



CHARLOTTE SCHOOL *of* LAW

201 South College Street, Suite 400
Charlotte, North Carolina 28244
704.971.8500
www.charlottelaw.edu

August 10, 2017

Kimberly van Noort, Ph.D.
Vice President for Academic Programs, Faculty & Research
University of North Carolina General Administration
Post Office Box 2688
Chapel Hill, NC 27515

RE: Charlotte School of Law – License Restrictions/Conditions Compliance

Dear Dr. van Noort:

Based on the June 21, 2017, Decision of the Board of Governors, through its Committee on Educational Planning, Policies, and Programs (EPPP), imposing certain conditions and limitations on the Charlotte School of Law's license, pending further action and review of CSL's compliance with the Board of Governors Rules and Standards, the CSL is pleased to update the status of its full compliance with the Decision, as set forth below. Please share this letter with Anna S. Nelson, Chair of the EPPP Committee, and others as may be necessary.

1. CSL shall not admit any new or additional students to CSL until such time as this condition may be removed by further action of the Board of Governors.

Limitation In Place. CSL has not admitted any new or additional students to CSL for the Fall, 2017, semester.

2. No later than August 1, 2017, and subject to item 3, below, CSL shall present to the Licensure Unit such evidence as the Licensure Unit may deem necessary to show that CSL has remedied any deficiencies and has come into full compliance with the licensure standards for which the Board has found it to be out of compliance.

Condition Met. CSL has presented such information to the Licensure Unit and will continue to work with the Licensure Unit to maintain compliance with the financial standards in Standard 10.

3. CSL shall immediately obtain, maintain, and provide proof to the Licensure Unit of a tuition guaranty bond in an amount at least equivalent to the amount of prepaid tuition to be paid by the maximum number of students who may participate in the teach-out CSL has proposed for the ABA's consideration. The bond shall otherwise comply with Standard 10 of the Rules and Standards.

Condition Met. A Tuition Guaranty Bond for \$2.5M is in force, effective July 29, 2017. Bond documentation has been provided to the Licensure Unit.

4. CSL may continue to conduct post-secondary degree activity in North Carolina at this time and on a limited basis while it develops and seeks ABA approval of an appropriate teach-out plan that fully protects the interests of CSL students who may wish to complete their CSL degree programs, and/or approval for continued operation as an accredited law school, subject to the following requirements:
 - a. CSL's plan for teaching out its remaining students and/or remedial plan for continued operation as an accredited law school, must be approved by the American Bar Association (ABA) no later than August 10, 2017; and
 - b. The Department of Education (DOE) must determine no later than August 10, 2017, that any CSL student who remains enrolled may participate in Title IV federal loan programs.

Conditions Met.

- a. **The ABA has confirmed and documented the continued CSL accreditation through at least February, 2018. CSL will continue to update the Licensure Unit with regard to forthcoming decisions of the ABA Council, anticipated to be received after its August 11-12, 2017 meeting.**
- b. **CSL has unconditionally accepted the requirements stated in DOE reinstatement letters of July 27 and August 2, through which DOE established conditions to be met prior to or agreed to be met subsequent to the issuance by DOE of a new Provisional Program Participation Agreement (PPPA) that will restore access to Federal Student Loans for eligible CSL students. Documentation of that acceptance has been provided to the Licensure Unit. CSL has received a Letter of Credit Commitment from Cadence Bank, a U.S. bank insured by the FDIC, to issue the \$6MM Letter of Credit (LOC) that is the key condition precedent to the issuance of the new PPPA. That letter is attached. Consistent with established DOE practice, upon receipt of the LOC the DOE will issue a PPPA for signature by CSL and which, upon countersignature by DOE, will restore Title IV loan access for eligible CSL students for the Fall Term that begins on August 28, 2017.**

5. CSL shall keep the Licensure Unit fully informed of the progress and the status of:

- a. The investigation of CSL by the Consumer Protection Division of the North Carolina Department of Justice;

Condition met/continuing: To date, CSL has responded to 20 individual student complaints and produced 5,426 pages of documents in response to the Civil Investigative Demand of the Consumer Protection Division of the North Carolina Department of Justice.

- b. The ABA's consideration of CSL's request to approve its teach-out plan and remedial plan; and

Condition met/continuing: CSL has reported to the Licensure Unit with regard to its continued communications with the ABA, updated submissions to the ABA, and anticipated decisions to be made by the ABA after its meeting on August 11-12, 2017.

- c. The Department of Education's consideration of CSL's request for reinstatement for participation in Title IV programs.

Condition met/continuing: CSL has reported to the Licensure Unit with regard to its continued communications, copies of correspondence with and steps taken that comply with all DOE conditions for issuance of a new PPPA.

6. CSL Shall promptly distribute this determination of the Board of Governors and the attached document, to:

- a. All CSL students, including currently enrolled students, and students who have the status of "leave of absence" or "withdrawn";
- b. The ABA;
- c. The Department of Education; and
- d. The North Carolina Department of Justice, Consumer Protection Division.

