to electronically view and respond to these challenge/adjustment requests. The application tracks the entire life cycle of each request from the time the case is submitted until the time a decision is made and the case is closed.

School users will now have access to a table listing all adjustments for which a data manager has requested additional information. This table will be included in the school's Current Status Report, available by selecting the Report tab.

It has come to FSA's attention that a number of schools are challenging data in the school's cohort default rate based on an incorrect understanding of the cohort default rate calculation. This results in an unnecessary increase in the workload for the schools, data managers, and FSA. The following are some scenarios that have been noted, along with an explanation of why these allegations are considered invalid based on the current logic for the cohort default rate calculation.

1. School requests that borrower be removed from numerator as borrower defaulted, then paid the loan in full (either through consolidation or another method). Borrower will continue to be counted as a defaulted borrower for cohort default rate purposes. Current regulations only allow for a defaulted loan to be removed from default for cohort default rate purposes if the borrower successfully rehabilitated the loan within the cohort period, or, for FFELs held by a guaranty agency, if the lender repurchased the loan due to the claim being submitted or paid in error. See 34 CFR Sections 668.183(c)(2) and 668.202(c)(2).

2. School alleges that borrower be removed from numerator due to an incorrect date entered repayment that is resulting in the default date for the borrower being less than 360 days from the corrected date entered repayment. This allegation type applies to Direct Loans or loans that were PUT to the Department only, since FFELs held by a guaranty agency use the claim paid date as the default date, not the 360th day of delinquency. If a data manager agrees to correct the date entered repayment, they will update the default date to the 360th day of delinquency based on the new date entered repayment. However, if the updated date entered repayment and default date still fall within the cohort period, the borrower will continue to be counted in both the numerator/denominator. If the updated date entered repayment causes the updated default date to fall outside of the cohort period, borrower will be removed from the numerator only. If the updated date entered repayment falls outside of the cohort period, borrower will be removed from both the numerator/denominator.

3. Borrower is included in more than one cohort year. This may be correct, based upon the situation. If the borrower had a break in enrollment of greater than six months, then the borrower will enter repayment on the

loans from the first period of enrollment six months and one day after the borrower's last date of attendance (LDA) or less than half-time date (LTHT), then will receive another six month grace period based on the LDA or LTHT date of the second period of enrollment. This may result in the borrower being included in more than one cohort year. If the borrower's break in enrollment was less than six months, this is considered continuous enrollment and the borrower should be in only one cohort year.

4. School was involved in a change of affiliation/merger and has borrowers counted more than once in the cohort default rate. A borrower may be counted more than once in the school's cohort default rate if the borrower had loans certified under two or more of the OPE-IDs that were involved in the change of affiliation/merger. Please see page 2.5-2 of the CDR Guide.

If a school has any questions regarding the cohort default rate calculation, Chapter 2.1 of the CDR Guide includes a thorough explanation of how the rates are calculated. Additionally, a school involved in a change of affiliation/merger should read Chapter 2.5 of the CDR Guide for an explanation of how the change of affiliation/merger will affect the cohort default rates of all of the schools involved.

WHAT TOOLS AND INFORMATION ARE AVAILABLE TO HELP MONITOR AND MANAGE MY SCHOOL'S COHORT DEFAULT RATE?

Tools Information	Description	Contact Information
Cohort Default Rate Guide	<a href="http://www.ifap.ed.gov/DefaultManagement/finalcdrg.html">http://www.ifap.ed.gov/DefaultManagement/finalcdrg.html</a> . Reference tool designed by U.S. Dept of Education to help schools understand cohort default rates and various challenge/appeal/adjustment processes. The electronic version was revised September 2013 and may be found online.	May be printed from CDR Guide Link
Default Prevention and Mgmt Website	<a href="http://ifap.ed.gov/DefaultManagement/DefaultManagement.html">http://ifap.ed.gov/DefaultManagement/DefaultManagement.html</a> . Contains valuable information for schools, guaranty agencies and borrowers. Contains link for eCDR process, including enrollment procedures and downloading instructions.	Operations Performance Division 202-377-4259
eCDR Appeals	Electronic Cohort Default Rate Appeals Process  eCDR Appeals facilitates the exchange of information between parties for three of the challenge/adjustment processes: Incorrect Data Challenge (IDC), Uncorrected Data Adjustments (UDA), and New Data Adjustments (NDA). The application allows schools to electronically submit these challenges and adjustment requests during a cohort default rate cycle, and allows data managers (guaranty agency or Direct Loan Servicer) and Federal Student Aid (FSA) personnel to electronically view and respond to challenges and adjustment requests. The application tracks the entire life cycle of each challenge/adjustment request from the time the case is submitted until the time a decision	Operations Performance Division 202-377-4259

is made and the case is closed.

All users must complete the registration process to gain access to eCDR Appeals. The eCDR Appeals homepage contains a link to the Registration and User Account Guide, which gives step-by-step instructions for registration. Links to the User Guides for the three processes can also be found here, as well as a link to the Cohort Default Rate Guide.

Late Stage Delinquency Assistance (LSDA)

Process whereby schools work in collaboration with servicers or guarantors to identify and provide counseling to borrowers more than 240 days late on loan repayment. For Direct Loan schools, the website <https://www.myedaccount.com/> identifies borrowers whose impending default will impact the school's cohort default rate.

Direct Loan Servicer  
888-877-7658 (can guide you through the process)

National Student Loan Data System (NLSDS)

<https://www.nlsdsfap.ed.gov>. Offers schools the opportunity to request reports in extract or preformatted formats that can be retrieved through the Students Aid Internet Gateway (SAIG) account associated with the NLSDS User Id that requested the report. Listed below are some reports NLSDS offers.

NLSDS Customer Service at (800) 999-8219

Report name	Brief Description of the NLSDS Reports
DRC035	School CDR Rate History Report provides school with a copy of the Loan Record Detail Report that lists students in default/repayment during the cohort period indicated.
SCHER1	Enrollment Reporting Summary Report provides school users with the chronology of enrollment reporting events.
DER001	Date Entered Repayment Report provides school users with a list of student borrowers with loan history who are scheduled to go into repayment during a specified date range.
DRC015 DRC016	School Repayment Information Loan Detail provides school users with the current repayment status of certain borrowers in FFEL/DL loan programs who attended a school during a specific period.
SCH01B	Exit Counseling Report provides school users with exit counseling information on students who attended the requesting school and whose anticipated completion dates fall within a specified date range.
DELQ01	The Delinquent Borrower Report (DELQ01) provides School users a report of borrowers who have been reported as delinquent in making loan payments to one of the federal loan servicers.
SCHPR1	The School Portfolio Report (SCHPR1) provides ED users with information about all Direct Loan and/or FFEL program loans for a specified school.

Additional tools and information may be found in Chapter 3.2 of the Cohort Default Rate Guide, Monitoring Loan Repayment Status Year-Round, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart3.html>.

If you have any questions about this letter that are not answered in the Cohort Default Rate Guide, please contact Operations Performance Division via email at [FSA.Schools.Default.Management@ed.gov](mailto:FSA.Schools.Default.Management@ed.gov) or via phone at (202) 377-4259.

Please be sure to include your Office of Postsecondary Education Identification Number (OPE ID) on all correspondence, as shown on page one of this letter.

Sincerely,

Katrina Turner  
Director  
Operations Performance Management Services  
Business Operations

OPEID: 009618

School Name: Tulsa Welding School  
City and State: Tulsa, OK 74104-3909

The Department's records indicate the following with regard to your school's loan program participation:

CERTIFIED FFEL

CERTIFIED DIRECT LOAN

Based on borrower participation in the FFEL Program and/or Direct Loan Program at your school, here are the FY 2011, FY 2010 and FY 2009 official cohort default rates on record for your school:

Fiscal Year 2011

- (1) Number of borrowers entering repayment: 1866
- (2) Number of borrowers who entered repayment and defaulted: 276
- (3) Official Cohort Default Rate: 14.7%
- (4) Rate Type: DU

Fiscal Year 2010

- (1) Number of borrowers entering repayment: 1716
- (2) Number of borrowers who entered repayment and defaulted: 348
- (3) Official Cohort Default Rate: 20.2%
- (4) Rate Type: DU

Fiscal Year 2009

- (1) Number of borrowers entering repayment: 1334
- (2) Number of borrowers who entered repayment and defaulted: 363
- (3) Official Cohort Default Rate: 27.2%
- (4) Rate Type: DU

The rate type indicates the category of loans that the Department included in your school's cohort default rate:

FL-FFEL Program loans only

DL-Direct Loan Program loans only

DU- both FFEL Program and Direct Loan Program loans

For additional information on the methodology that the Department uses to calculate cohort default rates, please refer to the Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>.

