

ARIZONA STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION  
1400 West Washington St., Conference Room B1  
Phoenix, AZ 85007

**FINANCE COMMITTEE MEETING MINUTES**

**September 22, 2011**

Members Present: KC Miller, Chair  
David Walser

Also Present: Teri Stanfill, Executive Director  
Cassandra Pifion

**I. CALL TO ORDER – 1:00 P.M.**

Ms. Miller called the Finance Committee meeting of the Arizona State Board for Private Postsecondary Education Board Meeting to order at 1:00 PM.

**II. MINUTES:** Because there was not a quorum present to review the June 23, 2011, action on the Minutes was postponed.

**III. DISCUSSION AND ACTION ON FINANCIAL STATUS AND LICENSE RENEWALS**

**A. Alpha Pacific Institute – Represented by Michael Petry, by phone**

Mr. Walser asked Mr. Petry to explain the significant in loss from 2009 to 2010. Mr. Petry responded that enrollments had decreased due to the economy and other issues. Mr. Petry stated he expected revenues to improve.

**ACTION:** Ms. Miller made a motion to approve the 2012 License Renewal, maintain the \$18,000 Surety Bond and to refer the 2013 Renewal to the Committee if warranted. **Motion carried.** Mr. Petry agreed to the stipulation.

**B. Asian Institute of Medical Studies – Represented by Alex Holland, by phone**

Mr. Holland stated that ACAOM had determined to continue accreditation and that the Change of Ownership was no longer a stipulation. Mr. Holland stated the remaining area of non-compliance is the financial stability of AIMS and that ACAOM acknowledged AIMS' progress. Ms. Stanfill stated she had not received the notice from ACAOM and Mr. Holland responded he would send it immediately.

Mr. Holland explained that all payables and payroll withholdings are current. Mr. Walser asked why the 2010 audit was not yet available. Mr. Holland explained that the accountant, Al Kayal, has had personal extenuating circumstances and has been unable to complete the audit; but expects the audit to be completed soon. Mr. Holland also explained the fall class had eleven enrollments and expects the fall quarter to be "in the black".

**ACTION:** After discussion, Mr. Walser made the motion to refer the Renewal to the Board at the October 27, 2011 meeting and requested a copy of the ACAOM letter continuing accreditation

and a letter from Mr. Kayal explaining the delay in the audit. **Motion carried.** Mr. Holland agreed to the stipulations.

**C. Franklin Pierce University:** Represented by Bill Curry

Mr. Curry responded to the questions of the members and explained that in the last year Franklin Pierce University has re-organized and developed a new strategic plan for the University.

**ACTION:** Ms. Miller made a motion to approve the 2012 License Renewal, maintain the \$15,000 Surety Bond and that quarterly reporting was no longer required. **Motion carried.** Mr. Curry agreed to the stipulations.

**D. International Sommelier Guild:** Represented by Margaret Eagle, by phone

Ms. Stanfill explained that the license for International Sommelier Guild expired on June 30, 2010 and that it has been difficult receiving the required information.

Mr. Walser asked Ms. Eagle to explain the delay in the receipt of the information. Ms. Eagle explained that personal reasons have caused the delay. Ms. Eagle further explained the new business overseas that has been developed. Ms. Eagle also explained that ISG only utilizes space at The Art Institute when there have been a sufficient number of enrollments; classes have not been offered for approximately a year but ISG expects to have 9 students this fall. Mr. Walser requested clarification on the programs.

**Action:** Mr. Walser made a motion to approve the 2012 License Renewal with the stipulation that the \$50,000 Surety Bond be maintained and to submit to quarterly reporting. Mr. Walser also cautioned the institution to submit information in a timely manner. **Motion carried.** Ms. Eagle agreed to the stipulations.

**E. Techskills, Phoenix and Mesa Campus:** Represented by Donna Hutchinson and Jason Reardon, by phone.

The Committee members expressed their concerns with the financial stability of the parent company. Mr. Walser requested Mr. Reardon explain the letters written to the equity partners. Mr. Reardon responded the letters were to clarify the intent of the equity partners. Mr. Reardon also explained the company's plans to improve and stated that the Arizona locations are profitable.

Ms. Hutchinson stated it is planned that the Arizona locations will received ACCET accreditation by April 2012. Ms. Miller stated she was concerned that the placement rates are under the ACCET benchmark. Ms. Hutchinson responded the placement rates have improved.

**Motion:** Ms. Miller made the motion to approve the 2012 License Renewal for the Phoenix and Mesa locations with the stipulation that the \$160,000 Surety Bond be maintained and to remain on quarterly reporting. **Motion carried.** Mr. Reardon agreed to the stipulations. Ms. Stanfill clarified that the quarterly reports include the parent company.

**V. REVIEW OF QUARTERLY REPORTS –**

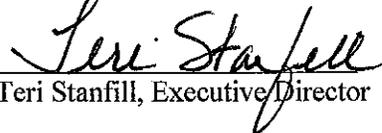
The Committee reviewed the quarterly reports for the following institutions:

- 1 Chandler University – no one was present. The Committee stated quarterly reporting is to continue.
- 2 Frank Lloyd Wright School of Architecture – Lisa Murphy, VP of Finance and Victor Sidy were present by phone. Mr. Walser asked Ms. Murphy if the Foundation was willing to continue funding the institution. Ms. Murphy responded the Foundation expects to continue funding the institution approximately \$400-500,000 per year. The Committee stated quarterly reporting is to continue.
- 3 Lamson College – Dino Meyer and Jacob Mayhew were present. Mr. Mayhew responded to the questions of the Committee stating it is expected that Lamson College be profitable by the end of 6/2012. The Committee determined quarterly reporting is to continue.
- 4 Med-Line School of Transcription – no one was present. Mr. Walser noted the revised financial statements were incomplete and requested a complete compilation be provided. Ms. Miller noted the significant difference in the actual vs. projections and requests the institution provide an explanation; quarterly reporting is to continue.
- 5 Sessions College – represented by Carole Bailo, Gordon Drummond and Doris Garantowski. The Committee noted that Sessions is profitable; quarterly reporting is to continue.
- 6 Vocational Career Institute – no one was present. Ms. Stanfill explained that the quarterly report has not been provided and expressed her concern regarding the institution because the bond had been discontinued and reinstated at the last minute. Ms. Stanfill stated she would get in contact with Mr. Dunn to determine the status.

Ms. Miller requested that for future meetings representatives of the institutions to present to answer the questions of the Committee, unless there were extenuating circumstances.

V. **ADJOURNMENT:** The meeting adjourned at 2:10 P.M.

The Finance Committee Minutes were approved at the 12-13, 2011 meeting.

  
Teri Stanfill, Executive Director