

EAB 1 to 7

Filed October 17, 1972
12:30 P.M.

CERTIFICATE

STATE OF WISCONSIN

EDUCATIONAL APPROVAL BOARD

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, David R. Stucki, Executive Secretary of the Educational Approval Board, and custodian of the official records of said board, do hereby certify that the annexed rules and regulations, relating to private trade, correspondence, business and technical schools, were duly approved and adopted by this board on October 11, 1972.

I further certify that said copy has been compared by me with the original on file in the offices of this board and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at the offices of the board at 137 East Wilson Street in the City of Madison, this 17th day of October, 1972.

Subscribed and sworn to before me this
17th day of October, A.D. 1972.

Notary Public Virginia M. Vitale

My commission expires 9/19/76

(SEAL)

David R. Stucki

David R. Stucki
Executive Secretary
EDUCATIONAL APPROVAL BOARD

ORDER OF THE EDUCATIONAL APPROVAL BOARD
ADOPTING, AMENDING OR REPEALING RULES

Pursuant to authority vested in the Educational Approval Board by section 38.51, Wisconsin Statutes, the Educational Approval Board hereby repeals and adopts rules as follows:

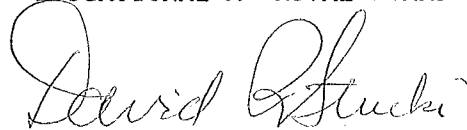
Chapter EAB 1 and EAB 2 of the Wisconsin Administrative Code are repealed.

Chapters EAB 1, EAB 2, EAB 3, EAB 4, EAB 5, EAB 6, and EAB 7 of the Wisconsin Administrative Code are adopted to read as given on the attached pages.

The rules and repeals contained herein shall take effect on the earliest date pursuant to section 227.026(1), Wisconsin Statutes.

Dated: October 17, 1972

EDUCATIONAL APPROVAL BOARD



David R. Stucki
Executive Secretary

Chapter EAB 1

RULES OF PROCEDURE

EAB 1.01 Officers. The board shall be composed of:

(1) NUMBER. The officers of the board shall be a chairman, vice chairman and secretary as provided by section 15.07 (2), Wis. Stats., and shall be elected by the board from among its own members.

(2) ELECTION AND TERM OF OFFICE. The officers of the board shall be elected annually by the board at the first regular meeting of each calendar year and shall hold office until their successors shall be elected. Any vacancy occurring during the calendar year shall be filled by election at the next regular meeting.

(3) CHAIRMAN. The chairman shall preside at all meetings of the board and executive committee of officers, shall with the executive committee of officers, have general supervision of the affairs of the board when the board is not meeting, shall create by appointment from among the members of the board such committees as he may deem necessary to perform properly the functions of the board, and shall be a member ex officio of all such committees, shall call special meetings of the board as required, and shall perform all duties incident to the office of chairman and such other duties as may be prescribed by the board from time to time.

(4) VICE CHAIRMAN. The vice chairman shall, in the event of the absence of the chairman, perform the duties of the chairman and when so acting shall have all the powers of and be subject to all the restrictions on the chairman, and he shall perform such other duties as may be prescribed by the board from time to time.

(5) SECRETARY. The secretary shall keep the minutes of the meetings of the board, shall see that all notices are duly given in accordance with the provisions of these rules of procedure or as required by law, shall be custodian of all records of the board, and shall perform all duties incident to the office of secretary and such duties as may be prescribed by the board from time to time.

(6) EXECUTIVE COMMITTEE OF OFFICERS. The chairman, vice chairman and secretary shall constitute the executive committee of officers of the board and shall act for the board pursuant to such policies as the board may adopt when the board is not meeting. Actions of the executive committee of officers shall be subject to ratification by the board at its next regular meeting or special meeting called for the purpose of considering ratification of such action.

(a) Interim action by executive committee of officers. When the board is not meeting, the executive committee of officers or its duly authorized representative shall, in respect to the duties imposed on the board by these rules and sec. 38.51, Wis. Stats., supervise and direct the investigation and evaluation of schools and the courses of study offered by such schools,

determine whether or not such schools and such courses meet the standards and criteria established by the board, and prepare recommendations based on such investigations for consideration by the board.

EAB 1.02 Meetings. (1) REGULAR MEETINGS. The board shall hold regular meetings twelve times each calendar year in the second full week of each month, the first such regular meeting of each calendar year to be the annual meeting for the election of officers. In the event that a majority of the members cannot meet on the dates set for such regular meetings, the chairman may select the closest date thereto acceptable to a majority of the membership.

(2) SPECIAL MEETINGS. Special meetings of the board may be called at any time by the chairman, or the chairman shall call such special meetings at the direction of the Governor of the State of Wisconsin or upon written request of a majority of the members of the board.

(3) NOTICE. Written notice stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member either personally or by mail not less than ten (10) days prior to such meeting. An informal agenda may also accompany said notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his official address as it appears on the records of the board with postage thereon prepaid.

(4) QUORUM. Four members of the board shall constitute a quorum.

(5) RULES OF ORDER. Meetings of the board shall be conducted according to and governed by Roberts Rules of Order except as otherwise provided in these rules of procedure.

(6) RETIREMENT OF MEMBERS. All members of the board serve at the pleasure of the Governor, and upon retirement of the member from his principal employment he shall continue to serve as a member of the board until such time as he may be replaced on the board by the Governor or until his resignation from the board or death.

Chapter EAB 2

APPROVAL OF SCHOOLS

EAB 2.01 Definitions. In this chapter and the following chapters, the following terms shall have the designated meanings:

(1) "Board" means the State of Wisconsin Educational Approval Board.