# Tab 13

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## Cohort Graduation Rates

**Tulsa Welding School-Tulsa**

2545 E. 11th Street, Tulsa, Oklahoma 74104-3909

**General information:** (918) 587-6789  
**Website:** [www.weldingschool.com](http://www.weldingschool.com)  
**Type:** 2-year, Private for-profit  
**Awards offered:** Less than one year certificate  
 One but less than two years certificate  
 Associate's degree  
**Campus setting:** City: Large  
**Campus housing:** No  
**Student population:** 989 (all undergraduate)  
**Student-to-faculty ratio:** 30 to 1



IPEDS ID: 207962  
 OPE ID: 00961800

⊕ GENERAL INFORMATION

⊕ TUITION, FEES, AND ESTIMATED STUDENT EXPENSES

⊕ FINANCIAL AID

⊕ NET PRICE

⊕ ENROLLMENT

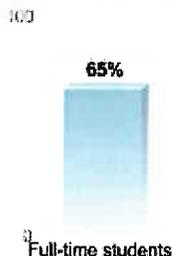
⊕ ADMISSIONS

⊖ RETENTION AND GRADUATION RATES

**FIRST-TO-SECOND YEAR RETENTION RATES**

Retention rates measure the percentage of first-time students who return to the institution to continue their studies the following fall.

**RETENTION RATES FOR FIRST-TIME STUDENTS**



Percentage of Students Who Began Their Studies in Fall 2011 and Returned in Fall 2012

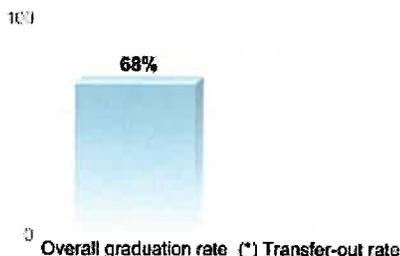
**OVERALL GRADUATION RATE AND TRANSFER-OUT RATE**

The overall graduation rate is also known as the "Student Right to Know" or IPEDS graduation rate. It tracks the progress of students who began their studies as **full-time, first-time degree- or certificate-seeking students** to see if they complete a degree or other award such as a certificate within 150% of "normal time" for completing the program in which they are enrolled.

Some institutions also report a transfer-out rate, which is the percentage of the full-time, first-time students who transferred to another institution.

Note that not all students at the institution are tracked for these rates. Students who have already attended another postsecondary institution, or who began their studies on a part-time basis, are not tracked for this rate.

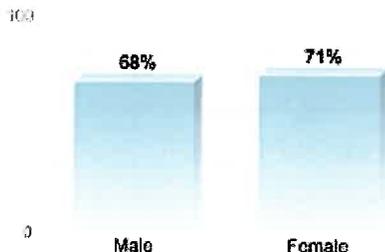
**OVERALL GRADUATION AND TRANSFER-OUT RATES FOR STUDENTS WHO BEGAN THEIR STUDIES IN 2009-10**



Percentage of Full-time, First-Time Students Who Graduated or Transferred Out Within 150% of "Normal Time" to Completion for Their Program

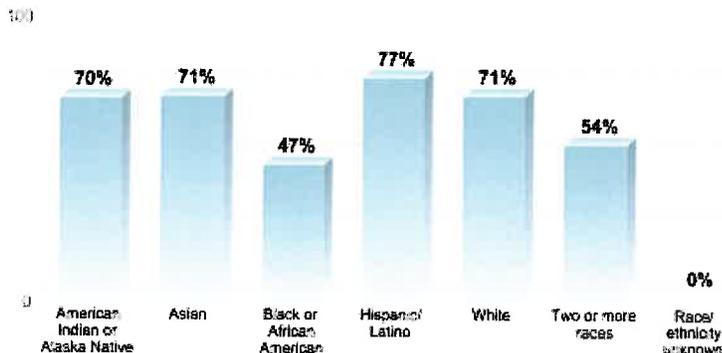
▪ (\*) Not all institutions report transfer-out rates.

**OVERALL GRADUATION RATE BY GENDER**



Percentage of Full-time, First-time Students Who Began Their Studies in 2009-10 and Graduated Within 150% of "Normal Time" to Completion for Their Program

**OVERALL GRADUATION RATE BY RACE/ETHNICITY**

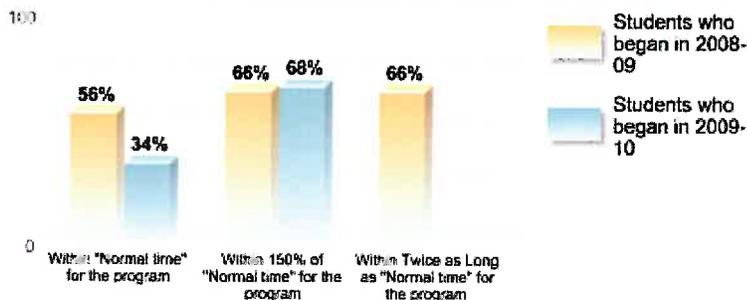


Percentage of Full-time, First-time Students Who Began Their Studies in 2009-10 and Graduated Within 150% of "Normal Time" to Completion for Their Program

**GRADUATION RATES BY TIME TO COMPLETION**

Graduation rates can be measured over different lengths of time. "Normal time" is the typical amount of time it takes full-time students to complete their program. For example, the "normal" amount of time for many associate's degree programs is 2 years. Not all students complete within the normal time, so graduation rates are measured by other lengths of time as well, including "150% of normal time" (e.g., 3 years for a 2-year program) and "200% of normal time," or twice as long as the normal time (e.g., 4 years for a 2-year program).

**GRADUATION RATES FOR STUDENTS WHO BEGAN THEIR PROGRAM IN 2008-09 OR 2009-10, BY TIME TO COMPLETION**



Percentage of Full-time, First-time Students Who Graduated in the Specified Amount of Time

- [PROGRAMS/MAJORS](#)
- [VARSITY ATHLETIC TEAMS](#)
- [ACCREDITATION](#)
- [CAMPUS SECURITY](#)
- [COHORT DEFAULT RATES](#)

**Tulsa Welding School-Tulsa**

2233 East 11th Street, Tulsa, Oklahoma 74104-3909

**General information:** (918) 587-6789  
**Website:** [www.weldingschool.com](http://www.weldingschool.com)  
**Type:** < 2-year, Private for-profit  
**Awards offered:** Less than one year certificate  
**Campus housing:** No



IPEDS ID: 481669  
OPE ID: 00961804

- ⊕ GENERAL INFORMATION
- ⊕ TUITION, FEES, AND ESTIMATED STUDENT EXPENSES
- ⊕ FINANCIAL AID
- ⊕ NET PRICE
- ⊕ ENROLLMENT
- ⊕ ADMISSIONS
- ⊕ RETENTION AND GRADUATION RATES
  - Data not available
- ⊕ PROGRAMS/MAJORS
- ⊕ VARSITY ATHLETIC TEAMS
- ⊕ ACCREDITATION
- ⊕ CAMPUS SECURITY
- ⊕ COHORT DEFAULT RATES

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[College Navigator Home](#) | [College Costs](#) | [Prepare](#) | [Financial Aid](#) | [Careers](#)

**Tulsa Welding School-Jacksonville**

3500 Southside Blvd, Jacksonville, Florida 32216

**General Information:** (877) 935-3529  
**Website:** [www.weldingschool.com](http://www.weldingschool.com)  
**Type:** < 2-year, Private for-profit  
**Awards offered:** Less than one year certificate  
 One but less than two years certificate  
**Campus setting:** City: Large  
**Campus housing:** No  
**Student population:** 634 (all undergraduate)  
**Student-to-faculty ratio:** 30 to 1



IPEDS ID: 442329  
 OPE ID: 00961802

⊕ GENERAL INFORMATION

⊕ TUITION, FEES, AND ESTIMATED STUDENT EXPENSES

⊕ FINANCIAL AID

⊕ NET PRICE

⊕ ENROLLMENT

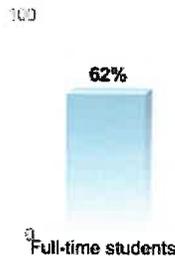
⊕ ADMISSIONS

⊖ RETENTION AND GRADUATION RATES

**FIRST-TO-SECOND YEAR RETENTION RATES**

Retention rates measure the percentage of first-time students who return to the institution to continue their studies the following fall.

**RETENTION RATES FOR FIRST-TIME STUDENTS**



Percentage of Students Who Began Their Studies in Fall 2011 and Returned in Fall 2012

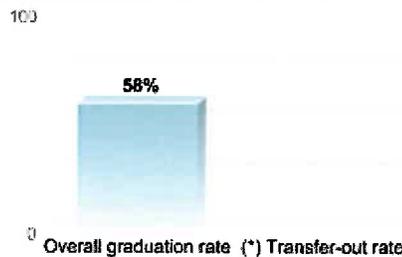
**OVERALL GRADUATION RATE AND TRANSFER-OUT RATE**

The overall graduation rate is also known as the "Student Right to Know" or IPEDS graduation rate. It tracks the progress of students who began their studies as **full-time, first-time degree- or certificate-seeking students** to see if they complete a degree or other award such as a certificate within 150% of "normal time" for completing the program in which they are enrolled.

