



AMERICAN CAREER COLLEGE

ASSOCIATE

CODE OF ETHICAL CONDUCT

October 2010 Edition

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LETTER FROM THE CEO

To all of our Valued Associates,

It goes without saying that for over 30 years our shared VALUES, PHILOSOPHY, AND MISSION have made us one of the top teaching institutions in Southern California. Our intent is to expand to our full potential and dominate the Healthcare training market in the southwestern United States. Having said that, our industry expects and demands more of us, and these demands have an effect on you, no matter where you are in the organization. Whether your job requires you to recruit more students, deliver quality education and instruction, place students into promising careers, adhere to tighter standards and quality controls, or generate more clinical affiliations, you get the job done. We applaud that effort, and take this opportunity to thank you for the contributions you make to our College's success.

At the same time, it is essential that each one of us recognize that it is not just getting the job done that counts, but also how we achieve our results, which is to "Help our Students Succeed". The College's reputation --- as well as each individual success --- requires us not only to do the job, but to do it in the right way. As much as ever, doing the right thing goes beyond complying with the laws which govern our business. It really means conducting ourselves with total integrity in everything we do.

As your employer, the College's obligation goes beyond simply stating that you should always conduct yourself professionally and ethically at work. With this Code of Ethical Conduct, we are formalizing the values which have made us the College we are today and which will carry us forward into the future. This Code describes the fundamental policies that govern all of the work we do, and sets forth the duties and obligations of all our Associates under those policies.

I believe in these values and am committed to upholding them in all of our operations. The College will conduct its operations consistent with the highest business, legal and ethical considerations. No Code can ever anticipate every ethical decision we may face. So whenever you are in doubt about any matter that may have ethical implications, you should seek guidance. The channels and procedures that we have established to help answer your questions can be found at the beginning of the code. We promise that Associates merely seeking ethical guidance or reporting ethical concerns will be protected from retaliation. This protects Associates from harm for reporting concerns where they have done nothing wrong.

As Chief Executive Officer, I am personally committed to abiding by and carrying out this Code as written as well as the underlying spirit of the code. We ask you to share that commitment. It is important that you read this Code carefully and ask questions about anything you do not understand. The Code of Ethical Conduct Contact section, on page 35 of this document, provides advice as to where you should direct your questions. Each of us must accept personal responsibility in preserving and enhancing the College's exceptional reputation for integrity.

Very truly yours,

David Pyle
Founder and Chief Executive Officer
American Career College

COMMITMENT TO ETHICAL BUSINESS CONDUCT

American Career College is committed to conducting business in accordance with the highest ethical and legal standards. Failing to do so puts ACC's name, reputation for integrity, and business at risk. ACC's Code of Ethical Conduct reinforces ACC's commitment to the highest ethical and legal standards.

This Code provides each Associate, as well as ACC's suppliers, contractors and other business partners, with guidance and perspective in understanding business ethics at ACC. The Code is the centerpiece of ACC's system wide compliance program, which is premised on ACC's Core Values and Core Leadership Principles such as integrity, courage and wisdom. It is everyone's responsibility to ensure the success of the program.

This Code is available electronically on the ACC intranet. When updates to the Code are required, they will be made to the electronic version. You will be notified when changes occur, but you should periodically check the electronic version for the latest updates.

This Code is intended to provide general guidance to be followed by all ACC Associates and representatives. Where conflicts exist with local policy or regulations, the requirement containing the higher standard of ethical conduct shall apply.

ACC reserves the right to update or otherwise change this Code of Ethical Conduct at any time.

You are expected to be familiar with, and follow the rules and regulations that relate to your job. A few of the general rules and regulations of concern are set forth below. Many others are addressed throughout the Associate Handbook and in other ACC policies and procedures. These documents provide additional guidance regarding ACC's policies in the following areas, among others: confidentiality and work product policy, conflict of interest/secondary employment, electronic mail/internet use, emergency procedures, equal opportunity employment, injury on the job, prohibition of harassment, safety procedures, substance abuse, telephone systems and use, theft and security.

All ACC Associates must follow all of these standards and policies. Violations of these standards and policies, or of any legal and regulatory requirements applicable to your job tasks, may cause disciplinary action, up to and including termination of employment.

CORE VALUES

Commitment

We uphold the values of ACC in every action and decision. We have a commitment to student success through every Associate who is responsible to act in good faith, to comply with the rule of the law and ACC policies and regulations.

Quality

We believe that striving to be the best in our work, our relationships, our ideas and our services is the greatest demonstration of our pledge to customer satisfaction. We are determined to provide the highest quality education and training. Our success depends on our Associates' ability to deliver the consistent level of quality expected by all who rely on us.

Respect

We are dedicated to a single purpose, fueled by a diversity of thought and action. We serve responsibly as members of all the communities in which we live and work. We share a cooperation and mutual respect for every Associate that represents a diverse population, so we can maximize the relationship between our customers and ACC.

Results

At ACC we remain dedicated to our customers and the achievement of results. We are committed to discovery and continuous improvement in developing and implementing our programs and services.

Work

In an effort to support our mission, we are willing to take prudent risks. We strive to be proactive, innovative and creative in all we do. We hold ourselves to the same standards of excellence that makes ACC a great place to work.

Compliance

We value our Associates and customers and treat them with respect as individuals. We operate in a climate of openness and trust in which each of us perform our job with respect and cooperation to uphold our compliance, ethics and integrity at all times.

ETHICAL DECISION MAKING

ACC recognizes that all Associates encounter ethical decisions in their work. This Code is intended to help you to both recognize and resolve those decisions.

When faced with a business decision that has ethical overtones, here are several questions you should ask yourself to determine if your actions are proper:

- Am I adhering to the spirit, as well as the letter, of any applicable law or ACC policy?
- Would I want my actions reported on the front page of a newspaper?
- What would my family, friends or neighbors think of my actions?
- Will there be any direct or indirect negative consequences for ACC?
- Are my actions consistent with the overall values set forth in this Code and ACC policies?
- How would my peers interpret my actions?

If you remain uncertain about what to do, stop and ask for help. Refer to the relevant section of this Code. Speak with your Supervisor or, if you prefer, communicate with any of the other points of contact indicated in this Code.

ACCURACY OF RECORDS

ACC's books and records must accurately reflect all measurable transactions affecting ACC. Associates shall not make false or artificial entries in ACC's books and records for any reason. The failure to report accurate financial information is a violation of this Code of Ethical Conduct.

Part of our commitment to trustworthiness is the assurance that all of ACC's financial transactions are lawful and are made for the purposes stated and as authorized by the College. There is no acceptable reason for making a false representation on behalf of ACC either orally or in writing.

All of ACC's books, records, invoices, accounts and financial statements must be maintained in reasonable detail, must appropriately and accurately reflect ACC's transactions and must conform to applicable legal requirements, applicable General Accepted Accounting Principles and to ACC's system of internal controls.

Questions regarding this policy or any other aspects of ACC's financial accounting, record keeping or auditing should be addressed to the College's Chief Financial Officer. If you have a concern or complaint regarding accounting, financial records or auditing at ACC, you may also report it on a confidential basis to any of the additional points of contact listed in this Code.

FREQUENTLY ASKED QUESTIONS:

Q: I was on a long business trip. Although I usually keep good track of my receipts for all reimbursable expenses, this time I lost one. Can I still be reimbursed?

A: You need to account correctly for all business expenses. In the rare case where you have lost a receipt and cannot obtain a replacement, you should contact your Supervisor to discuss how the expenditure can be documented.

Q: On a recent business trip, I stayed overnight with an old friend. Can I include the equivalent cost of a hotel room on my travel voucher, since I took my friend and his wife out to dinner and paid for it myself?

A: No. All vouchers, time cards and other ACC documents must always be completed in a correct and accurate manner. It is never proper to knowingly create a false, misleading or erroneous ACC document or entry on an expense voucher.

ANTITRUST

A dynamic and thriving economy is built on fair and open competition. This means every competitor has a fair opportunity and that all competitors compete under the same rules. ACC will compete energetically, ethically and legally in the marketplace. The quality and value of our services will determine our success. We will not engage in activities that unfairly limit trade or exclude competitors from the marketplace.

To promote free and fair trade, we will adhere to the letter and spirit of all antitrust laws in the markets in which we operate. Failure to comply with antitrust laws may destroy the trust of our customers and business partners, resulting in legal sanctions and a damaged reputation. Generally, antitrust laws prohibit the following behaviors:

- Agreements with competitors to fix prices or boycott customers or other third parties.

- Agreements to restrain or restrict competition.
- Fixing prices at which customers resell products or services.
- Unlawful tying, which is an agreement to sell one product or service but only on the condition that the buyer also purchases a different product or service from the seller.