(2) "Course" means an organized unit of subject matter in which instruction is offered within a given period of time or which covers a specified amount of related subject matter.

(3) "Course of instruction" means a series of classroom or correspondence courses having a unified purpose which lead to a diploma or degree or to an occupational or vocational objective.

(4) "School" means any individual, partnership, association, or corporation or any combination thereof operating a private trade, correspondence, business or technical school not excepted under section 38.51 (9), Wis. Stats., which maintains, advertises or conducts any course or course of instruction for profit or a tuition charge.

(5) "Solicitor" means a person employed by or representing a school either located within or outside this state who, in places other than the actual business premises of the school, personally attempts to secure the enrollment of a student in such school, whether or not the intended result of such direct contact is the actual signing of an enrollment agreement.

EAB 2.02 Approval of schools and courses of instruction.

(1) No school shall solicit students, or carry on any course of instruction until said school shall have been approved by the board pursuant to the provisions of these rules. No approval shall be issued by the board to any school which denies enrollment in said school to any student, or makes any distinction or classification of students in said school, solely on account of sex, race, color, or creed. No course of instruction shall be added to the offerings of an approved school unless said course of instruction shall have first been approved by the board.

(2) INVESTIGATION AND INSPECTION. Upon application, the board or its duly authorized representative shall investigate and inspect schools doing business within this state, whether located within or outside this state, and courses of instruction offered by these schools, and the Board shall approve schools and courses of instruction meeting its requirements and standards and complying with its rules.

(3) ANNUAL APPROVAL. Approval shall be given on an annual basis only. Approval of schools which had been granted prior to the effective date of these rules shall expire September 1, 1973 unless revoked according to the procedures set forth herein. Three months prior to the expiration of a school's current approval, request must be made to the board for re-approval. Such re-approval may be based on the quarterly reports filed by the school with the board as required by section 38.51 (10), Wis. Stats., or the board may require submission of a new application as required in Wis. Adm. Rules EAB Ch. 2.05.

(4) REVOCATION OF APPROVAL. (a) Upon a determination by the board that there has been a failure to maintain the standards or to continue to comply with the rules or meet the requirements for approval, approval of the school or the course of instruction shall be revoked.

(b) Refusal by a school to allow reasonable inspection, or to supply information after written request therefore by the executive secretary or failure to comply with any and all of these rules shall be grounds for revocation of approval.

(5) NOTICE OF WITHHOLDING OF APPROVAL OR OF REVOCATION OF APPROVAL. Notice of withholding of approval or of the revocation of approval of a school or course of instruction shall be sent by certified mail, return receipt requested, to the last address of the school involved. Withholding or revocation of approval of the school or course of instruction shall be effective 10 days after the notice of revocation has been mailed to the school.

(6) HEARING. Any school whose legal rights, duties, or privileges are directly affected by an action of the executive committee, its duly authorized representative, or the board may request a hearing to contest the action taken. Such a hearing must be requested within 10 days of the effective date of the action taken. If a hearing is requested it will be held within a reasonable time after receipt of the request. Notice of such hearing shall be sent to the school 10 days prior to the date of such hearing, giving the school notice of date, time and place.

(7) CONDUCT OF HEARINGS. All hearings shall be presided over by one or more members of the board or such hearing examiner as may be designated by the board.

EAB 2.03 Approval of schools prior to operation.

(1) CRITERIA. Approval of schools planned or proposed for operation within the state may be made by the board upon application as provided by EAB Ch. 2.05 which gives evidence that the planned or proposed school meets approval requirements. Purchase or rental of physical facilities, materials, and equipment and hiring of instructional staff need not be accomplished prior to consideration of approval if the proposed physical facilities, materials, and equipment are fully described, the qualifications of instructor positions have been clearly stated, and such descriptions and qualifications, if carried out in practice, would meet the criteria for approval as set forth in EAB Ch. 2.06.

(2) PERIOD OF INITIAL APPROVAL. A school not yet in operation may be approved for a period of operation not to exceed six months. Prior to beginning the second month of operation, the school shall submit to the board full descriptions of physical space, materials, and equipment in use and qualifications of instructional staff currently employed.

(3) The criteria of Ch. EAB 2.03 (1) and the period of initial approval of Ch. EAB 2.03 (2) shall apply to the addition of another course of instruction to the offerings of a currently approved school.

EAB 2.04 Schools operating in more than one location.

(1) DEFINITION. A school is deemed to operate in more than one location when any of its instructional facilities are located more than 30 miles from any other instructional facilities of the school or its address of record with the board, or when any distinction in name is used by the school in its advertising, catalog, or contracts to identify the separate location of the school.

(2) APPROVAL. Schools operating in more than one location may be approved as one school with several specified locations when:

(a) All locations to be included in the approval meet the criteria for approval, and;

(b) The information required by the board to be submitted on and with the application for approval has been supplied for each location, and;

(c) All locations to be included in the approval are directly controlled by a single individual, partnership, association, or corporation, and that the controlling entity, in making application to the board, agrees to indemnify all persons suffering loss or damage as the result of the controlled subsidiary's failure to fulfill any contractual obligation for educational services or failure to comply with these regulations.

(3) BONDING. The bonds required by Ch. EAB 2.07 and Ch. EAB 3.04 shall not be required of each location of a school approved as provided in Ch. EAB 2.04 (2) if the bonds furnished specifically are made to apply to all locations and names identified in the application.

(4) SOLICITOR'S PERMITS. If a school has been approved as one school with several locations, only one solicitor's permit per solicitor shall be required to solicit for all locations of the school included in the approval.