Some institutions also report a transfer-out rate, which is the percentage of the full-time, first-time students who transferred to another institution.

Note that not all students at the institution are tracked for these rates. Students who have already attended another postsecondary institution, or who began their studies on a part-time basis, are not tracked for this rate.

**OVERALL GRADUATION AND TRANSFER-OUT RATES FOR STUDENTS WHO BEGAN THEIR STUDIES IN 2009-10**



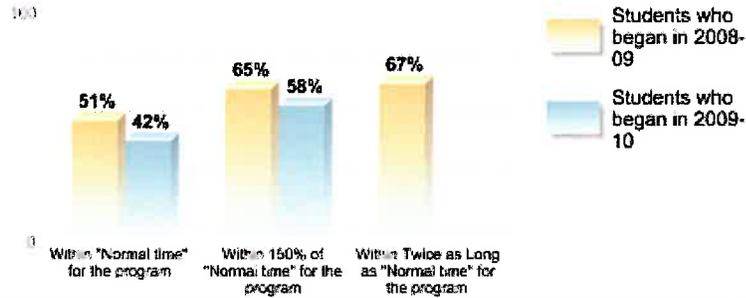
Percentage of Full-time, First-Time Students Who Graduated or Transferred Out Within 150% of "Normal Time" to Completion for Their Program

▪ (\*) Not all institutions report transfer-out rates.

## GRADUATION RATES BY TIME TO COMPLETION

Graduation rates can be measured over different lengths of time. "Normal time" is the typical amount of time it takes full-time students to complete their program. For example, the "normal" amount of time for many associate's degree programs is 2 years. Not all students complete within the normal time, so graduation rates are measured by other lengths of time as well, including "150% of normal time" (e.g., 3 years for a 2-year program) and "200% of normal time," or twice as long as the normal time (e.g., 4 years for a 2-year program).

### GRADUATION RATES FOR STUDENTS WHO BEGAN THEIR PROGRAM IN 2008-09 OR 2009-10, BY TIME TO COMPLETION



Percentage of Full-time, First-time Students Who Graduated in the Specified Amount of Time

- [PROGRAMS/MAJORS](#)
- [VARSITY ATHLETIC TEAMS](#)
- [ACCREDITATION](#)
- [CAMPUS SECURITY](#)
- [COHORT DEFAULT RATES](#)

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[College Navigator Home](#) | [College Costs](#) | [Prepare](#) | [Financial Aid](#) | [Careers](#)

**Tulsa Welding School-Jacksonville**

1750 Southside Boulevard, Jacksonville, Florida 32216-3634

**General information:** (904) 646-9353  
**Website:** [www.weldingschool.com](http://www.weldingschool.com)  
**Type:** < 2-year, Private for-profit  
**Awards offered:** One but less than two years certificate  
**Campus setting:** City: Large  
**Campus housing:** No  
**Student population:** 209 (all undergraduate)  
**Student-to-faculty ratio:** 23 to 1



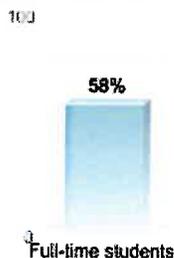
IPEDS ID: 476063  
 OPE ID: 00961803

- ⊕ GENERAL INFORMATION
- ⊕ TUITION, FEES, AND ESTIMATED STUDENT EXPENSES
- ⊕ FINANCIAL AID
- ⊕ NET PRICE
- ⊕ ENROLLMENT
- ⊕ ADMISSIONS
- ⊕ RETENTION AND GRADUATION RATES

**FIRST-TO-SECOND YEAR RETENTION RATES**

Retention rates measure the percentage of first-time students who return to the institution to continue their studies the following fall.

**RETENTION RATES FOR FIRST-TIME STUDENTS**



Percentage of Students Who Began Their Studies in Fall 2011 and Returned in Fall 2012

- This institution was not in operation in 2009—2010, therefore graduation rate information was not reported.

- ⊕ PROGRAMS/MAJORS
- ⊕ VARSITY ATHLETIC TEAMS
- ⊕ ACCREDITATION
- ⊕ CAMPUS SECURITY
- ⊕ COHORT DEFAULT RATES

# Tab 14

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714 Exemption Form



**PART C - PROGRAMS/TUITION/POLICIES**

- 4. Enclose a copy of any catalog, prospectus, brochure or other advertising material intended for distribution in Iowa.

See Tab 2 for our School Catalog and Tab 15 for Advertisements.

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- 5. State the tuition charges, fees and other costs payable to the school by a student. (Attach and tab a copy of a fee schedule produced for distribution to students/applicants.)

See pages 21-22 of the School Catalog in Tab 2.

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- 6. State the refund policy of the school for return of refundable portions of tuition, fees, or other charges. (Attach and tab a copy of a refund policy statement produced for distribution to students/applicants.)

See Enrollment Agreement Amendment in Tab 1 and pages 37-44 of the School Catalog in Tab 2.

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Iowa's Refund Policy is listed on pages 40-41 of the School Catalog.

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**PART D - FINANCIAL SECURITY**

- 7. Attach a copy of a continuous corporate security bond payable to the state of Iowa in the sum of \$50,000 conditioned upon the faithful performance of all contracts and agreements with students. (See instructions for sample bond language.)

See Tab 16 for the Bond (Verification Certificate).

- 8. Attach a copy of the organization's Certificate of Existence or Certificate of Authority, whichever is applicable. See Tab 17 for the Certificate of Authority.

**PART E - SIGNATURE**

**Applicant Organization's Chief Executive Officer**

Mary Kelly

Name

---

President & CEO

Title

---

Signature



Date

4/30/14

---

Generally, this statement must be renewed, at minimum, every 2 years.

Tab 15

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Advertisements

Client           StrataTech 10891  
 TWS Tulsa  
 Title            START WELDING  
 Program        Welding  
 Length         :30  
 Date            10.21.2013  
                   v.2

<p>Video          1 –          Open on a male spokesperson talking into the camera. Behind him we see welding sparks flying.  <b>GOOD-PAYING CAREER WELDING</b>          Tulsa Oklahoma Source: * According to BLS data Tulsa, OK is in the top 10 metropolitan areas with the highest employment levels for welders, cutters, solderers and brazers, by area, May 2012:  <a href="http://www.bls.gov/oes/current/oes514121.htm">http://www.bls.gov/oes/current/oes514121.htm</a>.          Average starting salary for TWS Professional Welder graduates from 7/1/11-6/30/12: \$36,481          Logo, phone number and text lower 3<sup>rd</sup> to CTA.</p>	<p>Audio  <b>SPOKESPERSON (ON-CAMERA):</b>  <b>You're looking for a good-paying career. Stop searching – get started now!</b></p>
<p>2          Spokesperson continues  <b>CALL TWS ONLY 7 MONTHS!</b></p>	<p><b>SPOKESPERSON (ON-CAMERA):</b>  <b>Welders are in demand, and TWS can train you for a lifetime career in just 7 months!</b></p>
<p>3          On-camera Testimonial 1          On-screen text:          NAME/TITLE  <b>Over \$19.50/hr – Tulsa's mean salary for the welding industry.*</b>          *Tulsa's annual mean wage for welders, cutters, solderers and brazers reported by BLS for May 2012 (51-4121).  <a href="http://www.bls.gov/oes/current/oes_46140.htm">http://www.bls.gov/oes/current/oes_46140.htm</a> . Average starting salary for TWS graduates from 7/1/11-6/30/12: \$36,481          TEXT CRAWL ABOVE LOWER 3<sup>RD</sup>:          SCHOLARSHIPS AVAILABLE – CALL NOW...</p>	<p><i>Testimonial 1</i></p> 
<p>4          On-camera Testimonial 2          On-screen text:          NAME/TITLE</p>	<p><i>Testimonial 2</i></p>