If you have questions regarding compliance with the antitrust laws, contact the Compliance/Legal Department immediately.

FREQUENTLY ASKED QUESTIONS:

Q: I was asked by a competitor to provide information for a “benchmarking study.” What should I do?

A: Contact the Compliance/Legal Department for guidance before you say or do anything. Any exchange among competitors of price, cost and other sensitive information is risky because it may provide the basis for finding an unlawful agreement to restrain competition. Merely calling such an exchange “benchmarking” will not avoid this risk. Any proposed exchange of benchmarking information with competitors, or any request to participate in a benchmarking study with competitors, should be reviewed in advance by the Compliance/Legal Department.

Q: I received a fax today. The cover sheet leads me to believe that the attached pages were misdirected and contain a competitor’s proposal. What is the right thing to do?

A: Do not look at the attached pages. Do not copy the document. Contact the Compliance/Legal Department immediately.

BRAND LOGO USAGE

ACC believes its College image is its identity; it reflects the College’s goals, people and way of doing business. ACC’s brand logo(s) are designed to position the organization as the leader in healthcare education. ACC is proud of the organization and seeks opportunities to communicate, promote and advertise through the brand image and logo(s). To maintain that image and promote brand identity, it is essential that College logo(s) be used in the proper content and context, utilizing the correct graphic standards. Please contact the College Marketing Department for appropriate logo usage.

BUSINESS COURTESIES

A business courtesy is a gift or service (whether in money or in kind) provided to or received from a vendor or business contact. In certain situations, it may be appropriate to give limited, non-cash business courtesies. We do not seek, however, to influence improperly the decisions of our customers or suppliers by offering extravagant business courtesies, nor do we accept such courtesies from suppliers.

Definition of Supplier or Vendor

A supplier or vendor is any business that furnishes, or is in a position to furnish, materials, equipment, supplies or services of any kind to ACC. Services include, but are not limited to: banking, insurance, advertising, transportation, construction, auditing, engineering, consulting, testing and legal counsel.

Receiving Gifts

ACC Associates and their family members are generally not permitted to accept any business courtesy or other benefit of any type (this includes meals, entertainment and tickets)

regardless of value that is offered in connection with ACC business. Exceptions must be specifically approved in writing on a case-by-case basis by the Chief Financial Officer or Chief Executive Officer.

There are only three exceptions to this general prohibition. Associates may accept:

- Limited refreshments and meals, such as coffee, pastries or a working meal, when these items are provided during a business meeting.
- Reasonable and infrequent meals and entertainment (but not travel or overnight lodging) when offered by an ACC customer or business Associate (but not student lender or prospective supplier) for a legitimate business reason and when local custom or practice would make it inappropriate to decline the offer.
- Promotional business items with only token value, although it is our policy to discourage receipt of gifts of even token value.

Common sense and good judgment must be exercised when accepting business-related meals or anything of token value to avoid any perception of impropriety or conflict of interest. ACC considers any business courtesy of more than \$100 value to be excessive.

Any offer to you of a gift or other business courtesy that exceeds nominal or token value, or that seems inconsistent with common business practices, should be refused and immediately reported to your Supervisor. Associates must also immediately report any offers of cash, a fee or kickback to the Compliance/Legal Department.

Giving Gifts

Any business gift we propose to give must be legal in the market where it is given and must be of nominal or token value unless prior approval is received. Sales or marketing representatives may make business gifts of their regular ACC promotional items for generating business goodwill. Moreover, when practical, any gift you give as a business courtesy should include the ACC name, logo, or other similar College identification.

Regarding meals and entertainment, you may offer infrequent, reasonable and appropriate meals or simple entertainment (which may not involve travel or overnight lodging) if the activity has a clear business purpose. Any activity that might be considered lavish or extravagant is not permitted. The guideline for reasonable and appropriate must be normal industry practice.

Please note that there are specific limitations on accepting from, or giving gifts to, any entity that provides student loans to our students. ACC associates may only give courtesies to, or accept courtesies from, student loan lenders of nominal value, including token items like pens or pads, and inexpensive meals offered in conjunction with training. Any other courtesy is forbidden. Please refer to the *Financial Aid Professional's Code of Conduct, Statement of Ethical Principles and Code of Conduct Regarding Lender Relationships and Loans* for further details.

Associates may not defeat the intent of this Code by using their own funds to pay for any gift, meal, entertainment or other benefit under circumstances where it would be a violation if ACC were to make the payment.

FREQUENTLY ASKED QUESTIONS:

Q: *A supplier to ACC offers to give me a ticket to a professional sporting event in my city. The supplier explains that he cannot use the ticket because he will be out of town. Can I accept the ticket?*

A: No. The Code says that any gift of more than token value should be refused. The meaning of “token value” can differ depending on the country, culture and economy. A good rule of thumb is to view token value as the value of what local companies typically give away as advertising items to persons with whom they do not do business. These items typically contain the College logo. Examples include a baseball hat, key chain, coffee cup or a water bottle. Anything that exceeds the value of items like these also exceeds token value. In addition, our Code prohibits receipt of any money or cash equivalents. Many tickets can be readily converted to cash. Clearly, the value of the ticket in this case exceeds token value, and therefore it may not be accepted. The Code also requires Associates to report to their Supervisor any offer of a gift that exceeds nominal value. However, if the supplier plans to accompany you to the event and there is a clear business purpose, it may be acceptable to attend.

Q: *A supplier offered me a five percent discount for my personal purchases. Is this okay?*

A: No, unless everyone at the College or business unit received such a discount, and even then, the Compliance/Legal Department should be advised before you agree to any such discount with the supplier.

Q: *I am involved with event planning. That means I frequently deal with hotels, restaurants and travel agents. One restaurant I often use for our meetings has offered me a free meal for*

my entire family. I would like to accept it. Am I doing anything wrong?

A: It depends. By accepting the free meal for non-business use, it appears as though the restaurant is attempting to sway your future business decisions. You should seek guidance from your Supervisor, Human Resources or the Compliance/Legal Department.

CONFIDENTIAL BUSINESS/ PROPRIETARY INFORMATION

The protection of confidential business/proprietary information (“CBPI”) and trade secrets is vital to the interest and success of the College. CBPI includes all information relating in any manner to the business of the College and its affiliates, consultants, customers, clients and business associates that is produced or obtained by College Associates during the course of their work. You may be required to sign a non-disclosure and confidentiality agreement as a condition of employment. If you disclose trade secrets or confidential business/proprietary information, you will be subject to corrective action, up to and including termination of employment, even if you do not actually benefit from the disclosed information.

Disclosing CBPI could be an invasion of Associate privacy, have negative effects on the College's position and business operations, and may result in adverse legal and financial consequences for the organization.

Academic/education organizations by their very nature are privy to sensitive, confidential information, can include, but is not limited to, e-mails, student information, customer lists, customer files, financial and marketing information/data, compensation and benefits information/data, process descriptions, research plans, trade secrets, formulas,

electronic codes, computer programs, inside publications, Associate data, policies and procedures, and forms.

In no case should CBPI be conveyed to individuals outside the organization, including family or Associates, or even other College Associates who do not need the information in performing their job duties. Any sensitive subject matter should be discussed only on a "need to know" basis. Associates should not seek out sensitive information. Associates without a "need to know" who become aware of CBPI should use discretion to protect the confidentiality of such information. Nor should Associates use CBPI learned in the course of their employment for any reason or purpose other than College business. While not all inclusive, any breach of the guidelines, statement or spirit of this policy, unless specifically authorized in writing by an authorized Supervisor, may result in corrective action. Upon termination of employment, whether voluntary or involuntary, all College documents, computer records, and other tangible College property in the Associate's possession or control must be returned to the College immediately.

Nothing contained in the policy is intended to prohibit the use or disclosure to outsiders of information which has been made available to the public by advertisement or otherwise, such as the nature of business, the College's products and services, and its business hours.

Associates handling CBPI are responsible for its security. All information of a confidential nature shall be filed in a secure place such as a locked desk or file cabinet. Each Associate is responsible for turning off his/her office equipment and lights, locking his/her computer workstation, and for storing CBPI before leaving the office at the end of the day.

In addition to protecting the CBPI of ACC, we require that associates not procure CBPI from other companies for use in ACC business. Anything that an associate created while employed elsewhere will likely be considered the CBPI of that College, and we insist that our associates hold themselves to the same standards of confidentiality relating to their previous employer's CBPI as we expect of them at ACC.

