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MEMO

To: All Employees
From: AHED
Date: April 25, 2011
RE: Employee Code of Ethics and Conduct

I. INTRODUCTION

This Employee Code of Ethics and Conduct (“Code”) establishes American Higher Education Development’s and its subsidiaries’ (collectively “AHED”) guidelines for professional conduct by those acting on behalf of AHED, including directors, executive officers, faculty, staff, and other individuals employed by AHED, using AHED resources or facilities, and volunteers and representatives acting as agents of AHED (collectively “employees”). AHED is committed to operating a quality business and maintaining a reputation that values integrity, respect and truthfulness, as well as a strong commitment to the highest ethical standards. These principles apply to employee interactions with students, the employers that hire them, coworkers, vendors, government and regulatory agencies and the general public. Employees of AHED must be familiar with this Code and adhere to its guidelines.

This is not an attempt to define specifically what one should and should not do, but to communicate AHED’s expectations of proper conduct and what professional conduct AHED values. If employees have ethical questions, they should contact the representative at their institution or the Vice President of AHED.

Representatives for the institutes are as follows:

- Madison Media Institute – Controller
- Minneapolis Media Institute – Campus Director
- Rockford Career College – Dean of Students
- Stautzenberger College-Maumee – Executive Vice President
- Stautzenberger College-Brecksville – Campus Director
- Stautzenberger Institute – Campus Director

This Code covers a range of policies; its purpose is to set forth guidelines of business ethics and standards as well as to highlight conduct that could be detrimental to the organization, or its students. This policy may be modified or updated at any time. AHED welcomes employee suggestions on changes to this Code.

II. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

AHED has a policy to observe and follow all federal, state and local laws, rules, and regulations of government agencies and authorities. This specifically includes requirements under the Higher Education Act, as amended, and regulations of the United States Department of Education, and the policies of accrediting agencies. If federal, state or local law exists that is either contradictory to or stricter than this policy, the law shall control.

III. CONFLICTS OF INTEREST

While in the service of AHED, employees shall conduct themselves free of personal, business and financial conflicts of interest or appearances of impropriety. Conflicting interests or influences shall be promptly disclosed to an institutional representative or the Vice President of AHED, so that appropriate steps may be undertaken to promote the integrity of AHED business and other transactions.

Conflicts of interest may include, but are not limited to, the following situations:

- Outside employment, i.e. employees should not perform work or render direct consulting or managerial services for an organization that competes or does business with AHED without appropriate approval from management.
- Employees engaging in a sexual, romantic or dating relationship with a student or prospective student.
- Managers or supervisors engaging in a sexual, romantic, or dating relationship with subordinate employees.
- Accepting loans or gifts of entertainment, food, or cash of \$50 or more from students, subordinate employees, regulatory or any outside concern that does or seeks to do business with or is a competitor to AHED. While it may sometimes be difficult to judge the value of gifts offered to employees, it is also important to consider the appearance of impropriety. The institutional representative or Vice President of AHED should be consulted by any employee who is unsure about the appropriateness of accepting gifts or social invitations.
- Obtaining a personal financial benefit in any sale or loan of AHED property.

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- Performing services for students inconsistent with AHED’s mission of providing higher education and career training programs.
- Using or disclosing any confidential information gained during employment for an employee’s personal benefit or the benefit of others, including a future employer.

IV. EMPLOYMENT PRACTICES

For a comprehensive description of Employment Practices, employees should refer to the Employment Personnel Manual at their respective institutions.

Discrimination and Harassment

- AHED prohibits discrimination and harassment of students or employees whether or not the incidents occur on an institution premises and whether or not the incidents occur during business hours.
- AHED follows federal, state, and local law to ensure equal recruitment, employment, compensation, development and advancement opportunity for all qualified individuals, and prohibits deliberate discrimination or harassment based on federally protected categories of race, sex, color, creed, religion, age, national origin, disability, marital status, sexual orientation or any other factor prohibited by law.

Workplace Violence – AHED does not tolerate workplace violence including threats, threatening behavior, harassment, intimidation, assaults or similar conduct.

Weapons Policy – Employees of AHED may not carry firearms or other weapons on any of its facilities without obtaining prior permission. AHED promotes a workplace that is free from violence, threats of violence, harassment, intimidation and other disruptive behavior.

Illegal Drugs and Alcohol Policy – Employees are expected to perform their jobs efficiently, safely and in a professional business-like manner. An employee’s ability to perform effectively may be hampered by alcohol or other drug use and employees may not report to work under the influence of alcohol or illegal or unauthorized drugs. Employees of AHED must not distribute, possess or use illegal or unauthorized drugs or alcohol on any of its properties, or in connection with AHED.

V. BOOKS AND RECORDS

Accurate and Complete Business Records – Employees must act in good faith not to misrepresent material facts in AHED books and records or in any internal or external correspondence, memoranda, or communication of any type, including telephone or electronic communications.

Financial Reporting – All AHED funds, assets, liabilities and receipts must be recorded in accordance with generally acceptable accounting principles. There cannot be any “off the books” accounts.

Proper Maintenance of Records – AHED maintains documents in accordance with all applicable laws and regulations. If an employee of AHED receives a subpoena, a request for records or other legal papers, or has reason to believe that such a request or demand is likely, all necessary steps should be taken to retain all relevant records and the Corporate Office of AHED should be contacted immediately.

Cooperation with Auditors – Employees of AHED must cooperate fully with internal and outside auditors during examination of AHED's books, records, and operations.

VI. COMMUNICATIONS

Business Communications – Employees of AHED must not make public statements regarding issues or matters of AHED about which they are not authorized spokespersons.

Advertising and Marketing – AHED will take all necessary steps to ensure that all products or services advertised in any of its literature, exhibits or other public statements are true, accurate, and unambiguous.