<p><b>BE IN HIGH DEMAND</b>  <b>OKLAHOMA HAD OVER 9,660 WELDING INDUSTRY JOBS AVAILABLE FOR IN 2012*</b>  Oklahoma Source: *According to BLS data Oklahoma is in the top 5 states with the highest concentration of jobs for welders, cutters, solderers and brazers.  <b>TEXT CRAWL ABOVE LOWER 3<sup>RD</sup>: SCHOLARSHIPS AVAILABLE – CALL NOW...</b></p>	
<p>5  On-camera Testimonial 2  On-screen text:  <b>NAME/TITLE</b>  <b>GED TUTORING AVAILABLE*</b>  <b>CALL FOR INFORMATION</b>  GED Source (small font): *The GED Preparation Course does not fall under the purview of the standards of accreditation and is not licensed by any Federal, State or local agency. This includes the Oklahoma Board of Private Vocational Schools. <b>TEXT CRAWL ABOVE LOWER 3<sup>RD</sup>: SCHOLARSHIPS AVAILABLE – CALL NOW...</b></p>	<p><i>Testimonial 3</i></p>
<p>6  <b>PICK UP THE TORCH</b>  <b>CLASSES START SOON!</b>  <b>FINANCIAL AID FOR THOSE WHO QUALIFY</b></p>	<p><b>SPOKESPERSON (ON-CAMERA):</b>  <b>Pick up the phone - then pick up the torch. Call now!</b></p>
<p>7  <b>ENDSCREEN</b>  Logo - Phone # - TEXT #Web address - Street address   Accredited School, ACCSC. Licensed by OBPVS and ASBPCE. Accredited in Indiana by the SWIC (AC-0290). Approved by TWC. Licensed by the Mississippi Commission on Proprietary School and College Registration, License No. C-668. GI Bill Eligible (check with local campus for specific eligibility). For more information about our graduation rates, the median debt of students who complete our programs, and other important information, please visit our website at:  <a href="http://www.weldingschool.com/GEdisclosure..">http://www.weldingschool.com/GEdisclosure..</a></p>	<p>VO:  <b>Call 866.541.7943. That's 866.541.7943 (cable : text word TWS)</b></p>



Direct Response  
Advertising & Marketing

### KELLY/BRADY ADVERTISING

**“Work Hard” WELD :30**  
5/6/09 DE  
TWS National (Tulsa and Jacksonville)  
Approval Code:

Video	Audio
B-roll footage from shoot.  *Sourcing: <a href="http://www.bloomberg.com/news/2012-10-09/caterpillar-s-worker-hunt-means-welders-top-banking-pay.html">http://www.bloomberg.com/news/2012-10-09/caterpillar-s-worker-hunt-means-welders-top-banking-pay.html</a>	<b>Strong male anncr. v/o:</b> Welders are in-demand* right NOW, across the country...  3.5
B-roll footage from shoot. Super: Financial aid available to those who qualify	So there’s no better time than RIGHT NOW to call Tulsa Welding School to get your start in welding.  6
B-roll footage from shoot. *Sourcing: <a href="http://www.bloomberg.com/news/2012-10-09/caterpillar-s-worker-hunt-means-welders-top-banking-pay.html">http://www.bloomberg.com/news/2012-10-09/caterpillar-s-worker-hunt-means-welders-top-banking-pay.html</a>	Welding is a hands-on trade, one that allows you to travel the world, making good money!  5
B-roll footage from shoot.	If you’re willing to work hard...and aren’t afraid to get dirty...  3
B-roll footage from shoot. Text on screen: In less than a year... be the one in-demand	...then call Tulsa Welding School right now, and in less than a year, you could be the one in-demand.  5
Transition to end tag <b>National ET:</b> Accredited School, ACCSC. TWS-Jacksonville is a branch campus of Tulsa Welding School, located at 2545 E. 11th St., Tulsa, OK 74104. Tulsa, OK campus is licensed by OBPVS. Jacksonville, FL campus is licensed by the Florida	<b>Announcer v/o:</b> For a brochure, call 1-888-123-4567, that’s 1-888-123-4567, call now!

9921 N. Nevada, Ste. 200 | Spokane, WA | 99218 • Ph: 509.323.9666 • Fax: 509.232.1211

<p>Commission for Independent Education, License No. 2331. Accredited in Indiana by the SWIC. GI Bill Eligible (check with local campus for specific eligibility). For more information about our graduation rates, the median debt of students who complete our programs, and other important information, please visit our website at: <a href="http://www.weldingschool.com/GEdisclosure">http://www.weldingschool.com/GEdisclosure</a>.</p>	
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The script and the general concept of this commercial are owned by Kelly/Brady Advertising until payment from client is received. If the client elects not to hire Kelly/Brady to produce this commercial, the script and the concept are owned by Kelly/Brady Advertising.

Client           StrataTech 10891  
 TWS TULSA  
 Title            GET TRAINED  
 Program        Welding  
 Length         :30  
 Date            10.21.2013  
                   v.2

Video	Audio
<p>1 –            Open on eye-catching welding footage with motion graphics composited in the footage:  <b>WELDING            THE RIGHT TRAINING</b>            Tulsa Oklahoma Source: * According to BLS data Tulsa, OK is in the top 10 metropolitan areas with the highest employment levels for welders, cutters, solderers and brazers, by area, May 2012:  <a href="http://www.bls.gov/oes/current/oes514121.htm">http://www.bls.gov/oes/current/oes514121.htm</a>.            Average starting salary for TWS Professional Welder graduates from 7/1/11-6/30/12: \$36,481            Logo, phone number and text lower 3<sup>rd</sup> to CTA</p>	<p><b>Narrator (VO):</b>  <b>What does it take to get a career in the in-demand field of welding?            The right training.</b></p>
<p>2            Continue footage and graphics:  <b>GET TRAINED.            GET TO WORK            START NOW!</b></p>	<p><b>Narrator (VO):</b>  <b>And you can get it right here – at TWS!</b></p>
<p>3            On-camera Testimonial 1            On-screen text:            NAME/TITLE    <b>BE IN HIGH DEMAND            OKLAHOMA HAD OVER 9,660 WELDING INDUSTRY JOBS AVAILABLE IN 2012*</b>            Oklahoma Source: *According to BLS data Oklahoma is in the top 5 states with the highest concentration of jobs for welders, cutters, solderers and brazers.            TEXT CRAWL ABOVE LOWER            3<sup>RD</sup>: SCHOLARSHIPS            AVAILABLE – CALL NOW...</p>	<p><i>Testimonial 1</i></p>
<p>4            On-camera Testimonial 2            On-screen text:            NAME/TITLE</p>	<p><i>Testimonial 2</i></p>

<p><b>Over \$19.50/hr – Tulsa’s mean salary for the welding industry.*</b>          *Tulsa’s annual mean wage for welders, cutters, solderers and brazers reported by BLS for May 2012 (51-4121).  <a href="http://www.bls.gov/oes/current/oes_46140.htm">http://www.bls.gov/oes/current/oes_46140.htm</a> . Average starting salary for TWS graduates from 7/1/11-6/30/12: \$36,481          TEXT CRAWL ABOVE LOWER 3<sup>RD</sup>:          SCHOLARSHIPS AVAILABLE – CALL NOW...</p>	
<p>5          On-camera Testimonial 2          On-screen text:          NAME/TITLE  <b>GED TUTORING AVAILABLE*</b>  <b>CALL FOR INFORMATION</b>          GED Source (small font): <i>**The GED Preparation Course does not fall under the purview of the standards of accreditation and is not licensed by any Federal, State or local agency. This includes the Oklahoma Board of Private Vocational Schools.</i> TEXT CRAWL ABOVE          LOWER 3<sup>RD</sup>: SCHOLARSHIPS          AVAILABLE – CALL NOW...</p>	<p><i>Testimonial 3</i></p>
<p>6  <b>ONLY 7 MONTHS!</b>  <b>START WELDING!</b>  <b>CLASSES START SOON!</b>  <b>FINANCIAL AID FOR THOSE WHO QUALIFY</b></p>	<p><b>Narrator (VO):</b>  <b>In 7 months you could be ready to weld! Call now!</b></p>
<p>7          ENDSCREEN          Logo - Phone # - TEXT #Web address - Street address</p> <p>Accredited School, ACCSC. Licensed by OBPVS and ASBPCE. Accredited in Indiana by the SWIC (AC-0290). Approved by TWC. Licensed by the Mississippi Commission on Proprietary School and College Registration, License No. C-668. GI Bill Eligible (check with local campus for specific eligibility). For more information about our graduation rates, the median debt of students who complete our programs, and other important information, please visit our website at:  <a href="http://www.weldingschool.com/GEdisclosure..">http://www.weldingschool.com/GEdisclosure..</a></p>	<p><b>VO:</b>  <b>Call now! 866.541.7943. That’s 866.541.7943 (cable : text word TWS)</b></p>



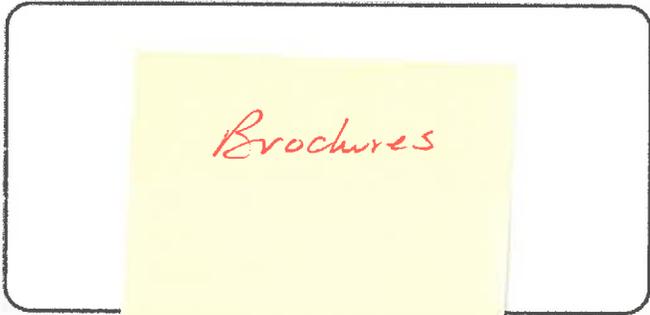
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new career in as  
little as 6 1/2 months!**

**Professional Welder  
Pipefitting  
Associate of Occupational Studies  
Welding Technology**



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+Tulsa's annual mean wage for welders, cutters, solderers and brazers reported by BLS for May 2012. <http://www.bls.gov/oes/current/oes51425.htm>