Protecting Student Educational and Financial Records

Under the Family Education Rights and Privacy Act and the Gramm Leach Bliley Act, ACC is required to protect the confidential, financial and personally identifiable information of its student customers. This includes all information included in the student's education record, subject to the requirements and exceptions of our FERPA policy, and any financial information we maintain for purposes of student payments and financial aid. Appropriate safeguards, both documentary and electronic, must be utilized to ensure this private information remains confidential. All associates are expected to comply with ACC's FERPA policy as published and to maintain the privacy of student information by locking computer stations, storing student information in locked cabinets and using encrypted formats when sending student information using electronic means.

FREQUENTLY ASKED QUESTIONS:

Q: *I would like to use one of the computer programs that we have at work on my home computer. Is that allowed?*

A: Probably not. Computer program licensing restrictions usually prohibit dual use. Check with the College's Information Technology

and Compliance/Legal Departments before you use any ACC furnished software program on your home computer.

CONFLICTS OF INTEREST AND COLLEGE OPPORTUNITIES

Conflict of interest arises when an associate, whose responsibility is to serve the College, participates in an activity that jeopardizes his or her professional judgment, objectivity and independence. Often this activity primarily serves personal interests and can potentially influence the objective exercise of the individual's official duties. Examples of behaviors or situations that may violate this policy include but are not limited to:

- Associates may not hold outside employment with any organization that does business or competes with the College when such employment creates a conflict or the appearance of a conflict. Associates must disclose any such outside employment to their supervisor.
- Associates may not offer, promise or give anything of material value to any student or prospective student.
- Associates may not engage in any activity or conduct, either on the job or off, that is disruptive, competes with or damages the College.
- Associates may not sell equipment to students.

Associates must disclose any financial interest they or their immediate family members have with any organization that does business or competes with ACC. Additionally, Associates must disclose potential conflicts of interest to the appropriate Supervisor or the Compliance/Legal Department.

Associates, Officers and Directors have a duty to advance the legitimate interests of ACC when the opportunity to do so arises.

Generally, Associates, officers and directors are prohibited from using College property, information or position for personal gain or to compete with ACC. More specifically, they are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered using College property, information or position unless, after full and fair disclosure, the opportunity has been offered to and rejected by ACC.

FREQUENTLY ASKED QUESTIONS:

Q: My spouse has been offered a job with one of our suppliers. Is this a problem?

A: Possibly. The answer depends in part upon whether you make decisions that affect our business relationship with that supplier. Contact your Supervisor and fully explain the situation.

Q: My department needs to quickly hire a caterer for a last-minute office function. My spouse runs a catering business. He offers good food on short notice, at a rock bottom, discounted price. May we hire him without getting any competitive bids?

A: Not if it creates the appearance of bias. We realize that this may sound rigid, but we cannot give the impression that we play favorites. A competitive bidding process must be used to avoid the appearance of bias. The Compliance/Legal Department should be consulted for an independent determination.

Q: A supplier has asked me to work as a consultant one night a week. May I take the job?

A: Probably not. Even if the job would not affect your view of the supplier and even if you do not make decisions on that particular supplier, it might make others perceive you as

being potentially biased, in a position to have an impact on competitive supply decisions, or capable of providing special channels of communication. It is our duty to treat all suppliers impartially and fairly, and to avoid the appearance of undue influence or conflicts of interest.

Q: I have the opportunity to make a purely financial investment in a college that may be selling products to ACC. May I go ahead and invest?

A: Possibly. The answer depends on the size of your investment, your role at ACC, and the business relationship between ACC and the other college. You will need to obtain prior approval from the Compliance/Legal Department.

Q: Do the conflict of interest principles apply to relatives outside my household or to friends?

A: Generally, the conflicts policy applies only to members of your immediate family. However, if your relationship with a relative or friend is particularly close and you could lose your objectivity regarding ACC matters, then, in certain circumstances, the conflicts policy would apply. If you have any doubts, you should disclose the relationship and discuss the matter with your Supervisor.

Q: My spouse is launching a start-up business in a similar line of business as our college. I have been asked to serve on the board of directors so I can share my insights into business trends and my understanding of what customers want. Would it be ethical for me to accept the invitation?

A: It would be inappropriate for you to accept this invitation to serve on the board as doing so would inevitably involve the sharing of confidential and/or proprietary College

information and could compromise your ability to act in the best interests of the College. This situation poses a fairly obvious conflict of interest. All outside employment or business activities should be disclosed and discussed with the Compliance/Legal Department or the Human Resources Department for an independent determination prior to your involvement.

CONSULTANTS

All consultants must be approved in accordance with ACC Policies and consulting agreements must be controlled to protect ACC's confidential information. A formal written agreement must be reviewed by the Human Resources and Compliance/ Legal departments prior to retaining any consultant to perform work for ACC. These agreements must contain a detailed statement of work, a clear description of all amounts to be paid, and all specific provisions covering conflicts of interest, standards of conduct, government business ethics, confidentiality obligations, and ownership of intellectual property. The use of consultants or lobbyists in the government relations area requires consultation with the Compliance/ Legal Department.

Consultants must be paid in the name of the party identified on the agreement, in the location where the services are performed unless specific exceptions are approved by the Compliance/Legal Department.

All consultants must be informed about and agree to follow this Code of Ethical Conduct with respect to activities that affect ACC's businesses or Associates.

FREQUENTLY ASKED QUESTIONS:

Q: *Does this Code apply to consultants?*

A: Yes. Consultants, sales agents and marketing representatives must be given a copy of the Code and agree to abide by applicable sections. In some circumstances, U.S. laws underlying our Code of Ethical Conduct impose on our business associates an obligation to obey and to help us obey those laws. Where the actions of our consultants, agents or marketing representatives may be attributable to us, they must follow the Code.

Q: *A College marketing Associate needs the services of a consultant to proofread a technical brochure. The cost will be minimal and he could make the payment directly from his budget without having to delay while seeking approval. Is this permissible?*

A: No. The cost of the consulting engagement does not override the requirement that no consultant may be hired without a formal written agreement.

ENVIRONMENT, SAFETY AND HEALTH (ESH)

ACC is committed to the safety of its Associates and the protection of its equipment and property. ACC has established safety guidelines to be observed by all Associates at all times which is contained in the Associate Handbook. A copy is provided to each new Associate upon beginning employment with ACC. It is the Associate's responsibility to read and adhere to the safety rules and policies contained within. The safety rules found in the Associate Handbook are considered the minimum standard for all Associates.

It is the responsibility of all ACC Associates to ensure they perform their work safely.

Associates should report all safety concerns and unsafe conditions to the appropriate Supervisor or the Administrative Office Facilities Department immediately.

Associates should report all work related injuries and illnesses, regardless of the degree of severity to the appropriate Supervisor or the Administrative Office Human Resources Department.

Decisions regarding Associates should always be guided by ACC's commitment to safety. Associate safety will not be compromised.

GOVERNMENT/REGULATORY INVESTIGATIONS

It is our policy to cooperate fully with any appropriate government or regulatory investigation. If you or someone you supervise learns about a possible government investigation or inquiry, inform the Compliance/Legal Department immediately.

Specific Guidelines

- If a governmental investigator or police officer arrives on campus, they should immediately be referred to the campus Executive Director or the Director of Education.
- Never destroy any ACC documents in anticipation of a request for those documents from any government agency or court. Documents include electronic media such as disks, computer-stored information and e-mail transmissions.
- Never alter any historical ACC document or record.
- Never make any untrue or misleading statement to any government investigator.
- Never try to influence any other Associate or person to provide incomplete, false or

misleading information to any government investigator.

- If any government inquiry arises through a written subpoena or a written request for information you must submit the subpoena or written request to the Compliance/Legal Department immediately, before any action is taken or promised.
- If you are approached outside the workplace by a government investigator, you have the right, if you wish, to consult with the Compliance/Legal Department (or, if you prefer, your own private legal counsel) before speaking with the investigator.

As permitted, ACC will assist Associates in cooperating with government investigations.

DEALING WITH GOVERNMENT OFFICIALS

As federal, state and local laws may require Associates of the College to be in contact with public officials, it is essential that any Associate who has such contact act in a manner that will uphold the College's excellent reputation for ethical behavior. Dealings with government officials shall conform to the following standards:

- All Associates who contact public officials must be familiar with the applicable federal, state or local lobby laws and public disclosure requirements, particularly those laws or regulations that pertain to registrations or filings that must be made by ACC.
- No payment shall be made to, or for the benefit of, any public official in order to induce or entice such official to enact, defeat or violate any law or regulation for the College's benefit; to influence any official act; or to obtain any favorable

action by a governmental agency or official on behalf of the College.

- Gifts of greater than nominal value to, or lavish entertainment of, public officials are prohibited as such acts may be construed as attempts to influence government decisions in matters affecting the College's operations. Any giving of gifts to, or entertaining of, public officials shall be approved in advance by a member of the Compliance/Legal Department, shall be in accordance with the customary business standards of the community and should not give rise to any appearance of impropriety.

