STUDENT CONSUMER INFORMATION

Borrower Rights & Responsibilities

When a student takes on a student loan he/she has certain rights and responsibilities.

The borrower has the right to receive the following information before the first loan disbursement:

- The full amount of the loan
- The interest rate
- When the borrower must start repaying the loan
- The effect borrowing will have on the student's eligibility for other types of financial aid
- A complete list of any charges the student must pay (loan fees) and information on how those charges are collected
- The yearly and total amounts the student can borrow
- The maximum repayment periods and the minimum repayment amount
- An explanation of default and its consequences
- An explanation of available options for consolidating or refinancing the student loan
- A statement that the student can prepay the loan at any time without penalty

The borrower has the right to receive the following information before leaving school:

- The amount of the student's total debt (principal and estimated interest), what the student's interest rate is, and the total interest charges on the loan(s)
- A loan repayment schedule that lets the student know when his/her first payment is due, the number and frequency of payments, and the amount of each payment
- The fees the student should expect during the repayment period, such as late charges and collection or litigation costs if delinquent or in default
- An explanation of available options for consolidating or refinancing the student's loan
- A statement that the student can repay his/her loan without penalty at any time

The borrower has a responsibility to do the following:

- Understand that by signing the promissory note, the student is agreeing to repay the loan according to the terms of the note
- Make payments on the student loan even if the student does not receive a bill or repayment notice
- If the student applies for a deferment or forbearance, he/she must still continue to make payments until notification that the request has been granted
- Notify the appropriate representative (institution, agency, or servicer) that manages the student's loan when the student graduates, withdraws from school, or drops below half-time status; changes his/her name, address, or Social Security Number; or transfers to another institution
- Receive entrance counseling before being given the first loan disbursement, and to receive exit counseling before leaving school
**Student Body Diversity (2010-2011)**

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic/Latino</td>
<td>65</td>
<td>9</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Asian</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Black or African American</td>
<td>53</td>
<td>43</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>White</td>
<td>266</td>
<td>79</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>418</td>
<td>197</td>
</tr>
<tr>
<td>Race or Ethnicity Unknown</td>
<td>268</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total Men</strong></td>
<td><strong>1,088</strong></td>
<td><strong>389</strong></td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic/Latino</td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black or African American</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two or More Races</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Race or Ethnicity Unknown</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Women</strong></td>
<td><strong>389</strong></td>
<td><strong>1477</strong></td>
</tr>
</tbody>
</table>

AAU has recently been approved to offer Title IV aid. Therefore, AAU did not have any Pell Grant recipients in the 2010-2011 Award Year.

**Student Convicted of the Possession or Sale of Drugs**

A federal or state drug conviction can disqualify you from receiving federal financial aid!

Convictions only count if they were for an offense that occurred during a period of enrollment for which the student was receiving Title IV aid—they do not count if the offense was not during such a period. Also, a conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when she was a juvenile, unless tried as an adult.

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)
<table>
<thead>
<tr>
<th></th>
<th>Possession of Illegal Drugs</th>
<th>Sale of illegal drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Offense</td>
<td>1 year from date of conviction</td>
<td>2 years from date of conviction</td>
</tr>
<tr>
<td>2nd Offense</td>
<td>2 years from date of conviction</td>
<td>Indefinite Period</td>
</tr>
<tr>
<td>3+ Offenses</td>
<td>Indefinite Period</td>
<td></td>
</tr>
</tbody>
</table>

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

**Drug and Alcohol Prevention Policy**

**Substance Abuse**

Allied Business Schools (Allied Business Schools refers to ABS, AAU and ANHS) is firmly committed to providing a safe, healthy working environment for all employees, students and faculty. Consistent with this commitment, Allied Business Schools has strengthened its stand against drug and alcohol use. In compliance with section 120(a) through (d) of The Higher Education Act of 1965, as amended, including the Drug-Free Schools and Communities Amendments of 1989 (Public Law 101-226), the Allied Business Schools Drug and Alcohol Prevention Policy is provided to all employees and students annually.

Employee involvement with illegal drugs, controlled substances, or alcohol can negatively impact the workplace and the employee's ability to perform his job duties. It also adversely affects the Company's reputation, integrity and quality of products and services. Consequently, all employees, regardless of position, are covered by the terms of this Policy. Applicants for employment are included in this Policy as expressly stated.

**Definition**

All divisions of Allied Business Schools premises are all areas in which the Company operates including, but not limited to its property; Company-owned or leased offices, plants and equipment; privately-owned vehicles entering or parked on the property, or in use on the property; lockers; desks; equipment; work space; and storage facilities. Illegal drug means any drug which is an illicit drug and not legally obtainable or which is legally obtainable but has not been legally obtained. This term also includes prescribed drugs not legally obtained and prescribed drugs, such as controlled substances like pain medications, not being used for prescribed purposes.

1. Legal drug includes any prescribed drug or over-the-counter drug that has been legally obtained and is being used for the purpose for which it was prescribed or manufactured.
1. Under the influence means; that the employee is affected by drugs or alcohol or the combination of drugs and alcohol in a detectable manner. A determination of such influence can be established by professional opinion, a scientifically valid test or, in some cases, by a layperson's opinion.