EAB 2.05 Application for approval. (1) No school shall be approved unless it shall make application, through its officers or an owner, upon forms to be provided by the board, and unless said application shall be accompanied by:

(a) A copy of all enrollment applications the school anticipates using in Wisconsin; meeting the requirements of Wis. Adm. Code Ch. EAB 5.

(b) A statement of its cancellation and settlement policy meeting the minimum requirements set out in Wis. Adm. Code Ch. EAB 7;

(c) A school catalog or bulletin containing;

1. Identifying data, such as volume number and/or date of publication.
2. Name of school and its governing body and officials.
3. A calendar showing the legal and scheduled holidays, vacation periods, and the beginning and ending date of each term or semester.

4. School policy and regulations regarding enrollment dates and specific entrance requirements for each course.
5. School policy and regulations relative to leave, absences, tardiness, class cuts, make-up work, and interruption for unsatisfactory work or attendance.
6. School policy and regulation relative to standards of progress required of the student, the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, and a description of the probationary period, if any. Also, conditions of re-entrance for those students dismissed for unsatisfactory progress and statement regarding progress records kept by the school and furnished the students.
7. School policy and regulation governing student conduct and conditions of dismissal for unsatisfactory conduct.
8. Charges for tuition and schedule of fees for student activities, laboratory, rentals, deposits and all other charges.
9. An outline for each course for which approval is requested, showing subjects or units of work, type of work or skill to be learned, approximate time and clock hours to be spent on each subject

or course, and disclosure of any further training known, or which should reasonably be known by the school, which would usually be required of a student to secure initial employment consistent with the vocational objective for which the course is represented to prepare the student.

10. Policy and regulation of the school relative to granting credit for previous education and training.

(d) A description of the school's placement services;

(e) A copy of all advertising recently used or reasonably expected to be used in Wisconsin by the school;

(f) A current balance sheet and income statement audited and certified by an independent auditor or C.P.A. (Said balance sheet and income statement may be submitted for a parent corporation that has agreed to indemnify Wisconsin residents for any loss resulting from the failure of the subsidiary to fulfill its obligations for educational services or failure to comply with these rules);

(g) A surety bond as required by Ch. EAB 2.07;

(h) A description of the school's location, buildings, and equipment;

(i) A list of faculty members indicating their education, preparation, and experience; and

(j) Any other information required by the board so that the school and its courses of instruction may be evaluated according to the criteria set forth in Wis. Adm. Code, Ch. EAB 2.06.

(2) The board may, at its discretion, require substantiation of any representations made by the school in soliciting students and proof that course of instruction is capable of preparing a student for employment in the field in which the school purports that the training is designed to do.

EAB 2.06 Criteria for approval of schools and courses of instruction. (1) CONTENT AND INSTRUCTION. (a) The content, length, and instruction of courses and courses of instruction shall be consistent in quality with similar courses and courses of instruction in public schools or private schools with standards which have been examined by the board and are deemed to be acceptable.

(b) The administrators and instructors of the school shall have suitable educational qualifications and experience, and be of good reputation and character.

(c) The school shall have a sufficient number of instructors for its courses and courses of instruction to provide adequate student-teacher relationships.

(d) The course of instruction will be of value in preparing students for employment in the vocational field for which it was designed.

(e) The course of instruction is capable of qualifying students for employment in a vocational position if it is represented to do so.

(2) FACILITIES. The school shall have adequate space, suitable and sufficient equipment, and sufficient and appropriate instructional materials to carry out its program. Said facilities shall be consistent in quality with similar facilities in public schools or private schools with facilities which have been examined by the Board and are deemed acceptable.

(3) STUDENT SERVICE. (a) The school shall provide to each student a catalog meeting the requirements of Ch. EAB 2.05(1)(c) prior to or upon the student making application for enrollment.

(b) The school shall keep records of attendance, progress and grades.

(c) The school shall make reports periodically to each student of his progress in his courses.

(4) ADVERTISING. All advertising and promotional materials shall be consistent with the requirements set forth in Wis. Adm. Rules, Ch. EAB 4.

(5) REFUND POLICY. The school's policy for refund of unused portions of tuition, fees and other charges if a student does not enter a course or course of instruction or withdraws or is discontinued therefrom must provide for refunds which are at least equal to the board's established minimum standards as set forth in Ch. EAB 7.

(6) COMBINATION COURSES. Courses of instruction consisting of both resident and correspondence instruction in which the completion of the correspondence part is a prerequisite for starting the resident part, or vice versa, and for which a

charge is made, will not be approved unless a separate charge is made for each part which separate charge is equitable in relation to the actual relative costs of instruction including overhead as are incurred by the school.

(7) The school must be shown to be in sound financial condition to the satisfaction of the board.

EAB 2.07 Surety bond. (1) Before any school will be given approval, the school must provide the board with a surety bond in the amount of \$25,000 executed by the applicant as principal and by a surety company qualified and authorized to do business in the State of Wisconsin as surety.

(2) The surety bond shall be conditioned to provide indemnification to any student or enrollee or his parent, or guardian, or sponsor suffering loss or damage as a result of any fraud or misrepresentation used in procuring his enrollment, violation of Wis. Adm. Code chapter EAB 1 through chapter EAB 7, or as a result of the student being unable to complete the course or courses because the school failed to perform its contractual obligations with such student, or as a result of the student being refused a tuition refund to which the student is entitled to under Ch. EAB 7. Such indemnification under the surety bond to any or all students, or parents, or guardians, or sponsors shall, in no case, exceed the advanced tuition, book fees, supply fees, or equipment fees paid or liable to be paid for by said student or students or any such parent, or guardian, or sponsor, and regardless of the number of years that

a school's bond is in force, the aggregate liability of the surety bond shall, in no event, exceed the penal sum of the bond. The surety bond may be continuous.

