**Section 1175.545 Change of Ownership**

a) For purposes of this Section, "change of ownership", "sale" or "transfer" of a corporation means the transfer of more than 50% of stock during a 14 day period. For purposes of this Section, "change of ownership", "sale" or "transfer" of a partnership means a change of more than 50% of the partners during a 14 day period. For purposes of this Section, "change of ownership", "sale" or "transfer" of an LLC means a change of more than 50% of the members during a 14 day period. Any change of ownership of a parent business entity that owns the school's owner shall not be considered a change of ownership of the school.

b) If a licensed school is to be sold or otherwise transferred, the new owner must notify the Division at least 30 days in advance of the effective date of the transfer of ownership. The notification shall include a signed and dated letter from the pre-transfer owner acknowledging the planned sale or transfer.

c) Upon filing notice to the Division, the new owner may continue to operate the school under the previously issued license, provided that the new owner submits an application for licensure with the Division within 30 days after the effective date of the transfer of ownership by mailing to the Division:

1) A signed and completed school application;

2) A detailed 8½ x 11 inch floor plan that is:

A) drawn to scale;

B) shows dimensions;

C) has all areas labeled;

D) has all fixtures shown; and

E) demonstrates compliance with the requirements of Section 1175.505;

3) A copy of:

A) a lease agreement showing at least a 1-year commitment to the use of the school site, the name of the lessor and the name of the lessee; or

B) the certification of school site ownership;

4) A copy of the enrollment agreement that will be utilized by the new owner;

5) A copy of curricula that will be used by the new owner;

6) A sample copy of the school's official transcript;

7) A Commitment Statement, as provided in the licensure application packet, signed and dated by the school's chief administrative officer;

8) List of all the names, addresses and current status of all schools in which the applicant has previously owned any interest, and a declaration as to whether any of these schools were ever denied accreditation or licensing or lost accreditation or licensing from any government body or accrediting agency;

9) If the new owner is a corporation, limited liability company, or partnership, a copy of the following:

A) if the owner is a domestic corporation, a filed copy of the Articles of Incorporation filed with the Secretary of State or, in the case of a foreign corporation, a filed copy of the Authority to Transact Business in Illinois accepted by and filed with the Secretary of State;

B) if the owner is a domestic limited liability company, a copy of the Articles of Organization that were filed with the Secretary of State or, if the owner is a foreign limited liability company, a copy of the Application for Admission to Transact Business as a Foreign Limited Liability Company accepted by and filed with the Secretary of State; or

C) if the owner is a partnership, a listing of all partners and their addresses;

10) If the new owner will be conducting business under an assumed name as described in the Assumed Business Name Act [805 ILCS 405], a copy of the application to adopt an assumed name filed with the government office responsible for approving the assumed name;

11) An official fire inspection report by the local fire inspection authority conducted within 6 months prior to application approving the school site;

12) A financial statement indicating sufficient current finances exist to operate the school for at least 3 months. The Division will not accept a bank statement as sufficient proof to meet this requirement. This financial statement shall include reporting cash assets on hand and any liabilities and shall be prepared by either a certified public accountant or a person knowledgeable about the finances of the school. Any financial statement submitted by a person who is not a certified public accountant must contain a signed statement certifying under penalty of perjury that the information is true and accurate based upon inspection of the financial records of the school;

13) If a name change is to also occur, all documents submitted must include the new name, and the new owner must submit a sample of the new school seal and a photo of the new school sign; and

14) The required fee set forth in Section 1175.100.

d) Once the items listed in subsection (c) have been received, the Division shall conduct an inspection prior to approval of the change of ownership. Approval will be granted if all of the requirements of Subpart E have been met.

e) If the new owner fails to submit a new application within 30 days, or if the Division does not approve the school, the school shall remain closed until final Division approval is received.

f) The new owner is responsible for ensuring that the school is in compliance withall current provisions of the Act and this Part.

(Source: Amended at 42 Ill. Reg. 15159, effective August 10, 2018)