Requirements/Prohibition

Students, faculty, and staff must comply with federal, state, and local laws concerning alcohol and illegal drug usage, whether on the Company's property or otherwise. Allied Business Schools employees must report for work and remain in a condition to perform their duties free from the effect of any drug or alcohol. Employees shall not be under the influence of any illegal drug while performing any Company related activity.

1. All employees must report for work and remain in a condition to perform their duties free from the effect of any drug or alcohol. Employees shall not be under the influence of any drug, legal or illegal, during working time, while on Company premises or business or while operating Company vehicles or equipment. The use, sale, possession, manufacture or purchase of illegal drugs, controlled substances or alcohol while on Company premises or while on Company business is prohibited. Employees who violate this Policy are subject to disciplinary action, up to and including termination. Such violations include, but are not limited to, the commission of any act prohibited under this Policy and the failure to cooperate with or follow any of its requirements.

Use of Legal Drugs

Studies show that long term heavy drinking and drug use can lead to damage of the liver, nervous system, heart and brain. It may also lead to high blood pressure, stomach problems, medicine interactions, sexual problems, osteoporosis, and cancer. Because of the well known consequences of drug and alcohol abuse, the company is firmly committed to providing a safe and healthy environment for all students and employees. Consistent with this commitment, the company has a zero tolerance policy against drug and alcohol abuse.

It is the responsibility of the employee who is taking legal drugs to assure that such medication will not interfere with the employee's safe and efficient performance of his job. Upon receiving a prescription, the employee must ask the physician whether the use of a prescribed drug will interfere with his/her safe and efficient performance. If so, the employee must inform the supervisor of this fact and cooperate fully with management in an evaluation of the appropriate action. If management concludes that the drug will or may adversely affect the employee's job performance, management will determine whether assignment of alternative job duties, a leave of absence and/or other job-related action is required. The employee may also be required to obtain a physician's release before being allowed to return to regular job duties.

Investigation

The use, sale, possession, manufacture, or purchase of illegal drugs, controlled substances, or alcohol while on the premises or while performing Company related activities is strictly prohibited. Those who violate this policy are subject to disciplinary action, up to and including expulsion, termination of employment and referral for prosecution. Local, state and federal sanctions for unlawful activity relating to drug and alcohol abuse may result in fines and/or incarceration.

Employees reasonably suspected of possession, use, manufacture, sale, purchase or of being under the influence of illegal drugs or alcohol on Company premises or during working time may
be suspended without pay pending an investigation of the circumstances. The Company will try to complete its investigation within a 72-hour period.

To ensure that drugs, alcohol and/or other illegal activity do not enter or affect the workplace, the Company may take any or all of the following steps in accordance with applicable state law while employees are on Company premises or performing Company business during working time.

- observe actions of employees
- counsel employees
- search any Company property, including desks, file cabinets and lockers

All searches under this policy will occur with the appropriate discretion and consideration for the employee(s) involved.

**Drug Use Assistance**

Allied Business Schools is a virtual campus and therefore does not allow for us to provide onsite counseling or treatment. Therefore, we provide the following information as a resource for those students who need assistance with avoiding or recovering from alcohol or drug abuse. We encourage any student, staff, or faculty member who needs information related to alcohol or drug abuse to use directory information, online searches, the telephone book, or referrals from friends, family, and/or professionals. At a national level there are also organizations dedicated to providing information and suggestions:

- **Substance Abuse and Mental Health Services Administration (SAMHSA)**
  This is an agency of the U.S. Department of Health and Human Services which provides information online regarding alcohol, drugs, and treatment programs.
  Web address: [www.samhsa.gov](http://www.samhsa.gov)
  Treatment programs: findtreatment.samhsa.gov
  Phone Number: 1-800-729-6686

- **The National Clearinghouse for Alcohol and Drug Information**
  This organization is part of the U.S. Department of Health and Human Services and SAMSHA’s Clearinghouse
  Web address: [http://www.health.org](http://www.health.org)
  Phone Number: 1-800-729-6686

- **About.com Substance Abuse**
  Explore the complicated disease of addiction and obtain information on basic questions concerning drugs and addition.
  Web address: [http://search.about.com/fullsearch.htm?terms=substance%20abuse](http://search.about.com/fullsearch.htm?terms=substance%20abuse)

- **National Institute on Drug Abuse**
  Web address: [www.nida.nih.gov](http://www.nida.nih.gov)
  Web address on club drugs: [www.clubdrugs.org](http://www.clubdrugs.org)
  Phone Number: 1-310-443-1124

- **Alcoholics Anonymous**
  Web address: [www.alcoholics-anonymous.org](http://www.alcoholics-anonymous.org)

- **Local Resources for Staff and Faculty**
  Substance Abuse – Orange County California

  Social Services Agency – Orange County California
  Web address: [http://www.ssa.ocgov.com/](http://www.ssa.ocgov.com/)