(3) Any student may file with the board a duly verified claim of fraud or misrepresentation used in procuring his enrollment or of enrollment procured as a result of any fraud or misrepresentation in the school's application for the approval against a school. The board may consider such claim after ten days' written notice by certified mail, return receipt requested, to such school of said complaint giving time and place of hearing thereon and if such claim is found to be correct and due to the claimant, and if the board or its executive secretary cannot effect a settlement by persuasion and conciliation, the board shall make a demand upon the principal on such bond and the surety thereon, and if not paid shall bring an action on such bond in any court of record within the State of Wisconsin.

(4) A surety on said bond may be released therefrom after said surety shall have made a written notice thereof directed to the board at least 30 days prior to said release.

(5) The bonding requirements set forth in this section may be increased or reduced in the sole discretion of the board upon a determination that it is inadequate or excessive in relation to the risk of economic loss to which Wisconsin residents are exposed in the case of any particular school.

EAB 2.08 Agent for service of process. (1) All schools seeking approval from the board must furnish the board with the name and Wisconsin address of a designated agent upon whom any process, notice, or demand may be served. The executive secretary of the EAB may be appointed for this purpose.

(2) If during any period a school approved by the board fails to appoint or maintain in this state an agent for service of process, such failure shall be cause for revocation of approval.

(3) Nothing herein contained shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

EAB 2.09 Investigation and Review. (1) PERIODIC REVIEW. The board or its duly authorized representative shall investigate and review all approved schools and courses of instruction. The method of review shall be determined by the board in each case, and generally will consist of such of the following as it deems appropriate to the particular situation:

(a) Consideration of information available from the following: Federal Trade Commission, Better Business Bureaus, The Wisconsin Department of Justice---Office of Consumer Protection, other state or other official approval agencies, local school officials or interested persons.

(b) Review of the quarterly reports and statements from the school involved.

(c) Conferences with officials or representatives of the school involved or with interested persons including former students or parents of former students.

(d) Public hearing respecting the course of instruction under review with adequate written notice of the holding thereof to the school offering the course of instruction.

(e) Investigation by visitation of the school involved.

(2) UPON COMPLAINT. In addition to investigation upon its own initiative, the board may investigate any school and its courses or courses of instruction upon receipt of a complaint from an interested person.

EAB 2.10 List of approved schools and courses of instruction.

(1) DISTRIBUTION. A directory of approved schools and courses of instruction shall be distributed by the board to all approved schools and to others upon request. Cumulative supplements to such directory bringing it up to date by showing additions and removals subsequent to the distribution of the directory shall be distributed by the board from time to time. The directory shall be brought up to date by distribution of a new directory of approved schools and courses of instruction whenever the changes from the last directory are sufficient therefor.

(2) CURRENT LISTING. The board shall at all times maintain as a part of its official records a complete listing of the schools and courses of instruction which are currently approved by it. The current list of approved schools and courses of instruction shall be maintained at the office of the executive secretary of the board.

Chapter EAB 3

SOLICITORS' PERMITS

EAB 3.01 Permit necessary. No solicitor representing any school offering any course or course of instruction shall sell any course or course of instruction or solicit students therefor in this state for a consideration or remuneration, except upon the actual business premises of the school, unless he first secures a solicitor's permit from the board. If the solicitor represents more than one school, a separate permit shall be obtained for each school represented by him. A solicitor's permit shall be valid for one year from the date issued.

EAB 3.02 Application for permit. (1) ORIGINAL APPLICATION. An application for a solicitor's permit shall be made on forms furnished by the board which must be accompanied by a \$5. fee, a surety bond acceptable to the board in the sum of \$1,000 and a copy of the enrollment agreement to be used by the applicant to enroll students.

(2) RENEWAL APPLICATIONS. An application for renewal of a solicitor's permit shall be made on forms furnished by the board which must be accompanied by a fee of \$5. and a surety bond acceptable to the board in the sum of \$1,000 if a continuous bond has not been furnished.

(3) APPROVAL REQUIRED. Before any permit shall be issued to a solicitor, the school to be represented and the courses of instruction to be sold must be approved by the board.

(4) ISSUANCE. Where the application requirements set forth above have been met and there is no showing that any of the grounds for refusal or revocation as set forth in section 38.51 (8) (c), Wis. Stats., exist, the permit shall be issued.

EAB 3.03 The enrollment agreement. (1) INFORMATION REQUIRED. Every enrollment agreement used by a solicitor to enroll students shall conform to the requirements of the Wis. Adm. Rules, Chapter EAB 5.

(2) COPY TO STUDENT. Every solicitor shall deliver a copy of the enrollment agreement to each student at the time the agreement is signed.

(3) CHANGES IN AGREEMENT. A copy of every enrollment agreement form used by a solicitor shall be furnished by the school to the board 10 days prior to its first use by a solicitor for the enrollment of students.

EAB 3.04 Surety bond. The surety bond furnished to the board by a solicitor may be continuous and shall be conditioned to provide indemnification to any student suffering loss as the result of any fraud or misrepresentation used in procuring his enrollment or as a result of the failure of the school to faithfully perform the agreement made with him by the solicitor, and may be supplied by the solicitor or by the school itself as a blanket bond covering each of its solicitors in the amount of \$1,000.