**\$40,650**  
Tulsa's mean salary for  
the welding industry.

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**Contact us TODAY  
to help you get started.  
(877) 788-9697**

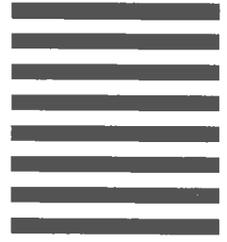
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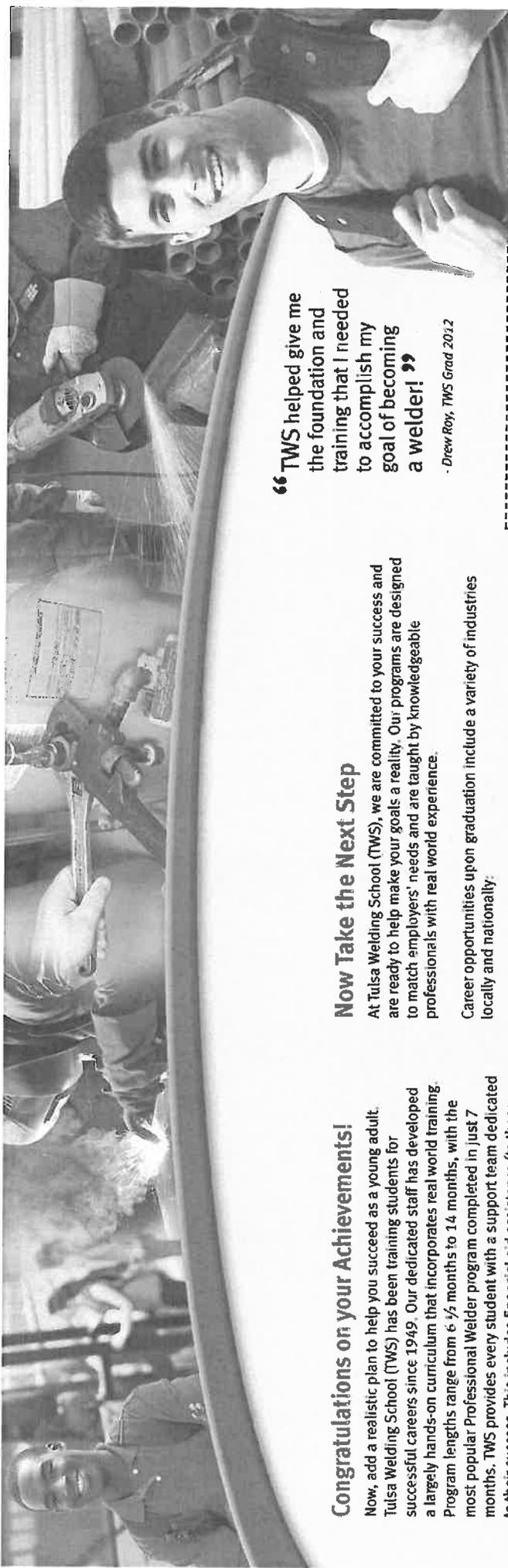
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**“TWS helped give me the foundation and training that I needed to accomplish my goal of becoming a welder!”**

*- Drew Roy, TWS Grad 2012*

### Congratulations on your Achievements!

Now, add a realistic plan to help you succeed as a young adult. Tulsa Welding School (TWS) has been training students for successful careers since 1949. Our dedicated staff has developed a largely hands-on curriculum that incorporates real world training. Program lengths range from 6 ½ months to 14 months, with the most popular Professional Welder program completed in just 7 months. TWS provides every student with a support team dedicated to their success. This includes financial aid assistance (to those who qualify), housing support, temporary job assistance, and career services assistance.

### Professional Welder – 7 months

- Prepare for entry-level positions in structural, pipe, thin alloy and/or pipeline welding.
- Includes SMAW, MIG, TIG, high frequency TIG, and Fluxcore welding processes.

### Pipefitting – 6 ½ months

- Prepare to work with various types of pipes, pipe systems installation, plumbing fixtures and more.
- Comprehensive training that covers blueprint reading, mathematics, safety and plumbing codes and standards.

### Associate of Occupational Studies in Welding Technology

- First 7 months includes the Professional Welder program.
- Learn more in-depth studies such as Nondestructive Testing Techniques, metallurgy, codes, welding quality control and assurance.

### Now Take the Next Step

At Tulsa Welding School (TWS), we are committed to your success and are ready to help make your goals a reality. Our programs are designed to match employers' needs and are taught by knowledgeable professionals with real world experience.

Career opportunities upon graduation include a variety of industries locally and nationally:

- Aerospace/Aviation
- Auto Manufacturing
- Heavy Machinery Fabrication
- Oil and Gas Pipeline Welding
- Pipefitting
- Pipelaying
- Plumbing
- Residential Construction
- And More!

### Experience the TWS Difference

Let Tulsa Welding School's network of support systems help you learn and achieve your goals.

- Military - GI Bill and MyCAA programs available for eligible Veterans, Active Duty and Dependents. Military tuition pricing is available to eligible military members including Active Duty, Reserves and National Guard members; veterans, active duty spouses and dependent children; military retirees; and honorably discharged veterans. (Check with local campus for eligibility.)
- Financial Aid Assistance available to those who qualify.
- Career Services and Support available.
- Housing assistance.
- Morning, Afternoon and Evening classes available.
- Scholarships available to those who qualify.

Call today or visit us online!

**(877)788-9697**

[www.weldingschool.com](http://www.weldingschool.com)



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**YES! Send Me Information On How I Can Prepare QUICKLY & EFFECTIVELY For A Better Future. I'm Interested In:**

- Aerospace/Aviation
- Auto Manufacturing
- Heavy Machinery Fabrication
- Oil and Gas Pipeline Welding
- Pipefitting
- Pipelaying
- Plumbing
- Residential Construction

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Daytime Phone ( ) \_\_\_\_\_ Evening Phone ( ) \_\_\_\_\_

Email Address \_\_\_\_\_

Year of HS Graduation \_\_\_\_\_

Name \_\_\_\_\_

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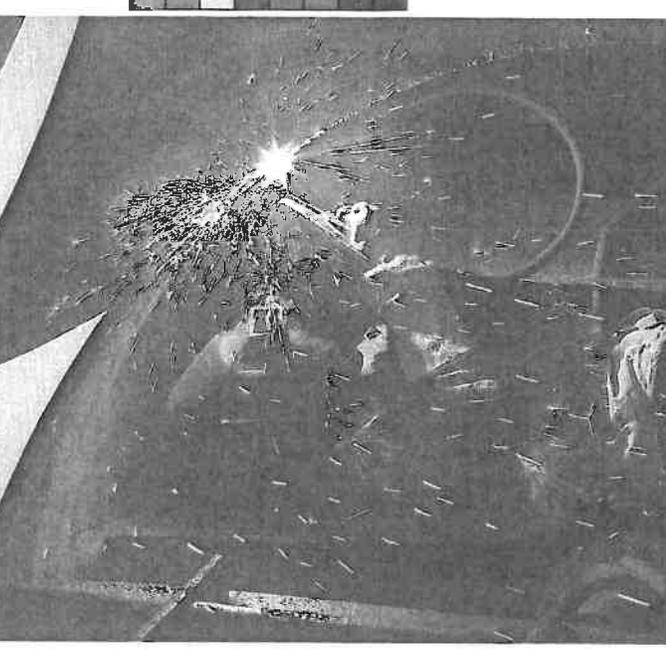


**Where do you  
want to be  
this time next year?  
Make it possible  
with TWS!  
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WeldingSchool.com**



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IN AS LITTLE AS 6 1/2 MONTHS**



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## See yourself on the way to success

- We help you navigate qualifications for grants, scholarships, loans and payment plans. Financial Aid available to those who qualify
- Benefit from Career Services. Our team helps you prepare your resume, get ready for interviews and conduct your search with local and national employers.

- 6 1/2 Months — Pipefitting  
Train to keep water, gas, air, oil and other materials moving through pipes swiftly and safely.
- 7 Months — Professional Welder  
Prepare for work wherever metal needs adhering, from auto shops and airplanes to shipyards and skyscrapers. (AOS in welding technologies program.)
- 15 months - Associate of Occupational Studies  
Take your welding career to the next level by continuing your Professional Welding Program with more in-depth training.