HUMAN RESOURCES

Please see the Associate Handbook for more details.

Drug-Free Workplace and Drug Testing

It is the College's policy to provide a drug-free, healthful and safe workplace. To promote this goal, you are required to report to work in appropriate mental and physical condition to perform your job in a safe and satisfactory manner. Upon hire, all Associates must sign the College Drug and Alcohol Abuse Policy Statement.

While on College premises and while conducting business-related activities off College premises, you may not use, possess, distribute, sell or be under the influence of drugs or alcohol or engage in the unlawful distribution, manufacture, dispensing, possession or use of illegal drugs. Violation of this policy may lead to corrective action, up to and including immediate termination of employment. Where unlawful activity is suspected, the College will notify the appropriate law enforcement authorities.

The legal use of prescribed drugs is permitted on the job only if it does not impair an Associate's ability to perform the essential functions of the job effectively and in a safe manner, and does not endanger other individuals in the workplace. If you are uncertain about the affects a prescribed medication may have on your ability to perform your job you must notify your Supervisor immediately. Management, in its sole discretion will determine whether a reasonable accommodation of the Associate's needs is appropriate or available.

In keeping with the goals established by this policy, Associates and job applicants may be asked to provide body substance samples (e.g., blood, urine) to determine the illicit use of drugs. The College will attempt to protect the confidentiality of all drug test results. Drug tests may be conducted in any of the following situations:

- **Post-Accident Testing:** An Associate that is involved in a serious incident or accident while on duty, whether on or off the College's premises, may be asked to provide a body substance sample.
- **Fitness-For-Duty or Reasonable Suspicion Testing:** This test may be required if significant and observable changes in Associate performance, appearance, behavior, speech, etc. provide reasonable suspicion of his/her being under the influence of drugs and/or alcohol. A fitness-for-duty evaluation may include the testing of a body substance sample.
- **Random Testing:** An Associate who has completed a voluntary rehabilitation program may be subject to unscheduled testing for a twelve (12) month period following reinstatement.

The College reserves the right to require Associates to be tested, using appropriate

testing procedures, for improper drug or alcohol usage.

In view of the College's desire and obligation to maintain a drug-free workplace, the College will not tolerate the sale, possession, distribution, use, being under the influence, or presence in the body, of alcohol, marijuana, narcotics, or non-prescribed behavior-modifying or hallucinogenic drugs while at work at any location, at the College premises at any time, or when operating any College vehicle, tools or equipment.

Whenever there is reason to believe that an Associate is engaged in the sale, possession, distribution, use, or under the influence of, or having present in the Associate's body, alcohol, marijuana, narcotics, behavior-modifying or hallucinogenic drugs, or any other substance covered by this policy, on College premises or property or while at work, the College may search and inspect an Associate and/or any and all of the Associate's personal effects. A refusal to submit to a search or inspection may subject the Associate to discipline, up to and including termination.

Where there is a reasonable suspicion of drug, substance or alcohol possession or use, or presence in the Associate's body, on College premises or while operating any College vehicle, tools or equipment, or which impacts on an Associate's performance or behavior or safety on the job, an Associate may be required to be examined by a physician (paid for by the College), to undergo testing for drug, substance or alcohol use, and to consent to have the results of the examination and test results released to the College.

Reasonable suspicion of drug, alcohol or substance use may be based on factors including, but not limited to, unusual behavior such as verbal abuse, physical abuse, extreme

aggression or agitation, withdrawal, depression, mood changes, or unresponsiveness; inappropriate responses to questions or instructions; other erratic or inappropriate behavior such as hallucinations, disorientation, excessive euphoria, confusion. Other examples include but are not limited to:

1. Possessing, dispensing, or using a controlled substance.
2. Bloodshot or watery eyes.
3. Dilated or constricted pupils or unusual eye movement.
4. Slurred or incoherent speech.
5. Dry mouth.
6. Dizziness or fainting.
7. Extreme fatigue, drowsiness, sleeping.
8. Flushed or very pale face.
9. Nausea or vomiting.
10. Unsteady walk.
11. Runny nose or sores around the nostrils.
12. Observed weight loss.
13. Sudden worsening of complexion.
14. Excessive sweating or clamminess of the skin.
15. Shaking of hands or body tremor/twitching.
16. Bloodstains on clothing sleeves.
17. Wearing of sunglasses indoors and in all weather.
18. Wearing of long-sleeved shirts in all types of weather.
19. Puncture marks or tracks.
20. Odor of alcohol, marijuana, or other substance on breath or clothes.
21. Excessive absenteeism or other attendance problems.
22. Frequent absences from the work area.
23. Frequently coming in late or leaving early.
24. Irritability or unpredictable responses to ordinary requests.
25. Abusive, erratic or threatening conduct.
26. Disheveled appearance.

27. Erratic or unusual behavior, mood swings or changes, including inappropriate gaiety or lethargic behavior.
28. An increase in errors, forgetfulness, and difficulty following instructions.
29. Accidents related to apparent lack of concentration.

When an Associate tests positive on a drug or alcohol test, the Associate may, at the College's sole discretion, be terminated or volunteer to undergo drug or alcohol rehabilitation or medical treatment as a condition of continued employment. The College will reasonably accommodate any Associate who voluntarily requests to undergo rehabilitation or medical treatment, provided that the reasonable accommodation does not impose an undue hardship on the College.

Please contact the Administrative Office Human Resources Department for complete details of the Drug-Free Workplace and Testing policy.

College Work Rules and Performance Management

Work rules are necessary in a professional environment like American Career College to promote Associate safety, fairness and effective leadership. It is the hope and expectation of the Leadership Committee that through selective recruiting of the most talented Associates, these rules will seldom, if ever, be needed to terminate or otherwise discipline our most vital resources. Obviously, rules and procedures cannot be adopted to cover every circumstance, but certain basic guidelines have been established. New policies may be established at any time at the College's discretion.

The College expects high quality work from its Associates, and expects you to conduct yourself in a businesslike manner. The Performance Management process may start with a coaching conversation or verbal warning about needed improvement and would generally be followed by a first written counseling, a second written (“Final”) counseling, a Decision Making leave and/or termination if performance remains unsatisfactory. The College has the right to determine which form of discipline is appropriate depending on the severity of the violation and the facts and circumstances surrounding it. In certain circumstances, severe/gross misconduct may lead to immediate termination. Discipline may consist of any one of the following steps but not necessarily in the order listed below:

- Verbal/Oral Acknowledgement: Verbal feedback outlining where performance may need improvement will be provided by the Supervisor. Specific methods to improve performance will be outlined. The verbal/oral form is signed by Associate and Supervisor and placed in the Associate’s personnel file.
- Written Warning: A written warning will communicate specifically what areas of performance still need improvement. This warning serves as notice that should the performance not show immediate improvement, a written performance improvement plan, suspension and/or a final warning will serve as the next step. The form is signed by Associate and Supervisor and placed in the Associate’s personnel file.
- Suspension and/or Final Warning: The Associate may be given a final written warning and/or be suspended without pay for up to three working days. The

form is signed by Associate and Supervisor and placed in the Associate’s personnel file.

- Written Performance Improvement Plan: A written plan for improvement will be provided to the Associate. The Supervisor and Associate will agree on the timetable for action items. The form is signed by Associate and Supervisor and placed in the Associate’s personnel file.
- Decision Making Leave: (May be used in conjunction with a written performance improvement plan.) The Associate is given a day away from work to decide whether to, (1) continue employment with the College by completing a written action plan for performance improvement or, (2) resign.
- Investigatory Suspension: Suspension pending investigation of all relevant issues is a step recommended prior to termination if the issues relate to misconduct. Suspension may or may not be paid.
- Termination of Employment: Whenever circumstances warrant, management may decide, in its sole discretion, that some or all of the steps in the performance management process should not be followed and that immediate corrective action, including termination of employment is necessary based on the totality of circumstances.

Performance management is normally documented on an Associate counseling form with a space for the Associate’s comments and signature. Signing the form is simply an acknowledgement that the warning notice was

discussed. Documentation of the performance management will be placed in the Associate's personnel file. In all cases of disciplinary action, with the exception of a verbal/oral discussion, the Supervisor must consult with the Vice President, Human Resources prior to meeting with the Associate.

Examples of impermissible conduct that may lead to disciplinary action are outlined below to promote understanding of what is considered unacceptable conduct and to encourage consistent action by the College in the event of violations. It is not possible to list every manner or expression of unacceptable conduct. There may be other conduct not listed that is contrary to the College's interest and may lead to disciplinary action.

