**Section 1175.1550 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 the 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 to 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) 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;

3) Name, address and telephone number of the school;

4) Name, address and telephone number of the chief managing employee;

5) 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;

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

7) A listing of all teachers who will be in the school's employ, showing a sufficient number of qualified teachers who are holders of a current hair braiding teacher license or cosmetology teacher license issued by the Division;

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

A) drawn to scale;

B) shows the dimensions;

C) has all areas labeled;

D) has all fixtures shown; and

E) demonstrates compliance with the requirements of Section 1175.305;

9) A copy of:

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

B) the certification of ownership of the school site;

10) An official fire inspection report from the local fire inspection authority, conducted in the 6 months immediately preceding application, giving approval for use of the site as a school;

11) A financial statement indicating that 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;

12) A copy of the official enrollment agreement to be used by the school, which shall be consistent with the requirements of Section 1175.1515;

13) A copy of the curricula for each program offered by the school, which shall be consistent with the requirements of this Part;

14) A copy of the transcript to be used by the school for each program, which shall be consistent with the requirements of Section 1175.1525;

15) A copy of the final examination to be used by the school, which shall be consistent with the requirements of Section 1175.1545;

16) A sample of the school seal to be used by the school;

17) A photograph of the school sign to be used by the school; and

18) The required fee set forth in Section 1175.100.

d) When the items listed in subsection (c) have been received, the Division shall inspect the school premises, prior to school approval, to determine compliance with this Subpart O. Approval shall be granted if all the requirements of this Subpart O have been met.

e) Hair braiding schools shall only offer instruction in hair braiding and hair braiding teacher education.

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