EAB 3.05 Refusal or revocation of a permit. (1) GROUNDS FOR. The board may refuse to issue or renew, or may revoke any

solicitor's permit upon one or any combination of the grounds set forth in section 38.51 (8) (c), Wis. Stats.

(2) NOTICE OF. Notice of refusal to issue or renew a permit or of the revocation of a permit shall be sent by certified mail, return receipt requested, to the last address of the applicant or permit holder shown in the records of the board. Revocation of a permit shall be effective 10 days after notice of revocation has been mailed to the permit holder.

(3) REQUEST FOR APPEARANCE. Within 20 days of the receipt of notice of the board's refusal to issue or renew a permit or of the revocation of a permit, the applicant or holder of the permit may request that he be permitted to appear before the board in person, with or without counsel, to present reasons why the permit should be issued or reinstated. Upon receipt of such request, the board shall grant a hearing to the applicant or holder of the permit within 30 days, giving him at least 10 days notice of the date, time and place.

(4) ISSUANCE OR REINSTATEMENT. The board may, upon hearing and after any further investigation it deems necessary, issue, renew or reinstate a permit which it refused to issue or renew or which it revoked, where it determines that all of the requirements for permit set forth in Wis. Adm. Code, Ch. EAB 3.02 have been complied with.

Chapter EAB 4

UNFAIR TRADE PRACTICES IN ADVERTISING AND PROMOTIONAL MATERIAL

EAB 4.01 Each school shall maintain high ethical standards in the conduct of its operations, solicitation of its students, and in its advertising and promotional material. The use of any unfair or deceptive trade practice or the making or causing to be made any false, misleading or deceptive statement in any advertising or promotional material which has the tendency or capacity to mislead or deceive students, prospective students, or the public shall be cause for the refusal or revocation of approval.

EAB 4.02 Deceptive trade or business names:

(1) No school shall use a trade or business name, label, insignia, or designation which has the capacity and tendency or effect of misleading or deceiving prospective students with respect to the nature of the school, its accreditation, programs of instruction or methods of teaching, or any other material fact.

(2) A school shall not falsely represent directly or by implication through the use of a trade or business name or in any other manner that:

(a) it is a part of or connected with a branch, bureau, or agency of the United States Government, or of any state, or civil service commission;

(b) it is affiliated with or otherwise connected with a public or private religious or charitable organization or any

public or private university, college or other institution of higher learning;

(c) it is an employment agency or that it is an employment agent or authorized training facility for another industry or member of such industry, or otherwise deceptively conceal the fact that it is a school.

(3) If a school conducts its instruction wholly by correspondence or home study, a clear and conspicuous disclosure should be made in immediate conjunction with its trade or business name that it is a correspondence or home study school. No school conducting its instruction wholly by correspondence or home study shall use the words "college" or "university" in conjunction with its name. This rule shall not apply to those schools approved prior to September 1, 1973.

EAB 4.03 Misrepresentation of extent or nature of accreditation or approval. (1) A school shall not misrepresent directly or indirectly the extent or nature of any approval the school may have received from a state agency or the extent or nature of its accreditation by a nationally recognized accrediting agency, or association.

(2) A school shall not represent that it has been approved by any federal or state agency if such approval was not the result of an evaluation of the school's facilities, courses of instruction, and qualification of directors and instructional personnel. No school shall misrepresent the extent or nature of such approval, and no school or its agent shall advertise or imply

that the school is "recommended" or "endorsed" by the Board. If reference is made to the approval given by the Board, this official reference shall only read, "Approved by the State of Wisconsin Educational Approval Board."

(3) A school shall not represent directly or by implication that students successfully completing a course or program of instruction may transfer credit therefor to an accredited institution of higher education unless such is in fact true.

(4) A school shall not represent directly or by implication that a course of instruction has been approved by a particular industry, or that successful completion thereof qualifies the student for admission to a labor union or similar organization, or for the receipt of a state or federal license to perform certain functions, unless such is the fact.

(5) A school shall not represent directly or by implication that its courses are recommended by vocational counselors, high schools, colleges, educational organizations, employment agencies, or members or officials of a particular industry, or that it has been the subject of unsolicited testimonials or endorsements from former students or anyone else unless such is the fact. Testimonials or endorsements which do not accurately reflect current practices of the school, or current conditions or employment opportunities in the industry or occupation to which the training pertains, should not be used.

EAB 4.04 Misrepresentation of facilities, services, qualifications of instructors, and status. (1) A school shall not misrepresent directly or indirectly in any manner the size,

location, facilities or equipment of its school or the number or educational qualifications of its faculty and other personnel.

A school shall not:

(a) Use or refer to fictional organization divisions or position titles or make any representation which has the tendency or capacity to mislead or deceive students or prospective students, as to the size or importance of the school, its divisions, faculty, personnel, or officials, or in any other material respect.

(b) Misrepresent directly or indirectly the size, importance, location, facilities, or equipment of the school through use of photographs, illustrations, or any other depictions in catalogs, advertisements, or other promotional materials.

(c) Represent that the school owns, operates or supervises a dormitory, eating, or other living accommodations unless such is the fact.

(d) Falsely or deceptively represent the location or locations at which its courses will be conducted.

(e) Represent directly or indirectly that certain individuals or classes of individuals are bona fide working members of its faculty, or are members of its advisory board, or have played an active part in the preparation of its instruction materials, unless such is the fact, or misrepresent in any manner, directly or by implication, the extent or nature of the association of any person with the school or the courses offered.

(f) Misrepresent the nature and extent of any personal

instruction, guidance, assistance, or other attention it will provide for its students either during a course or after completion of a course.