**YES, TELL ME MORE ABOUT TWS. I'M INTERESTED IN:**

- WELDING    PIPEFITTING
- I'D ALSO LIKE DETAILS ON:**
- DAY CLASSES    FINANCIAL AID
- EVENING CLASSES    CAREER SERVICES
- OTHER: \_\_\_\_\_

**MY INFORMATION:**

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

PHONE \_\_\_\_\_ CELL \_\_\_\_\_ HOME \_\_\_\_\_

HIGH SCHOOL \_\_\_\_\_

GRADUATION YEAR \_\_\_\_\_

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TRAIN FOR A CAREER IN

# WELDING

**Over \$19.50/hr**  
Tulsa's mean hourly wage for the welding industry.\*

IN JUST 7 MONTHS

**TULSA  
WELDING  
SCHOOL**  
"A Smart Investment"

Flyers

- Build valuable skills in SMAW, MIG, TIG, high frequency TIG and flux core welding.
- Learn by doing. Spend just one day a week in class and four in interactive workshops.
- Get hands-on training at our Tulsa, Oklahoma campus—and get ready to enter this growing market in just 7 months.

## Program Benefits:

**Solid preparation** Courses focus on structural welding, flux core welding, and pipe welding as well as career success skills. Train for work wherever metal needs adhering; in the automotive, aerospace and aviation industries; on bridges and bikes; and at shipyards, shops and skyscrapers.

**Value** Tuition covers books, parking and materials. Learn on industry-standard equipment. Our Tulsa campus features more than 190 booths, each equipped with a multi-process welding machine.

**Flexible skills** Learn to read blueprints, calculate dimensions and complete layouts. Perform plasma and carbon arc cutting, plate welding, and pipe and pipeline welding. Prepare for employer weld tests in your chosen specialty.

## Experience the TWS Difference

Tulsa Welding School has been training students for successful careers since 1949. We know what works: hands-on education, industry-experienced instructors, current machines, even graduate refresher courses. Financial aid is available for those who qualify. Ask about GI Bill and MyCAA programs, and housing assistance. Come see what you can learn!

**Employer demand** Employment for welders is expected to grow **15% through 2020**.\*\* Train for opportunities wherever life takes you:

- Structural Welding
- Pipe Welding
- Aircraft Welding
- Thin Alloy Welding
- Pipeline Welding

\*Tulsa's annual mean hourly wage for welders, cutters, solderers and brazers reported by BLS for May 2012 (51-4121) [http://www.bls.gov/oes/current/oes\\_46140.htm](http://www.bls.gov/oes/current/oes_46140.htm). Average starting salary for TWS graduates from 7/1/11-6/30/12: \$36,881

\*\*<http://www.bls.gov/osh/production/welders-cutters-solderers-and-brazers.htm>

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TRAIN FOR A CAREER IN

\$33,530\*

Annual mean wage in Oklahoma for pipefitters.\*

# PIPEFITTING

IN JUST 6 1/2 MONTHS

**TULSA  
WELDING  
SCHOOL**  
"A Smart Investment"

- Build valuable skills in laying out, assembling and installing piping systems to transfer fluids, solids and gases.
- Prepare for a career in new construction, repair, modernization or maintenance.
- Learn by doing—spend the majority of class time in the shop at our Tulsa, Oklahoma campus—and get ready to enter this growing market in just 6 1/2 months.

## Experience the TWS Difference

Tulsa Welding School has been training students for successful careers since 1949. We know what works: hands-on education, industry-experienced instructors, modern machines, and graduate refresher courses. Financial aid is available for those who qualify. Ask about housing assistance and our GI Bill and MyCAA programs. Come see what you can learn!

## Program Benefits:

**Solid preparation** Your program is based on the National Center for Construction Education and Research's (NCCER) nationally recognized curriculum and training process. Graduates are entered into the NCCER's national database for employer review.

**Value** Our 6 1/2 month program will give you the training you'd expect from a four-year apprenticeship. Tuition covers books, parking and materials. Learn on industry-standard equipment from instructors with at least 20 years of field experience.

**Flexible skills** Gain hands-on experience in virtually all aspects of pipefitting, including more than 40 tasks you'll encounter in the field. Study topics such as construction math, drawing interpretation and design, piping systems layout, and advanced pipe fabrication techniques.

**Employer demand** Employment for pipefitters is **expected to grow 21%** from 2012-2022.\*\* Train for opportunities wherever life takes you:

- Pipefitter
- Pipelayer
- Plumber
- Boilermaker
- Steamfitter

Call today or visit online!

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\*Oklahoma annual mean wage for pipefitters reported by U.S. Department of Labor, Bureau of Labor Statistics for May 2012 at <http://www.bls.gov/oes/current/oes472152.htm#ok>

\*\*Source: U.S. Department of Labor, Bureau of Labor Statistics at <http://www.bls.gov/osh/Construction-and-Extraction/Plumber-pipefitters-and-steamfitters.htm>

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STEG-01-360

# Training in Pipefitting!

In just **6<sup>1/2</sup>** months learn

- Blueprint reading
- Pipe systems
- Plumbing fixtures
- And more!

New Program



Click here to get started 



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Tulsa, OK 74104



# Train for a career in Pipefitting!

In just **6<sup>1/2</sup>** months

Be ready for an entry level career in new construction, repair, modernization or maintenance.

Click here to get started 



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Tulsa, OK 74104



In as little as

**7** months to a new

Develop welding skills with hands on training!



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Tulsa, OK 74104-3309



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Jacksonville, FL 32216

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*Digital*

Train to become a  
**Welder**

in as little as  
**7 months!**

Learn the skills  
needed to start  
a new future!

Don't delay,  
Click here to  
get started



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Jacksonville, FL 32216

Training in  
**Pipefitting!**

In just  
**6 1/2 months** learn

- Blueprint reading
- Pipe systems
- Plumbing fixtures
- And more!

Click here  
to get started!



2545 E. 11th Street, Tulsa, OK 74104



2545 E. 11th Street  
Tulsa, OK 74104

In as little as **6 1/2 months**  
train in Pipefitting to become a qualified plumber.

Click here to get started



In as little as **7 months**,  
train to become a **Welder!**  
Learn the skills needed to start a new future!  
Don't delay, Click here to get started



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Tulsa, OK 74104



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Jacksonville, FL 32216

In as little as  
to a new **7 months**  
**career!**

Develop welding skills with hands on training!

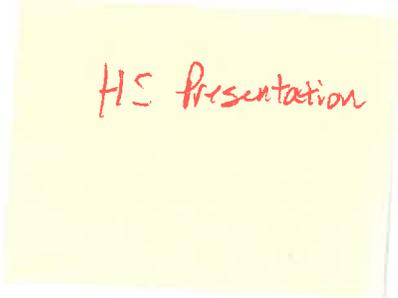
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Visuals	Audio
TWS logo TEXT: The Road to Success	
Intro Video	(Music only)
TWS logo TEXT: Rep Name and Contact Info  	REP: Good morning. I would like to thank (instructor name) for allowing me to speak to you about your future career. My name is (Representative name) and I am the (territory) representative for Tulsa Welding School which is located in Tulsa, Oklahoma (use a local reference point). We are right down the street from the University of Tulsa Campus, just east of Downtown.  I travel all over (territory) and visit about 100-120 schools during the school year and from those visits we will have approximately 300-400 students express an interest in our school. I will visit those students and their family about the school to see if the student is a good fit for us and if we are a good fit for them.  I understand that not every student in this room is interested in welding for a career. Even if you are not interested in welding for a career, I have some good information for you about how to make a plan for your future and how to carry out that plan.
Photo of students	REP: You guys are just coming back from summer break. You've spent your days hanging out with your friends, going to the movies, fishing, and having a great time.
Photo of students with teacher	REP: Now that you are back in school, it is time for you to get serious about thinking about a career path and making plans for that path. How many seniors (raise your hand) do we have in this classroom, juniors, underclassmen, ok, thank you. (Ask what are students' plans after High School: College, No College, Military, no Plans.)
Photo of a graduation	REP:

