

SURETY BOND

Wis. Stats. 38.50 (7) (i)
Form EAB 1.02 (Rev. 11/15)



STATE OF WISCONSIN
EDUCATIONAL APPROVAL BOARD
431 CHARMANY DRIVE, SUITE 102
MADISON, WI 53719
(608) 266-1996

Under *Wis. Admin. Code EAB 4.06* and as a condition of obtaining and retaining approval, a school must provide a surety bond, on a form specified by the board, in the amount of \$25,000 or 125% of unearned tuition that the school holds at any one time, *whichever is less*. The board is permitted to reduce the required bond if it determines that the amount is excessive in relation to the risk of economic loss to which Wisconsin residents are exposed based upon evidence of a stable fiscal history, satisfactory completion and placement rates, accreditation by a recognized accrediting body or other stability criteria the school may offer for review. No bond may be less than \$1,000 or an amount equal to \$2,000 for each representative the school may employ.

I. BACKGROUND INFORMATION

The following definitions are used by the Educational Approval Board (EAB) in calculating the bond amount:

UNEARNED TUITION means that portion of tuition, fees and other charges (including books and supplies) paid to a school (by a student or their sponsor) for which a student has not yet received instruction.

STUDENT means an individual attending any Wisconsin location of a school, regardless of their state of permanent residence, as well as an individual attending a school located outside Wisconsin or enrolled in a distance learning program, that list Wisconsin as their state of residence either at the time of enrollment or since initial enrollment.

SCHOOL means any person, located within or outside this state (Wisconsin), maintaining, advertising or conducting a program for profit or a tuition charge.

SPONSOR includes any person or government agency that makes a payment on behalf of a student or awards a loan, grant or scholarship to a student.

PERSON means any individual, partnership, association, or corporation or any combination thereof.

The school must submit the bond calculation that is provided below as part of its application. After the required bond amount has been calculated, the school will need to work with a surety company qualified and authorized to do business in the state of Wisconsin. The original bond (not a copy) and power of attorney (issued by the bond company) must be submitted to the EAB. A copy of the bond should be kept by the school for its records.

To request information about surety companies that are qualified and authorized to do business in the state of Wisconsin contact the EAB and speak with a school administration consultant.

II. SURETY BOND CALCULATION

A. What is the highest amount of unearned tuition that the school intends to accept at any one time from all students combined?

B. Multiply the amount reported in line A by 125%. Then, round the resulting number to the next highest hundred dollars. Ex. \$6,075 x 125% = \$7,593.75 and is rounded to \$7,600.

C. Enter the lesser of \$25,000 or the amount from line B. If line B is less than \$1,000, enter \$1,000.

D. Does the school employ representatives (solicitors)? If yes, list how many. If no, enter the amount from line C on line F.

E. Multiply the number of school representatives (solicitors) that are listed on line D by \$2,000.

F. Enter the greater number from lines C or E. This is the bond amount the school needs.

I hereby certify that the information contained on this form and any attachments to the form is true and correct to the best of my knowledge.

Signature of Authorized School Official: _____

Print or Type Name and Title of Authorized School Official: _____

Date: _____

PRIVATE SCHOOL BOND

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS, that

(Name of Owner or Controlling Entity)

- | | |
|---|---|
| <input type="checkbox"/> an individual as sole proprietor | <input type="checkbox"/> a single corporation |
| <input type="checkbox"/> a partnership | <input type="checkbox"/> a series of corporations |
| <input type="checkbox"/> a limited liability company | <input type="checkbox"/> other: _____ |

doing business as _____
(Name of School)

at _____
(Address of School)

as PRINCIPAL and _____
(Name of Surety)

At _____
(Address of Surety)

as SURETY, are held and firmly bound unto the Wisconsin Educational Approval Board as a representative of each member of that class of persons defined as those provided the right of indemnification by virtue of the provisions of Chapter EAB 4.06, Wisconsin Administrative Code, and the State of Wisconsin for the benefit of such class or individual members thereof, in the sum of \$_____ representing the said Principal in the State of Wisconsin, for payment of which well and truly to be made, we the Principal and the Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, provided that no obligation hereunder shall require payment for the same loss or damage to more than one Obligee named herein.

The CONDITION OF THE ABOVE is such that, whereas the Principal has applied for, or has been granted approval to do business as a Private School pursuant to s.38.50 of the Wisconsin Statutes or any successor statutes subsequently amended or created, and the rules and regulations issued pursuant thereto, and the solicitors (representatives) of the Principal have been issued permits or have applied for permits or are about to apply for permits to act as solicitors (representatives) for the Principal pursuant to the provisions of s.38.50 (8) of the Wisconsin Statutes.

NOW, THEREFORE, if neither the Principal nor any of the solicitors, representatives, agents, and employees shall cause, to any Obligee protected by this bond, economic loss or damage by engaging in the practices which would entitle said Obligee to indemnification therefore as provided in Chapter EAB 4.06 (3), Wisconsin Administrative Code, as extant at the time of such breach, and if the Principal and such solicitors (representatives) shall faithfully comply with the provisions of s.38.50 of the Wisconsin Statutes and the rules and regulations issued pursuant thereto, then this obligation shall be void, otherwise it shall be and remain in full force and effect.

PRIVATE SCHOOL BOND

LIABILITY UNDER THIS BOND shall be continuous in nature; provided, however, that in the event of the renewal hereof for one or more annual periods, the liability of the Surety shall not be cumulative and, regardless of the number of years that this bond is continued in force or the number of annual premiums that is paid or payable, the aggregate liability of the Surety during the entire period in which this bond is in force shall not exceed the penal sum of this bond or, in the case of any one solicitor (representative), two thousand dollars (\$2,000).

This bond may be terminated by the Surety by the giving of thirty (30) days written notice to the Wisconsin Educational Approval Board; provided, however, that in the event of such termination, the Surety shall be relieved of liability hereunder only with respect to breaches of Condition occurring on and after the effective date of such termination.

The written application made to the Wisconsin Educational Approval Board by or on behalf of any solicitor showing that each representative is an authorized agent of the said Principal shall be conclusive as to the number and identity of the solicitors authorized by the Principal to solicit business for it as aforesaid, and the records of the Wisconsin Educational Approval Board shall be conclusive as to the number of permits and the period of time covered by the permits and each renewal thereof to each solicitor under this bond.

This bond is effective on the _____ day of _____, _____.

(Print or Type Name of Surety)

(Print or Type Name of Principal)

By:

(Attorney-in-Fact for Surety)

By:

(Representative of Principal)

(Print or Type Name of Attorney-In-Fact)

(Print or Type Name of Representative of Principal)

(Signed and Dated On)

(Signed and Dated On)

(Signature of Witness as to Surety)

(Signature of Witness as to Principal)