

PURPOSE

Financial Aid Personnel employed by Vatterott Education Centers, Inc. ("Vatterott") are charged with administering state and federal student financial aid programs, including the federal financial aid programs authorized by Title IV of the Higher Education Act of 1965, as amended. It is Vatterott's policy that at all times these duties will be carried out with exceptional professionalism, honesty, and integrity, and without conflict of interest. The purpose of this Code of Conduct is to ensure compliance with this policy by establishing standards of conduct for all employees who work in financial aid, as well as for all other Vatterott employees who have responsibilities related to education loans or other forms of student financial aid. Agents of Vatterott with responsibility for education loans or other student financial aid also are expected to abide by the terms of this Code of Conduct.

This Code of Conduct supersedes all prior policies or codes of conduct relating to conflicts of interest or employee conduct in the administration of federal financial aid. Violations of this Code of Conduct may result in disciplinary action, up to and including dismissal.

DEFINITIONS

Conflict of Interest: A conflict of interest exists when an employee's financial interests or other opportunities for personal benefit may compromise, or reasonably appear to compromise, the independence of judgment with which the employee performs his or her responsibilities at Vatterott.

Financial Aid Personnel: All employees of Vatterott or any Vatterott subsidiary who work in financial aid or who otherwise have responsibilities related to education loans or other forms of student financial aid.

Gift: Any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a *de minimus* amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred. The term "gift" does not include any of the following:

1. Standard materials, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
2. Training or informational material furnished to Vatterott as an integral part of a training session that is designed to improve the service of a lender or servicer of educational loans to Vatterott, if such training contributes to the professional development of Vatterott's employees.
3. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by Vatterott or an employee who is the parent of a student if such terms, conditions, or benefits are comparable to those provided to all students of Vatterott and are not provided because of the student's or parent's employment with Vatterott.
4. Entrance and exit counseling services provided to borrowers to meet Vatterott's responsibilities for entrance and exit counseling under federal law, provided that Vatterott's employees are in control of the counseling, and such counseling does not promote the products or services of any specific education loan lender.
5. Philanthropic contributions to Vatterott from a lender or servicer of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
6. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

Relative: An individual with whom an employee has a relationship by blood, marriage, adoption, domestic partnership, or other personal relationship in which objectivity might be impaired.

CODE OF CONDUCT

Financial Aid Personnel shall adhere to the highest principles of integrity, fairness, and equal opportunity in the delivery of assistance to students. Specifically, Financial Aid Personnel shall:

1. Carry out all duties in an honest and ethical manner, and strictly comply with all Vatterott standards, policies, and procedures, including those set out in this Code of Conduct, the Vatterott Code of Conduct located in the Vatterott Employee Handbook, and any applicable training manuals.
2. Report immediately to the Vice President of Financial Aid, Compliance, and Services, or to Human Resources in the St. Louis Corporate Office, any directive received from any other Vatterott employee to depart from Vatterott policy or otherwise act in a manner inconsistent with this Code of Conduct.
3. Maintain an exemplary level of professionalism, both in conduct and appearance, and provide students and alumni with superior consideration, services, and resources on a fair and equitable basis.
4. Ensure that all financial aid information provided to students, prospective students, parents, or others is complete, current, and accurate.
5. Refrain from encouraging or cooperating with any individual to make a false or misleading statement, or to otherwise commit fraud, in an effort to obtain financial aid funds or obtain a greater amount of financial aid funds. Financial aid fraud is a criminal act and will be reported by Vatterott to the Office of Inspector General of the U. S. Department of Education and other legal authorities, as appropriate.
6. Refrain from taking any action that may result in a conflict of interest or the appearance of a conflict of interest with respect to any education loan or other form of student financial aid, including, specifically, (1) taking any action that would confer a personal or professional benefit, (2) acquiring any financial or other interest in any entity involved in any aspect of student financial aid, (3) processing any transaction related to personal financial aid eligibility or that of a relative.
7. Disclose immediately to the Vice President of Financial Aid, Compliance, and Services any actual or perceived conflict of interest.
8. Refrain from completing a loan or grant application on behalf of a student, prospective student, or parent. Applications for student financial aid are to be *completed* by the student or parent, as appropriate. Financial Aid Personnel should only *assist* such individuals with information as questions arise in the financial aid application process.
9. Refrain from *completing* a tax return or otherwise acting as a representative to the Internal Revenue Service on behalf of a student, prospective student, or parent. Financial Aid Personnel should only assist such individuals in *obtaining* copies of tax returns.
10. Refrain from making any contractual arrangements with any student or modifying the contractual arrangements expressly set out in any such student's Enrollment Agreement.
11. Safeguard all passwords and access to all confidential information, understanding that failure to do so could result in permanent debarment by the U.S. Department of Education from federal websites needed to perform financial aid responsibilities.
12. Ensure that their federal student loans do not enter into default, understanding that Financial Aid Personnel must be able to access certain federal websites and that such access could be terminated by the U.S. Department of Education should my federal student loans go into default.
13. Refrain from accepting any gift from a lender or servicer of education loans. Token awards from professional associations (state, regional, or national) that recognize professional milestones or extraordinary service to parents and students, or scholarships for conference attendance or other professional development opportunities, may be accepted. A gift to a family member of an employee or to any other individual based on that individual's relationship with the employee shall be considered a gift to the employee if the gift is given with the knowledge and acquiescence of the employee and the employee has reason to believe the gift was given because of the employee's position at Vatterott.
14. Refrain from accepting from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