	Graduation is just around the corner.
Photo of student at fork in road	REP: And then you need to decide where you are going next. What path will you take on the road to success?
Photo of person on peak	REP: First, let's talk about success. What is it? How do you measure success?
Photo of house	REP: Maybe it is having a nice house.
Photo of Car	REP: Or a nice car.
Photo of smiling workers	REP: How about finding a job that you enjoy?  (Discuss tangible aspects of success such as the intangible aspects of loving what you do. Career vs Job. Doing what you were trained to do versus those with degrees who are not using them.)
Graph of income differences  TEXT: *Based on avg. \$29,950 annual earnings of high school graduates according to the U.S. Department of Education: ( <a href="http://nces.ed.gov/fastfacts/display.asp?id=77">http://nces.ed.gov/fastfacts/display.asp?id=77</a> ) and the average starting salary for Professional Welder Graduates from our 2011-2012 Annual Report	(Discuss Benefits of Being a Skilled Worker)  REP: This chart illustrates how education can affect your income. The bar in the middle represents you, a high school graduate. Already you are at an advantage. Someone without a HS Diploma makes 24% less than a HS Grad.  But look what happens if you take your education further. The average grad from our Professional Welder program makes 22% more than a HS grad. Having a skill pays!  But what skill? It doesn't help you to get a skill if there aren't any jobs in that field. Let's look at some programs we offer at TWS.
Photos representing program at TWS  TEXT: Professional Welder Pipefitting  Job Growth statistics available at: <a href="http://www.bls.gov/emp/ep_table_102">http://www.bls.gov/emp/ep_table_102</a> .	(Discuss Programs/Growth Industries)  REP: According to the US Bureau of Labor Statistics, these jobs are expected to see growth in the next 10 years.  Welding: <b>2010-2020: 15% change, 50,700</b>

htm	<p><b>jobs</b>  <b>Pipefitting: 2010-2020: over 25% change, 107,600 jobs</b></p> <p>Let me tell a little bit about these fields and how we can help you get into them.</p>
<p>Photo of welder</p> <p>TEXT:  Professional Welder</p>	
<p>Photo of blacksmiths</p>	<p>REP:  The first welders were actually blacksmiths. They pounded the heated metal until bonding occurred. We've come a long way since then.</p> <p>(A Victorian Blacksmith's Shop. Source <a href="http://www.victorianweb.org/history/work/blacksmith.html">www.victorianweb.org/history/work/blacksmith.html</a>)</p>
<p>Photo of women welding in the 1940s</p>	<p>REP:  The invention of gas and electric welding dramatically changed the industry and WWI &amp; WWII increased the demand to improve the technology. Here are some women learning to gas weld for the war effort.</p> <p>(Source:<a href="http://www.archives.gov/research/military/ww2/photos/">http://www.archives.gov/research/military/ww2/photos/</a>)</p>
<p>Photo of welder</p>	<p>REP:  Now welding is practically everywhere. From bridges and buildings...</p>
<p>Photo of tanker under construction</p> <p>TEXT:  Over \$19.50/hr  Tulsa's mean hourly wage for the welding industry*</p> <p>*Tulsa's annual mean wage for welders, cutters, solderers and brazers reported by BLS for May 2012 (51-4121).  <a href="http://www.bls.gov/oes/current/oes_46140.htm">http://www.bls.gov/oes/current/oes_46140.htm</a> . Average starting salary for TWS graduates from 7/1/11-6/30/12: \$36,481</p>	<p>REP:  ...to giant tankers.</p> <p>The demand for welders is increasing.</p> <p>Over \$19.50/hr  Tulsa's mean hourly wage for the welding industry*</p>
<p>VIDEO</p>	<p>NARRATOR:</p>

<p>TEXT: Professional Welder</p>	<p>Hands on training begins on day two of the Professional Welder program and most of the classroom experience is through interactive workshops. In fact 80% of the education is through hands-on instruction with only 1 day a week in the classroom.</p>
<p>TEXT: Anthony Raymond Graduate</p>	<p>TESTIMONIAL: Well I'm I love hands on you what I'm saying. I'm definitely not a book person and books are for some people but I learn very good with my hands so that's what made it a perfect fit for me.</p>
	<p>NARRATOR: You'll learn first hand, real word welding techniques from instructors with over 100 years of combined experience. You'll be trained on structural welding, fluxcore welding, pipe welding along with instruction focused on career preparation.</p>
<p>TEXT: Don Ruzicka Tulsa's Green Country Staffing</p>	<p>TESTIMONIAL: I think just the quality of the people that are coming out of here is really what we're seeing. That they actually know how to do this stuff. You know here there are ten different stages of welding that they put 'em through. That helps us tremendously.</p>
	<p>NARRATOR: We cover all the major welding processes as well as specific areas of training in pipe welding, TIG welding on pipe and stainless and aluminum welding that other schools may not offer.</p> <p>The program can be completed in as few as 7 months and with a low student to teacher ratio you'll benefit from more specialized instruction time.</p>
<p>TEXT: Jacob Crosby Graduate</p>	<p>TESTIMONIAL: My favorite part about coming here is this job it can be used anywhere. Really. I had always kind of liked welding but like anywhere in the world really is somebody needs something welded. Something done. Even if it's like minute welding. It needs to be done so that's what I really, really enjoyed about this school and they teach you pretty much everything that</p>

	<p>you need to know to just like get out there and start working.</p> <p><b>NARRATOR:</b>  Professional welders are in demand and can work almost everywhere. Automotive, aerospace &amp; aviation industries; bridges &amp; bikes; shipyards, shops &amp; skyscrapers – wherever metal needs adhering, a welder is needed. It's a training program that teaches you skills that can be used worldwide, so almost anywhere you want to go, your welding training can take you there.</p>
<p>Photo: Pipe Welder</p> <p>TEXT: Pipefitting</p>	
<p>Photo of pipefitters from 1920a</p>	<p><b>REP:</b>  Early pipefitters and plumbers were mainly concerned with moving water but during the construction boom of the 1880s, the demand grew due to the need for steam and gas piping.</p> <p>(Steamfitters pose with piles of pipe they will cut on the job, circa 1920s Enterprise Association of Steamfitters Local 638  Source:  <a href="http://www.laborarts.org/exhibits/buildingtrade/s/detail.cfm?id=8">http://www.laborarts.org/exhibits/buildingtrade/s/detail.cfm?id=8</a>)</p>
<p>Photo of Tennessee Valley Authority project</p> <p>source:  <a href="http://www.loc.gov/pictures/item/oem2002005140/PP/">http://www.loc.gov/pictures/item/oem2002005140/PP/</a></p>	<p><b>REP:</b>  As the population increased, so did the need for pipefitters.</p> <p>(1942: Tennessee Valley Authority power and conservation. Fort Loudoun Dam construction. Pipe fitters lay a new line at Fort Loudoun Dam, furthest upstream of the TVA's main Tennessee River projects.)</p>
<p>Photo of industrial plants</p> <p>Source:  <a href="http://www.shutterstock.com/pic-153302945/stock-photo-oil-refinery-at-dramatic-twilight.html?src=lb-21359777">http://www.shutterstock.com/pic-153302945/stock-photo-oil-refinery-at-dramatic-twilight.html?src=lb-21359777</a></p>	<p><b>REP:</b>  Pipefitters lay out, assemble, fabricate, maintain and repair piping systems which carry water, steam, chemicals or fuel used in heating, cooling, lubricating and other processes.</p>

<p>TEXT: Over \$18.76/hr Oklahoma's mean salary for the Plumbing, Pipefitting and Steamfitting industry.*</p> <p>*Tulsa's annual mean wage for plumbers, pipefitters, and steamfitters reported by BLS for May 2012 (47- 2152). <a href="http://www.bls.gov/oes/current/oes_ok.htm#51-0000">http://www.bls.gov/oes/current/oes_ok. htm#51-0000</a>. Average starting salary for TWS graduates not yet reported</p>	
<p>VIDEO</p> <p>TEXT: Pipefitting</p>	<p>NARRATOR: So many different things move through pipes – water, gas, air, and oil – and people trained in pipefitting are needed to keep those things moving swiftly and safely. Pipefitting is the act of laying out, assembling and installing piping systems involved in the transfer of various fluids, solids or gases.</p>
<p>TEXT: Jayme Cole Graduate</p>	<p>TESTIMONIAL: I knew getting close to graduation that that being in Tulsa Welding School's pipefitting program that I was going into a field that was highly needed. You see a lot of the news where you see the oil and gas industry just, for the lack of a better term, exploding. I knew I had a job. You know whether I could travel or even local, you knew you had a job.</p>
	<p>NARRATOR: Pipefitters work on layout, assembly and installation of piping systems and related equipment. In as little as 27 weeks students in the pipefitting program can receive their diploma.</p> <p>Pipefitters are expected to have a wide variety of duties and responsibilities and the comprehensive training you'll receive at TWS will help prepare you for employment in this diverse field.</p>
<p>TEXT: Kristine Ritter</p>	<p>TESTIMONIAL: The instructors are great. I mean they'll</p>

Graduate	<p>actually get in the booth and just show you what you're doing wrong if you need help with that 'cause with me I, I get frustrated easily. So I mean these guys are patient I mean if you want to get into a field and you need teachers to be patient with you, these guys are great 'cause every time I would screw up something they were there you know they'd literally go in there and help me in there and get the welds right and everything and they'd show me what I was doing wrong and I mean they're just a great group, group of people.</p>
	<p><b>NARRATOR:</b>  You'll learn how to work with various types of pipes, pipe systems installation, plumbing related fixtures and more. Upon graduation, you'll be trained and equipped with practical hands-on skills and techniques essential to start working in the industry.</p>
<p><b>TEXT:</b>  Gerald Guthrie  Austal</p>	<p><b>TESTIMONIAL:</b>  The demand in this area is growing for quality pipe and structural welders to where TWS is is doing what they can to produce the best people that they can.</p>
	<p><b>NARRATOR:</b>  All of the pipefitting instructors are experienced in the pipefitting trade and graduates in good standing can expect a lifetime commitment of resources available to ensure their success.</p>
<p>Photo of smiling workers</p> <p><b>TEXT:</b>  Finish in 6 ½ - 7 months</p>	<p><b>REP:</b>  Our short program completion times allow you to start working earlier.</p> <p>(Discuss benefits of career training and how they can begin earning potential sooner and why that is important.)</p>
VIDEO	<p><b>NARRATOR:</b>  Tulsa Welding School was founded in 1949 by</p>

