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University

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State University

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Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School

North Carolina
School of Science
and Mathematics

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August 15, 2017

Mr. Chidi Ogene, President
Charlotte School of Law
201 South College Street
Charlotte NC 28244

Dear Mr. Ogene:

This letter is in response to yours dated August 10, 2017, regarding the Charlotte School of Law's (CSL's) compliance with the conditions and limitations placed upon its license pursuant to the June 21, 2017 Decision of the Board of Governors (BOG), Committee on Educational Planning, Policies, and Programs (EPPP, or the Committee).

While you assert that CSL is in "full compliance" with the conditions and limitations set forth in the Decision, the Licensure Unit has concluded that CSL at the very least did not meet condition 4(b) by the required deadline of August 10, 2017. Moreover, the Licensure Unit has not been able to conclude that condition 4(a) was met by the deadline, based on the available information. Pursuant to condition 9 of the Decision, absent any additional action by the BOG, CSL's failure to meet any of the conditions 1 through 4(a) and 4(b) results in the expiration of CSL's license. Therefore, by the terms of the Decision, CSL's license to conduct post-secondary degree activity in North Carolina expired effective August 11, 2017. In addition, although CSL cooperated with the Licensure Unit in providing documentation pursuant to condition 2, the Unit has not concluded that CSL has established the requisite financial to satisfy the Rules and Standards.

Condition 4(a) required that the ABA approve "CSL's plan for teaching out its remaining students and/or remedial plan for continued operation as an accredited law school" no later than August 10, 2017. As you are aware, the ABA did not meet to consider the plans until August 11-12, and, as of the date of this letter, has not yet issued its decision. Accordingly, even though under the ABA's appeals process CSL is able to retain its accreditation until it has exhausted its appeals, the Licensure Unit is unable to conclude based on the available information that the requirements of condition 4(a) have been met, particularly since the ABA decision remains outstanding.

Condition 4(b) required that the Department of Education (DofED) "determine no later than August 10, 2017, that any CSL student who remains enrolled may participate in Title IV federal loan programs." As of August 11, the DofED had not made that determination and participation in the Title IV program had not been restored. Accordingly, the requirements of condition 4(b) were not met by the deadline.

Pursuant to condition 2 of the Decision, CSL was required to present to the Licensure Unit, by August 1, 2017, “such evidence as the Licensure Unit may deem necessary to show that CSL has remedied any deficiencies and has come into full compliance with the licensure standards for which the Board has found it to be out of compliance.” CSL cooperated with the Licensure Unit in providing documentation regarding its financial stability in order to show compliance with Standard 10, and continued to engage with the Licensure Unit through August 10. The Licensure Unit has not concluded as of the date of this letter, however, that CSL has the ability to maintain adequate financial resources to sustain its mission, purpose, and operational continuity for the next three years.

The relevant provisions of Standard 10 place the burden on the CSL to demonstrate, among other things, that (1) the School’s financial resources are characterized by stability that indicates the institution can maintain operational continuity for an “extended period” and (2) the School maintains a “coordinated, comprehensive, flexible financial plan (budget) for long-range management of the institution,” in each case to the Board’s satisfaction. The School must also provide detailed disclosure of its legal and binding relationships with any parent or subsidiary corporation or institution.

CSL provided monthly cash flow projections across various scenarios. Questions still remain at this point, however, concerning the projections’ key underlying assumptions, such as year-over-year enrollment figures, attrition rates and subleasing revenues. It is also unclear what impact, if any, the imposition of certain conditions might have on the school’s financial stability, such as the Department of Education’s request for a \$6 million letter of credit and the department’s request that the school offer tuition reimbursement to certain students. Further review of financial stability would also require details regarding any contingency planning and plans to continue operations where significant operating losses are projected. Finally, given Standard 10’s clear requirement to provide detailed disclosure of the School’s legal and binding relationships with any affiliate entity, review of the school’s financial stability would require consideration of its cost sharing, cash pooling and management fee arrangements with its parent and its other affiliates.

The Chair of the Board respectfully declines your request that he call an emergency meeting to extend the deadlines set forth in the Decision. For the reasons described in this letter, and consistent with paragraph 9 of the Decision of the Board of Governors (BOG), Committee on Educational Planning, Policies, and Programs, CSL’s license expired as of 12:01 am on August 11, 2017. Any modification of the Decision or of the status of CSL’s license would require action by the Board of Governors, which is scheduled to meet next on September 8, 2017. At this time, consideration of such matters is not on the proposed agenda for that meeting.

We will continue to work with you to address the needs of particular CSL students.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kimberly van Noort".

Kimberly van Noort, Ph.D.
Vice President for Academic Programs, Faculty, and Research