(2) A school shall not represent directly or indirectly that it is a nonprofit organization unless it has secured status as a non-profit organization from the U.S. Internal Revenue Service.

(3) A school shall not falsely or deceptively represent that a course has been recently revised, or that it has a revision system or service, or misrepresent in any manner, its facilities, procedures, or ability to keep a course current.

EAB 4.05 Misrepresentation of enrollment qualifications or limitations. (1) A school shall not misrepresent the nature or extent of any prerequisites it has established for enrollment in a course or program of instruction. It shall not:

(a) Represent that a course is available only to those having a high school diploma or other specific educational qualifications, unless the sale of such a course is limited to persons possessing generally acceptable evidence of such a diploma or educational qualifications.

(b) Represent that only those who make an acceptable grade or complete successfully a certain test or examination will be admitted, if in fact enrollments are not thus limited.

(c) Falsely represent that it will accept for enrollment only a limited number of persons or a limited number of persons

from a certain geographical area.

(d) Falsely represent that applications for enrollment will be considered for only a limited period of time, or that they must be submitted by a certain date.

(2) A school shall not falsely represent that the lack of a high school education or prior training or experience is not a handicap or impediment to successful completion of a course.

(3) A school shall endeavor to establish the qualifications which an applicant should have to assimilate successfully the subject matter of the course. Applicants should be informed of these prerequisites, and those who are not so qualified should not be enrolled. (See Ch. EAB 6.04)

EAB 4.06 Deceptive use of diplomas, degrees, or certificates.

(1) A school shall not issue a degree, diploma, certificate of completion, or any document of similar import, which misrepresents directly or indirectly the subject matter, substance or content of the course of study or any other material fact concerning the course for which it was awarded or the accomplishments of the student to whom it was awarded.

(2) A school shall not issue, grant or award a baccalaureat, bachelor or associate degree without prior authorization of the board.

(3) A school shall not offer or confer a high school diploma.

(4) A school shall not offer high school courses unless such courses are substantially equivalent to those offered by a resident secondary school, and unless the student is informed by

means of a clear and conspicuous disclosure in writing prior to his enrollment, that the school cannot guarantee or otherwise control the recognition which will be accorded such courses by institutions of higher education, other schools or by prospective employers, and that the degree to which such courses are recognized is a matter solely within the discretion of those agencies.

EAB 4.07 Deceptive Sales Practices. (1) DECEPTIVE "HELP WANTED" ADVERTISING. The use of "help wanted" or other employment columns in a newspaper or other publication to get in touch with prospective students in such a manner as to lead such prospective students into the belief that a job is offered is deemed a deceptive sales practice. In obtaining leads to prospective students, a school shall not use advertisements or promotional materials which are classified, designated or captioned, "Men wanted to train for ...", "Help Wanted", "Employment", "Business Opportunities" or by words or terms of similar import, so as to represent directly or by implication that employment is being offered.

(2) BLIND ADVERTISING. The use of "blind" advertisements or sales literature to attract prospective students when such advertisements or literature fail to set forth that courses of instruction or other educational services are being offered for sale is deemed a deceptive and unfair trade practice.

(3) FALSE REPRESENTATION AS TO EARNINGS. The making of

false or deceptive statements or representations or any statement or representation which has the tendency or capacity to mislead or deceive students, prospective students, or the public regarding actual or probable earnings or opportunities in any vocation or field of activity is an unfair trade practice.

It is unfair and deceptive practice for a school or person subject to this rule to represent or imply in advertising or otherwise that persons employed in a particular position earn a stated salary or income or that persons completing the training course will earn the stated salary or income or "up to" the stated salary or income unless:

(a) The salary or income is equal to or less than the average salary of persons employed less than five years in the indicated position and the advertisement or representation states the basis for calculation of the average salary or income; or the advertisement or representation states the basis for calculation of the salary stated and also discloses the average salary or income of persons employed less than five years in the indicated position; and

(b) The advertisement or representation states clearly and conspicuously that no guarantee is made that a person who purchases the advertised services will earn the stated salary or income, unless the guarantee is actually offered by the school.

The words "EARN \$...." or "EARN UP TO \$...." or words of similar import or meaning constitute a representation that a

person who attends the school will earn the stated salary or income within the meaning of this rule.

(4) MISREPRESENTATION OF OPPORTUNITY. The making of false, untrue, or deceptive statements or representations or any statement or representation which has the tendency or capacity to mislead or deceive students, prospective students, or the public regarding any opportunities in any vocation or field of activity as a result of the completion of any given course of instruction or educational service is an unfair and deceptive trade practice.

Whenever reference is made to a course in accounting or law, there must be affirmative disclosure of the fact that the successful completion of the course will not entitle the student to take the Wisconsin C.P.A. Examination or the Wisconsin Bar Examination.

(5) A school shall not deceptively designate or refer to its sales representatives and solicitors as "registrars", "counselors", "advisors", or by words of similar import or misrepresent in any other manner, the titles, qualifications, training, experience or status of its salesmen, agents, employes, or other representatives.

(6) In obtaining leads to prospective students, a school shall not represent that it is conducting a talent hunt, contest, or similar test, unless such is the fact and such representation is accompanied by a clear and conspicuous disclosure of the industry member's name and address and the fact that it is a school if such is not apparent from its name.

An industry member which conducts a talent hunt, contest, or similar test among the prospective students should keep accurate records concerning the results thereof.

(7) A school shall not use any photograph, cut, engraving, or illustration in catalogs, sales literature, or otherwise in such a manner as to convey a false impression as to the size, importance, or location of the school or its equipment.