	<p>two pipeline welders who recognized a strong demand for skilled tradesmen in their industry. Over 60 years later, Tulsa Welding School has evolved into an educational institution that prepares students for various skilled trade careers with many specialties and applications. We train our graduates for the skills, knowledge, and workplace attitudes that are essential when entering the professional world.</p>
<p>TEXT: Mark Waterman American Residential Services</p>	<p>TESTIMONIAL: What has actually attracted us to TWS and their graduates is the not only the books that they have have taught the classes but actually the hands on. All schools are teaching books but TWS is big on their hands-on and they have actually done I would say beyond what other schools are doing. I've been to lots of them but TWS as far as knowledge coming out of school has been by far the best.</p>
	<p>NARRATOR: With a focus on hands-on learning, our students train with industry experienced instructors in a real world environment.</p>
<p>TEXT: Jess Guthrie Abundant Solutions</p>	<p>TESTIMONIAL: The specific things that attracts Abundant Solutions to work with TWS is the graduates that are coming out of school their skill level, their work ethic and also their – the fact when they graduate Tulsa Welding School they have the again the skill to be able to go to a manufacturing company and work.</p>
<p>TEXT: Financial Aid Housing Assistance Student Employment</p>	<p>NARRATOR: We're proud of the strong partnership between our staff and students. We know adjusting to a new environment can be difficult, so we build a bridge for our students by providing ongoing support and guidance. Our team provides a host of student services including financial aid for those who qualify, housing assistance and help finding a temporary job while in school.</p>
<p>TEXT: Recent Employers TEXT: Ameri-Force</p>	<p>NARRATOR: Employment assistance is another service Tulsa Welding School offers its graduates. Our dedicated Career Service professionals will</p>

<p>Aerotex  BAE Systems  Consolidated Fabrication &amp; Constructors  Eastern Ship Building  Foster Wheeler Constructors Inc.  Huntington Ingalls Industries  JCB Inc. of Georgia  Nassal  North Florida Shipyards  Qualex Manufacturing LLC  Ring Power  Tradesmen International  Trailer Bridge  Whertec  Zachry Industrial Inc.</p>	<p>help you with resume and interview preparation as well as assist you in your employment search with current job opportunities in local and nationwide markets.</p>
<p>TEXT:  John Latimer  Graduate</p>	<p>TESTIMONIAL:  It took me no time to get a job after graduation. You know I had graduated on a Friday and started my job Monday. I had actually had my job lined up six weeks, you know, before graduating so it was just a matter of receiving a diploma on Friday and waking up Monday, you know, ready for work.</p>
<p>GRAPHIC:  TWS logo</p>	<p>NARRATOR:  Investing in your future is important, more now than ever before. Learning a specialized skill is a smart choice without a doubt. With flexible class schedules and program offerings you can complete in 6 and a half to 7 months you'll be on your way to a fulfilling and exciting career in less than a year.</p> <p>If you love working with your hands, would rather learn by doing in a real world environment instead of a classroom and are looking for a rewarding career you can be proud of then the smart investment in your future is Tulsa Welding School.</p>
<p>Employer logos</p>	<p>REP:  Discuss TWS's placement rate (80% for Welding), relationship with industry and importance of alumni who have paved the way.</p>
<p>Example lead card</p>	<p>REP:  Please fill this card out for me. This helps the school keep up with where I am at and who I</p>

	<p>have seen. Please indicate your level of interest in our school. Very, somewhat, or not at all. If you would like me to send you some information please check the 'Somewhat – Please send me info about TWS' box. I have also handed out my school card. It has my cell phone number and our web address. You may get information by going online or calling my cell phone number. If you want to attend TWS, I'm the person you need to talk to. You can call my cell or text me (if the representative texts). You can also go online and request information. Classes are forming now for the summer/fall sessions, so call me right away if you are interested in attending TWS. <b>(Explain that "Career Choice" is for them to list Welding or Pipefitting.)</b></p>
<p>TWS Tulsa logo</p> <p>TEXT:  Accredited School, ACCSC. Licensed by OBPVS and ASBPCE. Accredited in Indiana by the SWIC (AC-0290). Approved by TWC. Licensed by the Mississippi Commission on Proprietary School and College Registration, License No. C-668. GI Bill Eligible (check with local campus for specific eligibility). For more information about our graduation rates, the median debt of students who complete our programs, and other important information, please visit our website at:  <a href="http://www.weldingschool.com/GEdisclosure">http://www.weldingschool.com/GEdisclosure</a>.</p> <p>Rep Name  Rep Contact Info</p>	

Tab 16

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Bond



# Verification Certificate

This is to certify that Bond No. 83BSBEX6237  
subscribing this certificate, dated February 1, 2014  
in the amount of Fifty Thousand

issued by the member company of The Hartford

Dollars \$50,000.00

on behalf of Tulsa Welding School, Inc.

, as Principal,

and in favor of State of Iowa, Secretary of State

, as Obligee,

covers an indefinite term which began on February 1, 2014

, and ends with the cancellation of

said bond; that said bond is now in full force and effect and will continue in full force and effect until cancelled.

**ANNIVERSARY PREMIUM PERIOD:** February 1, 2014 - May 1, 2016

**Signed, Sealed, and Dated** April 17, 2014

Hartford Fire Insurance Company

Surety

Attest or Witness

Triniy Garcia

By:  (Seal)

Derek J. Elston, Attorney in fact

CC:

CC:

# POWER OF ATTORNEY

Direct Inquiries/Claims to:

**THE HARTFORD**

Bond T-4

One Hartford Plaza

Hartford, Connecticut 06155

call: 888-266-3488 or fax: 860-757-5835)

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Agency Code: 83 553702

- Hartford Fire Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- Hartford Casualty Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- Hartford Accident and Indemnity Company**, a corporation duly organized under the laws of the State of Connecticut
- Hartford Underwriters Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- Twin City Fire Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of Illinois**, a corporation duly organized under the laws of the State of Illinois
- Hartford Insurance Company of the Midwest**, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of the Southeast**, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of UNLIMITED**

CHRISTOPHER P. TROHA, JENNIFER L. JAKAITIS, MARCIA K. CESAFSKY, TRINIY R. GARCIA, ANN MULLINS, LINDA M. NAPOLILLO, DEREK J. ELSTON OF CHICAGO, ILLINOIS

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by , and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on August 1, 2009, the Companies have caused these presents to be signed by its Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



*Wesley W. Cowling*

Wesley W. Cowling, Assistant Secretary

*M. Ross Fisher*

M. Ross Fisher, Vice President

STATE OF CONNECTICUT }  
COUNTY OF HARTFORD } ss. Hartford

On this 12th day of July, 2012, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.



CERTIFICATE

*Kathleen T. Maynard*

Kathleen T. Maynard  
Notary Public  
My Commission Expires July 31, 2016

I, the undersigned, Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of April 17, 2014  
Signed and sealed at the City of Hartford.



*Gary W. Stumper*

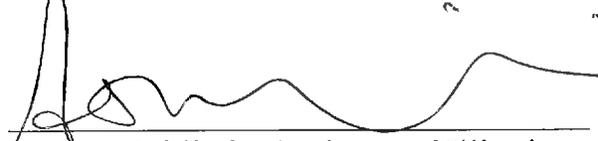
Gary W. Stumper, Vice President

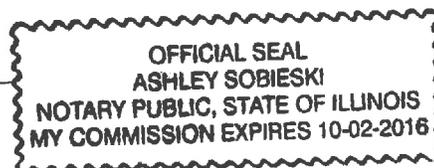
ACKNOWLEDGEMENT BY SURETY

STATE OF ILLINOIS  
COUNTY OF COOK

On this 17<sup>th</sup> day of April, 2014, before me, Ashley Sobieski, a Notary Public, within and for said County and State, personally appeared Derek J. Elston to me personally known to be the Attorney-in-Fact of and Hartford Fire Insurance Company and acknowledged that s/he executed the said instrument as the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.

  
\_\_\_\_\_  
Notary Public in the State of Illinois  
County of Cook



# Tab 17

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## Certificate of Authority

**IOWA**

No. W00546683  
Date: 10/22/2007

**SECRETARY OF STATE**

490 FP-000353253  
TULSA WELDING SCHOOL, INC.

**ACKNOWLEDGEMENT OF DOCUMENT FILED**

The Secretary of State acknowledges receipt of the following document  
Certificate of Authority

The document was filed on October 22, 2007, at 12:43 PM, to be  
effective as of October 22, 2007, at 12:43 PM.

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



*Michael A. Mauro*

MICHAEL A. MAURO SECRETARY OF STATE