EXAMPLES OF VIOLATIONS:

1. Sexual or other unlawful harassment.
2. Discussing and/or involving Associates, students, customers or visitors, directly or indirectly, without prior notification to management to do so in conjunction with any grievance/dispute an Associate may have with the College.
3. Malicious or willful destruction or damage to College property or supplies, or to the property of another Associate, student, customer or visitor.
4. Theft or inappropriate removal or possession of College property, or the property of another Associate, student, customer, or visitor without permission.
5. Obtaining your job by lying or giving false, incomplete or misleading information; falsifying any employment documents or records, including your own or your co-workers time records, falsifying other College documents or records, and any other acts of dishonesty.
6. Providing false information in connection with any College investigation or Workers' Compensation claims.
7. Failure to report overpayment of wages, benefits or perquisites.
8. Bringing or possessing firearms, weapons or other hazardous or dangerous devices or substances onto College property without proper authorization.
9. Possession, use or sale of alcoholic beverages or illegal drugs on College property or during work time, reporting for duty under the influence of alcohol or illegal drugs, or while operating College-owned vehicles or customer-owned property.
10. Insubordination, including other disrespectful/improper conduct toward a Supervisor or refusal to perform a task assigned by a Supervisor.
11. Knowingly recruiting or soliciting employees of another college in violation of a legally binding contract forbidding such conduct.
12. Fighting or threatening violence in the workplace.
13. Harassing, threatening, intimidating or coercing a Supervisor, Associate, student, prospective student, visitor, building tenant or vendor.
14. Giving the College's products away free of charge or at a discount to any person in violation of the College policy.
15. Pleading guilty to or being convicted of any crime other than a minor traffic violation.
16. Failure to follow College procedures for maintaining the confidentiality of the College's proprietary information.
17. Fraternalization, dating and/or other socializing with students while they are enrolled in school is strictly and expressly prohibited. This includes the exchange of non-school related telephone/cell calls, e-mail, texts, or other communications.

18. Loaning to or borrowing money from a student, customer or visitor.
19. Abuse of travel and entertainment or other College supplies and reimbursement policies.
20. Personal purchases made through College accounts and charged to same.
21. Deviation from daily class schedule.
22. Unsatisfactory job performance or conduct.
23. Violation of safety or health rules.
24. Excessive tardiness and/or absences from work or your work area, including taking too long for lunch and break periods.
25. Excessive use of personal cell phone in work area and/or during work time.
26. Excessive personal use of internet during work time and/or use of internet using College property.
27. Leaving the College's premises or your job during work hours without notifying your Supervisor and/or getting permission.
28. Horseplay or any other disruptive activity in the workplace.
29. Smoking in the building.
30. Unauthorized absence from work station during the work day or working unauthorized overtime.
31. Use of abusive or hostile language.
32. Carelessness, negligence or improper conduct leading to property damage.
33. Using College equipment without permission.
34. Possessing or removing College or Associate property, food or other items without permission.
35. Sleeping while on duty or giving the appearance of sleeping while on duty.
36. Abuse of sick leave.
37. Violation of College dress code/ business attire policy.

Employment/Personnel Records

The College's Administrative Office houses the Human Resources Department which maintains a personnel record for all ACC Associates. It is the Associate's responsibility to keep his/her personal information up-to-date by notifying the local Human Resources representative of changes in name, address, phone number, marital status, beneficiary designation, emergency contacts, etc.

Associates, after making an appointment with the Human Resources Department, may review their file in the presence of a Human Resources representative. Upon written request, Associates may receive a copy of any document they personally signed that is contained within the personnel record. If an Associate wishes to dispute information contained in the personnel record, s/he may do so by submitting a written statement to the Vice President of Human Resources for inclusion in the personnel record.

Personnel records are the property of the College and may not be removed from the premises. Current and/or future Supervisors, College executives or other individuals with a "need to know" should contact the Human Resources Department if they wish to view a personnel record. Confidentiality is maintained as required by law.

Anti-Nepotism Policy

The employment of relatives (nepotism) in the same work area of the College may cause serious conflicts and problems with associate morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships. Therefore, due to this potential conflict it shall be the policy of the College that any "Relative"

of an existing associate shall not become employed by the “College”.

The policy does not apply to associates previously employed with the College as of November 1, 2008. However, the new policy provisions shall apply to any associate hired prior to November 1, 2008 if there is a change in status to their current position after the policy effective date that may cause a conflict with the policy guidelines.

The term “College” refers to any location, facility, subsidiary, division, building or office of American Career College.

The term “Relative” is defined to include spouses, parents, children, brothers, sisters, brothers- and sisters-in-law, sons- and daughters-in-law, fathers- and mothers-in-law, stepparents, stepbrothers, stepsisters, stepchildren, step-grandchildren, aunt, uncle, cousin, niece or nephew or anyone else related by blood or marriage or whose relationship with the associate is similar to that of persons who are related by blood or marriage. This policy also applies to individuals who are not legally related but who reside with another associate.

No associate shall be transferred or promoted into the same campus or department after the effective date of the policy where a conflict would be created with a relative that currently worked with the College before the policy change.

If a conflict or the potential for conflict shall arise by a non-relative (associates that reside with one another) relationship after the effective date of the policy or employment, the individuals concerned will decide who is to be transferred to another campus. If that decision is not made within 30 calendar days, management will decide. If there is no

position available for the associate to be transferred, then that associate would be placed on an unprotected leave of absence for an additional 30 days. If at the end of the 30 days no position has become available the associate will be terminated.

Associates and their Supervisors are responsible for notifying the Administrative Human Resources Department of any relationship that might violate this policy.

Equal Employment Opportunity

The College believes a strong commitment to equal employment opportunity is more than a legal and moral obligation — it is also sound business practice to realize the potential of every individual. In order to provide equal employment and advancement opportunities to all individuals, employment decisions at the College will be based on merit, qualifications and abilities. Except where required or permitted by law, employment practices will not be influenced or affected by an applicant's or Associate's race, color, religion, sex (pregnancy, childbirth or related medical conditions), sexual orientation, national origin, age, physical or mental disability, legally protected medical condition, family care status, veteran status, marital status, or any characteristic protected by law. This policy applies to all areas of employment including recruitment, selection, hiring, job assignment, training, promotion, compensation, benefits, social and recreational programs, transfer, counseling, discipline, and termination. When necessary, the College also makes reasonable accommodations for disabled Associates and for pregnant Associates who request an accommodation, with the advice of their health care providers, for pregnancy, childbirth or other related conditions, unless doing so would result in an undue hardship.

The College does not unlawfully discriminate and prohibits the harassment of any individual on any of the bases listed above. For information about the types of conduct that constitute impermissible harassment and, the College's internal procedures for addressing complaints of harassment, please refer to "Your Conduct" in the Associate Handbook.

It is the responsibility of every Supervisor and Associate to conscientiously follow this policy. If you have questions and concerns about any type of unlawful discrimination in the workplace, you are strongly encouraged to bring these issues to the attention of your immediate Supervisor or the Human Resources Department. You can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to corrective action.

Individuals with Disabilities

ACC will comply with federal, state and local regulations regarding the hiring and employment of individuals with disabilities. The Americans with Disabilities Act (ADA) of 1990, as amended, prohibits discrimination on the basis of disability and protects otherwise qualified applicants and Associates with disabilities from discrimination in hiring, promotions, pay, training, employment termination and all other terms and conditions of employment. The ADA also requires, under certain circumstances, covered entities to provide qualified applicants and Associates with disabilities, as defined by the Act, with reasonable accommodation if such accommodation does not impose undue hardship on the College.

If an Associate believes s/he has a disability that may require accommodation in order to

perform the essential functions of the job, s/he should contact Human Resources. Additionally, if an Associate believes she/he has been discriminated against on the basis of disability, she/he should contact his/her Supervisor, a higher-level Supervisor or Human Resources.

Unlawful Harassment and Sexual Harassment Policy

ACC recognizes and respects the inherent dignity of all individuals and promotes respect and caring for all people in its business activities, programs and in the relationships it shares with students, Associates and the public. Further, the College expects all Associates to promote caring and professionalism in their daily interactions with one another and our students.