EAB 4.08 All schools approved by the board must include in all advertisements and promotional material used in the state of Wisconsin:

(1) The name and location of the school;

(2) The fact that educational services or vocational training are offered for sale if not apparent from the context;

(3) The entire cost of such training including fees for tuition, books, supplies, equipment, etc., if any representations are made as to the cost of such training;

(4) Affirmative disclosure that any endorsements or recommendations are paid testimonials if in fact such testimonials were given for consideration;

EAB 4.09 Within Ch. EAB 4, "school", unless otherwise specified, shall mean the school and its officers, agents, representatives, and solicitors.

EAB 4.10 Substantiation of claims. Any school making any material representation of fact must maintain records adequate to substantiate that representation.

Chapter EAB 5

ENROLLMENT AGREEMENTS

EAB 5.01 Contract requirements. All contracts and agreements used by any school approved by the board shall include the following:

(1) The name and address of the school;

(2) Clear and conspicuous disclosure that the agreement is a legally binding instrument upon acceptance of the student by the school unless cancelled pursuant to Ch. EAB 5.02;

(3) Disclosure of the 72-hour cancellation privilege as required by EAB Ch. 5.02;

(4) The total cost of the course including any charges made by the school for tuition, room and board, books, materials, supplies, etc.;

(5) The name and description of the course, including the number of hours of classroom instruction and/or home study lessons. The requirement of this subsection may be met by incorporating by reference course descriptions as set out in school catalogs or bulletins;

(6) The nature and extent of the schools placement service if any; and

(7) The school's refund policy meeting the minimum requirements of the board set forth in Ch. EAB 7.

EAB 5.02 Cancellation. (1) The student shall have the right to cancel an initial enrollment agreement until midnight

of the third day excluding Saturdays, Sundays and legal holidays, after receipt of notice of acceptance.

(2) Two copies of a separately typed or printed notice of the cancellation privilege shall be given to the student at the time of application. The notice must:

(a) Be printed in capital and lowercase letters of not less than 12-point boldface type;

(b) Appear under the conspicuous caption: "CUSTOMER'S RIGHT TO CANCEL";

(c) Read as follows: "You may cancel this agreement or purchase by either mailing a written notice to the seller postmarked not later than the third business day after the date you signed this agreement or purchased the goods or services, or by delivering such written notice to the seller, by 5 p.m. of the third business day after you signed this agreement or purchased the goods or services. If you wish, you may use this page as that notice by writing 'I hereby cancel' and adding your name and address. A duplicate of this page is provided by the seller for your records. The notice must be mailed or delivered to: (insert name and mailing address of school)."

"NOTE: Purchase of educational goods and services offered by a school is deemed to take place when acceptance of the student is communicated to the student by the school. Therefore, this three day cancellation privilege does not begin to run until the day after you receive notice of acceptance from the school.

This notice will be delivered to you by certified mail and is deemed received by you upon delivery by the United States Postal Service."

(3) Except in those cases where the student is granted acceptance, in writing, at the time of application, the school shall send to each student notice thereof upon the acceptance of the student by the school. Said notice of acceptance shall be sent by certified mail. Notice of acceptance is deemed received by the student upon attempted delivery by the U. S. Postal Service. The student may cancel such contract during the 3-day period by delivering or mailing written notice thereof, signed by him, to the school at the address set forth in the contract. If the notice of cancellation privilege as required by Ch. EAB 5.02 (2) is not delivered to the student at the time of application, the time allowed for cancellation is extended until midnight of the third day after the day on which the school furnishes the student with the required information. Notice of cancellation if given by mail, is given when it is deposited in a mail box properly addressed and postage prepaid. Notice of cancellation need not take any particular form and is sufficient if it indicates by any means a written expression of the intention of the student not to be bound by the enrollment agreement.

EAB 5.03 Claims and defenses. (1) Every assignee of an enrollment agreement contract under this chapter takes it subject to all claims and defenses of the student or his successors in interest arising under the contract.

(2) No school shall enter into any contract subject to this chapter wherein the student waives the right to assert against the school or any assignee any claim or defense he may have against the school arising under the contract. Any provision in a contract subject to this chapter wherein the student agrees to such waiver is void.

(3) No school shall use any promissory note or instrument, other than a check, subject to this chapter unless it bears the following statement in contrasting bold-face type: "This is an enrollment agreement instrument and is non-negotiable. Every holder takes it subject to all other claims and defenses of the maker or obligor."

Chapter EAB 6

PLACEMENT SERVICES

EAB 6.01 General philosophy. The placement methods define the role of the placement function in the private school. The offer of placement services to students is optional but when made, standards of performance on the part of the school will be required.

EAB 6.02 Minimum requirements. When a placement service is offered or advertised by a school, the following minimum requirements must be observed:

(1) Student referrals must result from direct contact between the school placement service and prospective employer representatives. A list of employers given graduates in and by itself will not be considered a placement service.

(2) Documented evidence of student referrals must be maintained and should include, but not be limited to the following:

(a) Number of referrals by company per individual student.

(b) The results of referrals.

(c) Final placement or other disposition (when this information is available).

(d) Percent of graduates placed.

EAB 6.03 Student understanding of placement service representations. (1) No communications, either oral or written, between school representatives and prospective students shall

state or imply job guarantees as a result of any placement service offered.

(2) It must be made clear to the student that the placement service provided by the school is offered to him as an assistance in working out his placement, but is not offered as an assumption of the responsibility for finding the student a job.