VII. USE OF COMPANY RESOURCES

For a comprehensive description of AHED's policy on use of company resources, employees should review the Employment Personnel Manual.

Internet and Electronic Mail Policy

- Employees of AHED may access the Internet and send and receive electronic mail solely for business purposes.
- The computers and computer accounts, including Internet access, given to employees of AHED are to assist them in the performance of their jobs. Employees should not have an expectation of privacy in anything they create, store, send, or receive on the computer system. The computer systems belong to AHED and all information on them is subject to review at any time at AHED's discretion.
- Employees of AHED must take reasonable care not to disclose confidential information, or acquire unauthorized information over the Internet.

Equipment and Supplies – All equipment and supplies purchased by AHED remain AHED property, including but not limited to office supplies, office furniture, fax machines, computers, software and hardware, and may not be used by any employees for personal reasons.

Political Activity – AHED encourages employees to participate in the political process on their own time. Employees of AHED may not use AHED resources, reputation or assets to advance a political party or candidate.

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Non-work Related Interests – Employees of AHED may not use their campus and Corporate Office facilities to promote non-AHED or non-work related interests of the employee or of third parties without prior consent of their supervisor.

Proper Use of Organizational Assets – Employees of AHED may only use, transfer, or dispose of funds or assets as authorized and for the lawful and legitimate business purposes for which they were approved by AHED. Employees with questions or concerns about the proper use of AHED funds should consult the controller or other appropriate official of their institution or contact the AHED Corporate Office.

VIII. PRIVACY AND CONFIDENTIALITY

Employment and medical records of AHED employees and students, as well as student records, are confidential and private. Those records may only be disclosed if the employee or student provides a written release or as required by applicable law. Employees of AHED must exercise care to avoid disclosing to unauthorized persons any non-public, internal, secret, or proprietary information related to AHED or its students, except as such disclosure is legally mandated or approved by the Company. Only those employees who work for AHED and that have a need to know confidential information to conduct their business shall have access to confidential information. Employees must take necessary steps to keep confidential information private and secure.

Requirements under The Family and Education Rights and Privacy Act of 1974, as amended (“FERPA”) – FERPA includes limitations on student educational records that institutions can disclose without the student’s prior written consent or with the written consent of the parent if the student is under 18 years of age. FERPA requirements apply to current and former students of any of the AHED Campuses. For further explanation of FERPA policy, employees should refer to their institution’s handbook.

IX. RESOURCES:

Contact Information

Campus	Location	Contact Person	Telephone #
Madison Media Institute	Madison WI	Controller	608-663-2000
Minneapolis Media Institute	Edina MN	Campus Director	952-897-1111
Rockford Career College	Rockford IL	Dean of Students	815-965-8616
Stautzenberger College	Maumee OH	Ex Vice President	419-866-0261
Stautzenberger College	Brecksville OH	Campus Director	440-838-1999
Stautzenberger Institute	Allen Park MI	Campus Director	313-294-9715
AHED Corporation	NYC, NY	Vice President	212-292-5119

X. COMPLIANCE WITH THE CODE

All Employees of AHED must be familiar with this Code and adhere to its guidelines. If questions arise regarding this Code, employees should contact the appropriate representative at their institution.

Supervisors – Supervisors must take reasonable care to assure that subordinate employees are complying with these guidelines. Supervisors may be held responsible for any misconduct of subordinate employees if (i) the supervisor orders the misconduct; (ii) the supervisor ratifies the conduct, even by inaction; (iii) the supervisor has direct authority and knows of the misconduct but fails to act appropriately; or (iv) the supervisor should have known with reasonable diligence that the conduct occurred.

XI. REPORTING ACTUAL OR SUSPECTED VIOLATIONS OF THE CODE

Requirement to Report Actual or Suspected Violations of the Code: Employees must report any actual or suspected violations of this Code to the appropriate representative at their institution. Failure to report any actual or suspected violations of the Code is in itself a violation of this Code.

Non-Retaliation Policy: This policy is intended to protect any employee who engages in good faith disclosure of alleged wrongful conduct to an AHED official or other authority. Employees of AHED will not be retaliated against or subject to any form of reprisal for raising a good faith concern under this policy, or for participating in an investigation into any such concerns. Retaliation is a serious violation of this Code and should be reported immediately.

Investigation of Alleged Violations of the Code: All inquiries, complaints, and reports will be promptly investigated. Employees of AHED are expected to cooperate in such investigations. Reasonable measures will be taken to preserve confidentiality of claims and the identity of anyone who reports a suspected violation or participates in any investigation. If employees are unsure whether a violation has occurred, AHED encourages them to seek advice from the Corporate Office before acting. All such inquiries will be kept confidential.

XII. ZERO-TOLERANCE POLICY TOWARD VIOLATIONS OF THE CODE

AHED takes a zero-tolerance approach to violations of this Code, to any failure to report actual or suspected violations of the Code, or to any retaliation against whistleblowers. Employees of AHED that are found to have violated this Code, or to have retaliated against whistleblowers, will have their employment with the Company terminated.

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ACKNOWLEDGEMENT FORM FOR CODE OF CONDUCT AND ETHICS

I have received, read and understand AHED's Employee Code of Ethics and Conduct. I further understand that the policies described are subject to change without notice. The updates and/or changes made to this policy take precedence over previous revisions of the policy. I will comply with this Code in its entirety while employed by AHED.

I understand my responsibility to promptly report any incident of misconduct or perceived misconduct that I may experience or witness. I further understand that AHED takes a zero-tolerance approach to violations of this Code, and that violations of the Code, or retaliation against whistleblowers, will result in termination of employment.

By signing this acknowledgement I am indicating that I have read, understand and will abide by AHED's Employee Code of Ethics and Conduct.