The College strives to provide a work and learning environment free from unlawful harassment and sexual harassment of any of its Associates, students, and members of the public, regardless of whether that harassment is based on the individual's race, religion, creed, color, gender, pregnancy, childbirth, or related medical conditions, age, national origin, ancestry, marital status, veteran status, medical condition, sexual orientation, or physical and mental disability. Harassment can take many forms. You must be sensitive to the feelings of others and must not act in a way that might be offensive and unwelcome to someone else and interfere with their work or academic performance or create for them a hostile work or learning environment. A few examples of prohibited harassment (for illustrative purposes only) are:

- Verbal harassment, including voice/ e mail/text messages (e.g., racial, sexual or ethnic jokes and insults)

- Physical harassment (e.g., sexually suggestive or unwelcome touching or obscene gestures)
- Visual harassment, including FAX communications, email, posters, pictures or video (e.g., insulting cartoons, sexually suggestive or lewd pictures or photographs)

Sexual harassment is a form of sex discrimination that violates Title VII of the Civil Rights Act of 1964. Sexual harassment is defined in the Equal Employment Opportunity Commission Guidelines as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when (i) submission to such conduct is either explicitly or implicitly a term or condition of an individual's employment; (ii) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting the individual; or (iii) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment. In an academic setting, prohibited sexual harassment also includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when (i) submission to such conduct is either explicitly or implicitly a term or condition of a student's academic advancement; (ii) submission to or rejection of such conduct by a student is used as a basis for academic decisions affecting the individual; or (iii) such conduct has the purpose or effect of substantially interfering with a student's academic performance or creating an intimidating, hostile or offensive learning environment.

"Sexual harassment" may include the following examples of unacceptable behavior:

- Unwanted sexual advances;
- Offering an employment benefit (such as a raise or promotion or assistance with one's career) or an academic benefit in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) or an academic detriment for an Associate or student's failure to engage in sexual activity;
- Visual conduct, such as leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- Verbal sexual advances, propositions or requests;
- Verbal abuse of a sexual nature (such as slurs, jokes or other offensive remarks), graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- Physical conduct, such as touching, assault, impeding or blocking movements.

This policy against harassment prohibits unacceptable conduct in the workplace, in any work location, and in any work-related setting, including during business meetings and business-related social events. The College expressly disapproves of, and will not tolerate, harassment in any form of its Associates, whether by co-workers or Supervisors. In addition, the College will not tolerate unlawful harassment and sexual harassment by non-employees with whom the College has a business, service or professional relationship. Therefore, the College will make every attempt to protect its Associates from unlawful harassment or sexual harassment by non-employees in the workplace.

If an Associate believes that she or he or a co-worker has been the victim of unlawful

harassment or sexual harassment, you must report the incident and the names of the persons to your Supervisor immediately, preferably in writing. If the immediate Supervisor is involved in the reported conduct, or for some reason the Associate feels uncomfortable about making a report to that Supervisor, the Associate should report it directly to the Vice President, Human Resources, again, preferably in writing, or if this is not an option, make a confidential report to the Ethics and Compliance Hotline. To the extent possible consistent with a full and fair investigation, complaints will be kept confidential.

The incident will be investigated, and we will take whatever remedial action is deemed necessary, including disciplining or discharging any individual who is believed to have violated these prohibitions against harassment. Your cooperation is crucial.

The College will not retaliate, nor will it tolerate retaliation against Associates who complain in good faith about harassment in the workplace.

Student Non-Fraternization Policy

ACC policy requires that all Associates maintain a professional, ethical relationship with students that is conducive to an effective, safe learning environment; and that Associates act as role models for students at all times, whether on or off school property and both during and outside of school hours. Associates must establish appropriate personal boundaries with students and not engage in any behavior that could reasonably lead to even the appearance of impropriety.

A student is defined as an active prospective enrollment, an enrolled/active student, and a recent graduate who is still actively seeking

employment through the school's Career Services Department.

Associates are prohibited, under any circumstances, to date or engage in any improper fraternization or undue familiarity with students, regardless of the student's age and/or regardless of whether the student may have "consented" to such conduct. Further, Associates shall not entertain students or socialize with students outside of the school environment. (In situations where an associate and student are related, please seek guidance on how best to handle compliance with this policy.) Similarly, any action or comment by an Associate which invites romantic or sexual involvement with a student is considered highly unethical, in violation of school policy, and may result in the notification of law enforcement officials and the filing of criminal charges and/or disciplinary action by ACC.

Inappropriate Associate behavior includes, but is not limited to, making suggestive comments; dating; requests for sexual activity; physical displays of affection; giving or receiving inappropriate personal gifts or gifts of more than token value; frequent personal communication with a student (via phone, e-mail, letters, notes, text messaging, etc.) unrelated to course work or official school matters; providing alcohol or drugs to students; providing or accepting offers of transportation and/or housing; inappropriate touching; and engaging in sexual contact and/or sexual relations.

Even if the student participated "willingly" in the activity, inappropriate fraternization of Associates with students is against ACC policy and may be in violation of law. However, inappropriate Associate conduct does not need to rise to the level of criminal activity for such conduct to be in violation of ACC policy and subject to appropriate disciplinary sanctions.

Any student who believes that he/she has been subjected to inappropriate Associate behavior as enumerated in this policy, as well as students, school Associates or third parties who have knowledge of or witness any possible occurrence of inappropriate Associate/student relations, shall report the incident to the Associate's Supervisor, the school director; the Human Resources Department; Compliance/Legal Department or through the Ethics and Compliance Hotline. In all events such reports shall be thoroughly investigated. Anonymous complaints of inappropriate fraternization of Associates with students shall also be investigated by ACC. Investigations of allegations of inappropriate Associate/student relations shall follow the procedures utilized for complaints of harassment according to ACC policy. Allegations of inappropriate Associate/student behavior shall be promptly investigated and will be treated as confidential and private to the extent possible within legal constraints.

If a student initiates inappropriate behavior toward an Associate, that Associate shall document the incident and report it to his/her Supervisor or the campus's Executive Director.

The College shall promptly investigate all complaints of inappropriate Associate/student relations, and take prompt corrective action to stop such conduct if it occurs.

ACC prohibits any retaliatory behavior directed against complainants, victims, witnesses, and/or any other individuals who participate in the investigation of allegations of inappropriate Associate/student relations. Follow-up inquiries and/or appropriate monitoring shall be made to ensure that the alleged conduct has not resumed and that all those involved in the investigation have not suffered retaliation. Any act of retaliation is

subject to appropriate disciplinary action.

The campus Executive Director and/or Director of Education shall be responsible for informing students, faculty and Associates of the requirements of this policy, including the duty to report and the procedures established for investigation and resolution of complaints. Further, Associate training shall be provided to facilitate identification of possible behavior that may constitute inappropriate Associate/student relationships.

Any Associate who engages in inappropriate conduct with a student, prohibited by the terms of this policy, shall be subject to appropriate disciplinary measures up to and including termination of employment. A violation of this policy may also subject the Associate to criminal and/or civil sanctions.

Professional Conduct

As an associate of this College, you are expected to represent the College in a professional and dignified manner at all times. If you are attending an industry/College function where you are acting as an agent or representative of ACC, we expect that you will act in accordance with this Code of Ethical Conduct and reflect the College in the best possible light.

FREQUENTLY ASKED QUESTIONS:

Q: *You have heard a really funny joke that you think some of your coworkers will find amusing, but it contains some crude language and sexual innuendo. Is it OK to tell the joke at work?*

A: No. Even though you think the joke is funny, there is a chance that your friends at work might find it offensive. Also, it is likely that the joke would spread beyond that small group of people and could offend someone

that you never intended to hear the joke. If there is a chance that a joke might be deemed offensive by anyone at the office, it is best not to share it at work.

Q: *You work closely with a good friend of yours. You often jokingly refer to each other by names that other people would consider demeaning or obscene. Is it proper to use those names at work, even if you are alone?*

A: The chances of someone overhearing you are always high in an administrative or campus environment. If you have a nickname that might be considered offensive to others, don't use it at work.

Q: *A female coworker has expressed interest in a male coworker. She has made it clear that she is interested, and he has told her that he is married and not interested in dating her. The female coworker continues to ask him despite his clear indication of denial. Can this be considered sexual harassment?*

A: Yes. If she asked and was refused, that is probably not harassment. Repeatedly asking when he clearly has said he is not interested can be considered harassment. The action shows a lack of respect, and may make it difficult for them to work together, contributing to a hostile environment.

Q: *The class you are teaching just completed a very difficult assignment and you want to show your appreciation for their hard work. You are thinking about having a celebration happy hour with your class. Could this become an issue?*

A: Yes. While your intentions are good, you would be violating the Associate/Student Fraternalization Policy and could create an atmosphere where Sexual Harassment is more likely to occur. In the alternative, you may hold a class celebration such as a potluck or

pizza party on campus, with authorization from your campus Executive Director.

Q: *I am an instructor at one of ACC's campuses. A student has come to me looking to buy a car. As it happens, I have a car to sell. Is it appropriate for me to sell that car to the student?*

A: No. By entering into a contract with a student, you are creating a relationship outside that of a student and teacher in a work or College-related environment. This is prohibited.