EAB 6.04 Disclaimer. Whenever a school knows or has reason to know that a prospective student is unlikely to successfully complete a course of instruction or is unlikely to qualify for employment in the vocation or field for which the training is designed to prepare a student, this fact must be affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the school. A valid disclaimer shall only consist of a statement, separately signed by the student, that the student is fully aware that it is unlikely he or she will be able to successfully complete the course of instruction and/or fully aware of the improbability or impossibility that he or she will qualify for employment in the vocation or field for which the course was designed to prepare the student.

EAB 6.05 Employment Advisory Services. (1) Whenever a school offers employment counseling or placement services not meeting the minimum requirements of Ch. EAB 6.02 or furnishes employment referrals not the result of direct contact between the school and prospective employer representatives, such counseling shall only be designated as "Employment Advisory Services."

(2) Whenever a school makes reference to its "Employment Advisory Services," affirmative disclosure that any student referrals are not based on direct contact is required.

Chapter EAB 7

CANCELLATION AND SETTLEMENT

EAB 7.01 Philosophy and principles. (1) It shall be the policy of the board to approve only those schools which publish and adhere to cancellation and settlement provisions which are designed to improve the educational quality of the school and are based upon sound educational as well as economic principles.

(2) The cancellation and settlement provisions required by the Educational Approval Board in this rule are based upon these principles:

(a) The purchase of educational opportunity to learn through any course of study is different from any other kind of purchase because of the number of intangibles and unknowns involved in education. As a result, it is common that students make numerous "false starts" in their educational programs. These starts are to some degree minimized through good counseling. It is important, however, to preserve for the student the right to change his mind (recognize a false start) without too serious a penalty since this action itself may be important in the student's growth, maturation, and learning. Since it is the responsibility of the school to select its students carefully, charges to the student upon cancellation or withdrawal before the course begins should be a smaller portion of the total cost of the course of instruction than upon cancellation or withdrawal after partial completion.

(b) After the course is begun, the student's responsibility for his progress increases with the passage of time and the completion of work. If it is fair to expect the school to select students carefully, it is fair (assuming competent instruction) to expect the individual student to bear increasing responsibility for his progress. Furthermore, the school's investment in the student's learning increases as the student progresses, and a fair and ethical cancellation and settlement policy should encourage the school to invest generously in the instruction of continuing students with adequate safeguard of that investment. Consequently, the cancellation and settlement provisions of this rule permit an ever larger portion of the total cost of the course to be charged to the student as he progresses through his course.

EAB 7.02 Full refund. A school's cancellation and settlement policy must provide for a full refund of all money paid by a student if:

(1) The student cancels the contract within 72 hours as provided for in Ch. EAB 5.02;

(2) The student accepted was unqualified;

(It is the school's responsibility, through pre-enrollment counseling, to make reasonably certain before enrollment is completed that the student has the ability to profit from the course under consideration. If this policy is violated, the student shall be entitled to an immediate refund of all monies paid to the school or its agent.

In determining the student's ability to profit from the course, criteria such as the following may be applied:

Educational background, success as a high school or post-high school student, practical experience in a related activity, physical ability to engage in the type of employment for which the course is represented to prepare students and/or results of a valid qualifying test.)

(3) The student's enrollment was procured as the result of any misrepresentations in a school's advertising, promotional material, or solicitor's representations.

EAB 7.03 Partial refund. If a student cancels after the expiration of the 72-hour cancellation privilege but before 75% of the course has been completed or if a valid disclaimer, separately signed by the student, as provided for in Ch. EAB 6.04 has been obtained by the school, the school's cancellation and settlement policy shall not permit any charge to a student which is in excess of the exact pro rata portion of the total contract price that the length of the completed portion of the course bears to the total length of the course, plus a surcharge of 15 percent of the cost of the course. The cancellation and settlement policy is further limited by the following:

(1) If a student cancels a home study (correspondence) course prior to submission of the first completed lesson to the school, the surcharge may not exceed \$50.

(2) If a student cancels enrollment in a resident course prior to the start of classes, the surcharge may not exceed \$100.

(3) During the first week of classes of a resident course, the charge to the student may not exceed the larger of:

(a) the exact pro rata portion of the contract price that the completed portion of the course, on a daily basis, bears to the total length of the course, or

(b) \$100.

(4) A course consisting of a combination of home study (correspondence) instruction and required resident instruction shall have the cancellation and settlement policy applied separately to the separate charges made for the correspondence and resident parts required by EAB Ch. 2.06 (6).

(5) The pro rata portion of the course completed shall be determined:

(a) With respect to home study (correspondence) courses or the home study portion of combination courses, by the ratio of the number of completed lessons submitted to the school by the student to the total number of correspondence lessons.

(b) With respect to resident courses or the resident portion of combination courses where the contract provides for a stated number of lessons or classes, by the ratio of the number of lessons or classes received or attended by the student to the total number of lessons or classes provided in the contract;

(c) With respect to resident instruction not falling within the purview of (b), by the ratio of the number of weeks the student attended, including as a whole week the last week in which the student attended any class, to the total number of weeks provided in the contract.

(6) With respect to resident courses of more than 12 months length, the cancellation and settlement policy shall be applied to the student's obligation for the current school year. All payments made for periods beyond the current school year shall be fully refunded, and the student's obligation for these periods cancelled.

(7) The school must honor any valid notice of cancellation, and, within 10 business days after receipt of such notice, refund to the student any amounts due him and arrange for a termination of the student's obligation to pay any sum in excess of that permitted under the cancellation and settlement policy.

EAB 7.04 A school cannot make its refund policy conditional upon compliance with the school's regulations or rules of conduct.