Conditions met: All distributions in 6.a-d were completed by June 22, 2017.

7. Nothing herein shall limit the Licensure Unit from conducting additional review, or the Board of Governors from taking further action, on any matter relating to CSL's operations and licensure, including without limitation such further review, recommendations, and actions as the Licensure Unit or the President may deem to be appropriate due to changes in CSL's circumstances, the development of new information, and the actions of the ABA, the Department of Education, or the North Carolina Department of Justice.

Conditions met/continuing: CSL continues to work with the Licensure Unit regarding ongoing requests for data, documents and updates.

8. CSL has indicated that it believes it has the ability to remain open and become financially stable. CSL also expects that, upon the occurrence of certain financial restructuring events that it expects to consummate in the immediate future, CSL will be recertified by the U.S. Department of Education to participate in the federal Title IV student loan program. Provided that all conditions and requirements in items 1 through 6 are met, and subject to item 7, the Licensure Unit at UNC General Administration shall expeditiously review and present for the President's consideration possible actions that the Board may take to adjust or remove limitations on CSL's license.

Condition Met: CSL provided the Licensure Unit with information documenting its financial restructuring events, and participated in several conference calls with UNC GA personnel and external consultants regarding same. As of the date of this letter, CSL does not request the removal of the BOG-imposed limitations upon enrollment for the Fall 2017 semester, but expects to do so upon receipt of the PPPA anticipated by or before August 28, 2017.

9. Unless the Board of Governors takes further action, CSL's license shall expire on the earlier of:
 - a. The failure to meet the conditions set forth in items 1 through 4(a) and (b), above; or
 - b. May 30, 2019.

Condition Met: All conditions of 9.a. have been met. As of the date of this letter, CSL does not request BOG action seeking removal of the May 30, 2019 expiration date of its license, but expects to do so upon the ABA's removal of probationary status of CSL's accreditation.

CSL sincerely appreciates the ongoing guidance and assistance as it seeks not only to address the conditions imposed by the BOG in its June 21 Decision, but to secure a more sound educational and financial footing to better serve its students. The CSL community has worked hard to meet each of the conditions imposed by the BOG and looks forward to confirmation that CSL has complied with the conditions.


If the BOG does not agree that CSL's substantial efforts have resulted in complete compliance with the conditions, we ask that the Board suspend or otherwise pause the impact of the August 10 date included in its June 21 Decision to allow CSL two weeks to complete the ministerial process of reinstatement in the Title IV student loan programs. CSL believes that it has complied with each and every one of the above conditions, including the affirmative decision by the DOE, in accordance with its July 27, 2017 letter, to allow CSL to regain Title IV eligibility, provided certain conditions, all accepted by CSL, including the provision of the LOC,

are met. The rendering of formal restoration of Title IV participation is therefore a ministerial task and it would be manifestly against the interests of the CSL students who have committed to continuing their legal education for the BOG to make a determination of noncompliance and suspend the license to operate. As well, the interests of fairness and justice clearly require that the BOG stay any adverse interpretation given the short period of time within which Title IV participation will be restored and the extreme hardship that such a determination would impose on CSL, and its students, faculty, and staff. Classes are scheduled to begin on August 28, 2017. Many students have made their plans to return to CSL for classes and forgone other educational opportunities in favor of the education CSL provides. Most students have not only lost other education opportunities, but have also entered into agreements with landlords for housing and incurred substantial out-of-pocket expenses. The harm here is real – and obtaining a diploma from a school in teach out will only further add insult to the injury. These students made choices based on the DOE’s letter providing a path to access to Direct Loans and CSL is meeting all the requirements set by the DOE; cutting off the school’s ability to finalize that process is unfair and unnecessarily harms students. So too scores of faculty members and staff who have stayed with CSL and helped to meet the conditions imposed on the school will suffer severe economic hardship.

Finally, if despite the evidence adduced above the BOG (or Licensure Unit) does not believe CSL has met the conditions, and will not suspend its determination for the brief period of time necessary to permit CSL to complete the very few ministerial steps required to resume Title IV participation, then we respectfully request that the BOG, or the appropriate Committee thereof, immediately notice an emergency meeting of the BOG or such Committee, to adjust the date in its Decision by giving CSL a reasonable time to comply. As stated, classes are scheduled to start in eighteen days. It is far too late in the day for people to alter their education and work plans. The hardship occasioned by an interpretation that CSL has not, through its significant actions listed above, met all conditions such that the license remains in effect would be severe. It is also far too late to undo the economic relationships, such as rental agreements, students entered. Given that the next BOG meeting is not scheduled until September 8, an emergency meeting would be the only vehicle for addressing whether the conditions have been met. If done immediately, adjusting the date for compliance and keeping the license in place will permit CSL to meet its commitment to students, faculty and staff.

Thank you for your consideration of our report. Please do not hesitate to reach out to me at any time.

Sincerely,



Chidi Ogene
President

Enclosure:

**cc: Anna S. Nelson, Chair, EPPP Committee
W. Louis Bissett, Jr. Chair, Board of Governors
Thomas Shanahan, Esq.**