INFORMATION AND TECHNOLOGY SYSTEMS

The College's technology resources are to be used by Associates only for the purpose of conducting College business. Associates may, however, use the College's technology resources for the following incidental personal uses so long as such use does not interfere with the Associate's duties, is not done for economic gain, does not conflict with the College's business, does not cost the College any extra money and does not violate any College policy:

- To send and receive necessary and occasional brief personal communications.
- To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner and of a small size.
- To use the telephone system for brief and necessary personal calls which are not long distance. If in an emergency, a long distance call is made, it must be reported with the number dialed to the Administrative Office Finance Department.
- To access the Internet for brief personal searches and inquiries during meal times

or other breaks, or outside of work hours, provided that Associates agree to all other usage policies and do not download or retrieve any data or files.

The College assumes no liability for loss, damage, destruction, alteration, disclosure or misuse of any personal data or communication transmitted over or stored on the College's technology resources. The College accepts no responsibility or liability for the loss or non-delivery of any personal e-mail or voice mail communications or any personal data stored on any College property. The College strongly discourages Associates from storing any personal data on any of its technology resources. All of the College's communications are capable of being recorded and viewed at a later date.

Associates must return all College property immediately upon request, or upon the termination of their employment. The College may proceed with any and all action deemed appropriate to recover or protect its property.

The username and password is the responsibility of the Associate to whom it is assigned and can not be shared with others. The Associate takes full responsibility and liability for the protection and proper use of any College passwords or security schemes. Any technology devices that are not registered with the College's Information Technology Department are strictly forbidden. All technology devices must be authorized and inventoried by the Information Technology Department.

Associates may not use the College's technology resources for any illegal purpose, violation of any College policy, in a manner contrary to the best interests of the College, in any way that discloses confidential or

proprietary information of the College or third parties, or for personal or pecuniary gain.

On occasion, the College may need to access its technology resources including computer files, e-mail messages, and voice mail messages. Associates should understand, therefore, that they have no right of privacy with respect to any messages or information created or maintained on the College's technology resources, including personal information or messages. The College may, at its discretion, inspect all files or messages on its technology resources at any time for any reason. The College may also monitor its technology resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information or for any other business purpose.

All audits of College technology must be approved by a member of Executive Management. The audit itself will be performed by a qualified Information Technology representative under the direction of the Administrative Office Information Technology Director (or an appointed representative); the Vice President of Human Resources, or an appointed representative, will also be involved in the process. Supervisors, staff and volunteers are not permitted to conduct such audits independent of this process.

The passwords that an Associate may use to access the College's technology resources do not confer any right of privacy upon any employee of the College. Associates are expected to maintain their passwords as confidential. Associates must not share passwords and must not access coworkers' systems without express authorization from the Administrative Office Information Technology Director. Associates are also responsible for the creation of a password that

is not easily guessed by the use of their common information such as address, relative's names, etc. The College requires a password of eight (8) or more letters and numbers mixed together.

Deleting or erasing information, documents, or messages maintained on the College's technology resources are, in most cases, ineffective. All Associates should understand that any information kept on the College's technology resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an Associate. Because the College periodically backs up all files and messages, and because of the way in which computers re-use file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, Associates who delete or erase information or messages should not assume that such information or messages are confidential.

Internet and On-Line Services

Although occasional personal Internet usage is permitted during breaks and lunch, certain activities are not permitted due to the network stress and security risk they pose. The following is a non-exhaustive list of prohibited activities:

- Online Dating
- Chat Rooms, other than pre-approved, work-related
- Online Music (Audio Streaming)
- Video that is not work-related (Video Streaming)
- Instant Messaging that is not work-related
- Online Auctions that is not work-related (i.e. E-Bay)
- Game Sites

Exceptions can be made for legitimate research purposes if prior written permission is given by a member of Executive Management and the content is outlined in conjunction with the purpose.

FREQUENTLY ASKED QUESTIONS:

Q: *I have a number of friends who work at companies that provide them access to Internet e-mail. I find Internet e-mail is a good way to stay in touch with these friends. May I send them e-mail from my office?*

A: This type of e-mail is discouraged. Providing you with a computer terminal and Internet access is an expense. ACC funds should properly be directed to ACC business and not to personal activities.

Q: *I received an e-mail chain letter. Can I send the letter to friends in ACC on the ACC e-mail system?*

A: No. An ACC-furnished computer and e-mail system should not be used to originate or forward non-business matters such as chain letters.

NO SOLICITATION/DISTRIBUTION POLICY

This policy covers the distribution of literature and solicitation that is not work related; unrelated to the College's business; or unrelated to any College-sponsored activities. Generally, solicitation is the act of seeking, urging, persuading or petitioning somebody to do something, while the distribution of literature is the act of delivering or passing out of written materials.

Persons Not Employed by the College

Persons who are not employed by the College

may never distribute literature or solicit Associates for any purpose on College premises, including building interiors, parking lots, driveways, or any other College property unless such access is otherwise required by state law or statute. However, this prohibition does not apply to approved charitable activities or College-sponsored activities directly related to the Associate benefits package.

College Associates

College Associates may never distribute literature or solicit any person, including fellow Associates, during their working time or during the other Associate's working time. "Working time" means the period of time scheduled for the performance of job duties, not including mealtimes, break-times or other periods when an Associate is properly not working. The distribution of literature is never permitted in any work area. "Work areas" do not include cafeteria(s), Associate lounges, locker rooms, and rest rooms.

Additionally, Associates may never solicit Associates or distribute literature in any immediate work area. Off-duty Associates may never distribute literature or solicit in the interior of the College or any College working area.

POINTS OF CONTACT

Your Supervisor is almost always the first person you should contact if you have questions about anything in this Code or if you have a problem. In some cases, you may feel more comfortable discussing the matter with someone other than your Supervisor. In those cases, there are others at ACC you can talk with. You may contact any of the following on a confidential basis for the purpose of

discussing any issue related to the Code or reporting a violation.

- The Human Resources Department
- The Compliance/Legal Department
- Ethics Reporting Hotline (800-448-1681)

All ACC Associates have a duty to report any apparent misconduct. All Supervisors have a duty to take reports of apparent misconduct seriously, look into the claim and report as appropriate. We have a policy of ensuring that no Supervisor or other ACC Associate shall retaliate against an Associate, directly or indirectly, who in good faith and in accordance with ACC procedure, reports an act of apparent misconduct.

The Accuracy of Records section of this Code contains additional information about other points of contact for reporting accounting issues or asking questions related to accounting practices. Useful telephone numbers, as well as space for you to fill in College-specific phone numbers for quick reference, are also located in the back of this booklet.

FREQUENTLY ASKED QUESTIONS:

Q: *To whom should I direct questions or problems regarding ethical matters?*

A: In most cases, you should contact your Supervisor. In some cases, it may not be possible or practical to discuss the matter with your Supervisor, or you may just feel more comfortable discussing the matter with someone else. In those cases, you are encouraged to contact the Compliance/Legal or Human Resources Departments, or the confidential Ethics and Compliance Hotline.

Q: *What should I do if I am faced with a situation where the correct ethical decision*

would mean that ACC loses money? Should I be ethical even if we are going to lose business?

A: Yes. We want our Associates to act ethically in every circumstance—even if it means that we will lose business. We value ACC’s long-term reputation. Associates should never compromise ACC’s long-term well-being and reputation in order to meet short-term financial or other operational targets.

POLITICAL ACTIVITIES

ACC encourages you to participate in the political process in ways that reflect your individual beliefs and commitments. However, political activity must take place on Associates’ own time unless you are participating in a College-managed grassroots initiative involving issues of importance to ACC. The resources and reputation of ACC cannot be used for any political activities unless specifically permitted by law and approved by the Compliance/Legal Department. No assets of ACC may be used directly or indirectly, for political purposes.

It is against ACC policy to: (1) bribe a public official or receive a bribe from a public official; (2) intentionally submit incorrect, misleading or fraudulent information, in written or oral form, to a public official or a government agency; or (3) engage in activities designed to influence the legislative process, or to influence official action of public officials, or government Associates or representatives, unless done in accordance with applicable laws governing lobbying. When dealing with public officials and government agencies, you are expected to: (1) act in an honest and ethical manner; and (2) not use your position or association with ACC to gain any unfair favor, advantage or benefit for either ACC or yourself personally.

Specific Guidelines

- Do not allow your status as an Associate to be used in support of a particular candidate or issue.
- Associates must not pressure, either directly or indirectly, other Associates to make political contributions or to participate in support of a political party, issue or candidate.
- College funds or assets cannot be used to support a political party, an elected official, or the campaign of any candidate for local, state or federal elected office. In addition, you should advise the Compliance/Legal Department of any planned visits to an ACC facility by an elected official, political party member or candidate for elected office.

The Compliance/Legal Department must be informed of any request to testify on behalf of ACC before any governmental regulatory or legislative body.

FREQUENTLY ASKED QUESTIONS:

Q: *I am doing some volunteer work for the upcoming election for state attorney general. I would like to use the office fax machine to send out some press releases. Is this okay?*

A: No. By doing so, you would be using ACC resources for a political purpose.

Q: *My manager’s spouse is running for city council. He has asked me to make a political contribution. What should I do?*

A: Contact the Compliance/Legal Department. Even if the request seems innocuous, the fact that this person is your manager means that the request could appear to be coercive and, possibly even illegal.

PUBLIC STATEMENTS

It is important that ACC provide the public with accurate and consistent information regarding our operations. Generally, Associates must not make public statements regarding issues or matters about which they are not authorized spokespersons.

If the media contacts you about an ACC matter, refer them to the ACC Marketing Department.

SALES/MARKETING REPRESENTATIVES

ACC Associates shall not engage in illegal or unethical conduct in order to enroll a student or otherwise do business. All information provided about ACC to third parties, including students and clinical affiliates, must be clear, accurate and truthful. Dishonest and unethical conduct, such as making untrue statements about our competitors or their programs, is inappropriate and a violation of this Code of Ethical Conduct, and a violation of Accrediting Standards and Federal Trade Rules.

SECURITY

ACC intends to provide a secure working environment for all Associates and visitors. We are committed to compliance with all national, state, and local rules and regulations, executive orders and laws that pertain to security.

You must be alert to the presence of unknown individuals or unusual activities that could lead to theft or harm to ACC property or personnel. You must immediately report concerns regarding security issues to your Supervisor, or the Human Resources or Compliance/Legal departments. They will then report the following:

Frauds and Thefts

Assets include products, money, information, equipment, and our reputation. These are all highly valuable and are to be safeguarded and used only to promote our business interests. We must ensure that our assets are protected against theft, loss or abuse. Protection of ACC property is the responsibility of each Associate. We will promptly investigate, and where appropriate, prosecute reported incidents of fraud or theft. You should report any suspected incident as indicated in the preceding Security section.

ACC Confidential Information

In the course of employment with ACC, an Associate's assigned duties may require that she/he be granted access to confidential College information. Confidential College information may include but is not limited to:

- Internal financial documents or statements, sales or statistical reports or related memos.
- Associate and student records.
- Information obtained from or contained in an Associate or student information system.
- Computer passwords.
- Information related to strategic planning, initiatives and/or goals.
- College handbooks, manuals, policies, procedures or business methods.
- Information regarding the College's customers, prospective customers or suppliers.
- College ideas, inventions, improvement plans or trade secret information.

ACC requires that all Associates treat confidential information and trade secrets with the utmost care. Violations of ACC policy and the law can be committed by: (1)

disclosing ACC's confidential or proprietary information to third parties; or (2) disclosing confidential information of our customers, Associates, students, or others which ACC has a relationship, to third parties or to persons within ACC who have no "need to know." If you are unsure whether information is confidential, do not disclose it either to third parties or to others associated with ACC who have no need to know.

Use or disclosure of confidential information at any time during or after employment for personal use, gain or any purpose other than conducting College business is strictly prohibited and may result in disciplinary action, up to and including employment termination.

Workplace Violence

ACC will not tolerate threats or acts of workplace aggression. The College strictly prohibits Associates, students and visitors from making threats or engaging in violent acts related to the workplace.

Examples of behavior that may violate this policy may include but are not limited to:

- Injuring or threatening to injure another individual.
- Engaging in behavior that creates a reasonable fear of injury in another individual.
- Engaging in behavior that subjects another to extreme emotional distress.
- Possessing, brandishing or using any type of weapon while on College property or engaged in College business.

Associates should immediately report all instances of workplace threats or violence to a Supervisor and/or Human Resources. Depending on the situation, it may be appropriate to call the police and then notify a

Supervisor or Human Resources. Associates should not attempt to restrain, confront or remove a threatening or violent individual.

TITLE IV AND OTHER EDUCATIONAL AGENCY REQUIREMENTS

ACC Associates shall at all times act and perform their functions in accordance with Title IV of the Higher Education Act of 1965 as amended, and state educational agency and accreditation requirements, so that the College's schools maintain their licensure, accreditation, and Title IV certification in good standing. ACC Associates must ensure that all reports to such educational agencies are prepared accurately and submitted timely, and that the underlying processes are sound and subject to proper controls. It is crucial for ACC to demonstrate high levels of administrative capability and satisfy financial responsibility requirements to maintain good standing under Title IV.

Among other mandates, Title IV requires ACC to:

1. Maintain lower-than-specified student loan default rates;
2. Comply with certain financial and administrative standards;
3. Comply with all state laws and accreditation standards;
4. Prohibit certain incentive payments to ACC Associates or contractors involved in recruiting, admitting and financial aid assistance;
5. Demonstrate sound program integrity;
6. Avoid any conflicts of interest between ACC and its student loan lenders;
7. Promptly calculate and pay refunds when a recipient withdraws from school; and
8. Ensure that Title IV funding does not exceed 90% of all funds received.

9. Comply with all terms of the schools' *Financial Aid Professional's Code of Conduct, Statement of Ethical Principles and Code of Conduct Regarding Lender Relationships and Loans.*

Questions or concerns about accrediting or state licensing compliance should be directed to the Compliance / Legal Department. Questions concerning Title IV requirements should be directed to the Administrative Office Financial Aid Department.

USE OF COLLEGE TANGIBLE ASSETS

ACC Associates should use the College resources provided and made available by ACC only for legitimate business needs and purposes for the completion of any business task as required by the duties and responsibilities of the Associate's position or as assigned by management. Occasional personal use of ACC's resources is acceptable provided that such use does not contradict any College policy, does not interfere with the Associate's or other Associates' legitimate business tasks, or otherwise hinder the conduct of business operations including, but not limited to, exposing the College to litigation, regulatory action or at excessive cost to the College. In relation to personal use of College Information Technology, please see the IT section in the Associate Handbook.

FREQUENTLY ASKED QUESTIONS:

Q: *May I use the College photocopier to make copies of a flyer for my spouse's business?*

A: Probably not. It is acceptable to make a few personal photocopies if it does not interfere with your or other Associate's duties, and is not excessive in cost. Likely, a flier for a business would require many copies and would be excessive in cost for the College.

Q: *I have purchased TurboTax to complete my tax return. May I install it on my work computer?*

A: No. Installing non-approved software on a College computer is prohibited.

WAIVERS

Requests for waivers of any requirement of this Code of Ethical Conduct shall be submitted to the Compliance/Legal Department who shall be responsible for determining whether to grant a waiver. Generally, waivers will not be granted and will occur only when good cause is shown.

CODE OF ETHICAL CONDUCT CONTACTS

Your Supervisor:

Name _____

Phone _____

Glenda Giles-Luick

Vice President, Human Resources

Phone: (714) 415 6523

E-mail: gluick@americancareer.com

gluick@westcoastuniversity.edu

Kate Carey

General Counsel

Phone: (714) 727 0722

E-mail: kcarey@americancareer.com

kcarey@westcoastuniversity.edu

Ethics and Compliance Hotline

(Confidential and operated by Global Compliance, Inc., a third party vendor)

Phone: 1-800-448-1681

Associate Acknowledgement of Code of Ethical Conduct

I acknowledge that I have received a copy of the College’s Code of Ethical Conduct booklet and understand this Code is intended to provide general guidance to be followed by all ACC Associates and representatives. Where conflicts exist with local policy or regulations, the requirement containing the higher standard of ethical conduct shall apply.

I also understand that the College may change, rescind or add to any of the policies or practices described in the Code of Ethical Conduct booklet.

I understand this Code is available electronically on the ACC intranet. When updates to the Code are required, they will be made to the electronic version and I will be notified when changes occur, but I should periodically check the electronic version for the latest updates.

I understand this Code provides each Associate, as well as ACC’s suppliers, contractors and other business partners, with guidance and perspective in understanding business ethics at ACC. The Code is the centerpiece of ACC’s College wide compliance program, which is premised on ACC’s Core Values and Core Leadership Principles such as integrity, courage and wisdom. I understand it is everyone’s responsibility to ensure the success of the program.

I understand I am expected to be familiar with, and follow the rules and regulations that relate to my job. I understand that many other rules and regulations are addressed throughout the Associate Handbook, Code of Ethical Conduct and in other ACC policies and procedures. Furthermore, I understand all ACC Associates must follow all of these standards and policies. Violations of these standards and policies, or of any legal and regulatory requirements applicable to my job tasks, may cause disciplinary action, up to and including termination of employment.

Print Name

Campus/Location

Signature

Date

NOTE: Please return to the Human Resources Department. The original of this form will be placed in your personnel file.