
Policy on Insider Trading

*Adopted
June 2011*

Background

Federal laws prohibit persons with so called “insider” information about a for-profit company from trading in the stock of that company. These prohibitions are generally known as the SEC insider trading rules. The Accrediting Commission of Community and Junior Colleges (“ACCJC”) has determined, on advice of legal counsel, that the insider trading rules, under certain circumstances, may have applicability to persons associated with the Commission, who gain access to confidential information about for-profit educational institutions and their related systems. This policy has been developed in order to minimize the legal risk that is thereby created.

Policy

No person who is serving as a member of the Commission, as a volunteer or paid member of a committee or visiting team, or as a staff member of the Commission may buy or sell (trade in) the stock (or other form of security) of any member institution (as defined) while that person is serving in one of the capacities described in a., b., c., or d. below, unless one of the Exceptions to this Policy, explained below, applies. For purposes of this Policy, an “ACCJC Institution” is any for-profit educational institution that is either an applicant for candidacy or accreditation before the Commission, an institution that enjoys candidate or accredited status with the Commission, or any entity affiliated with such educational institution, such as a parent holding company. The period of time in which this policy prohibits the trading of stock is referred to as the “Trading Freeze.”

Specific Situations

- a. **Committee membership:** With respect to a member of a standing or special committee, the Trading Freeze shall only apply when that person’s committee duties involve reviewing an ACCJC Institution and thereafter until the Commission publicly announces the action on this ACCJC Institution which relates to the committee’s report.
- b. **Team membership:** With respect to a member of a visiting team, the Trading Freeze shall apply only if the team member has been assigned to review an ACCJC Institution. The Trading Freeze shall begin at the time of the team member’s assignment to the team and last until the Commission publicly announces its action on the ACCJC Institution which relates to the team’s report.
- c. **Commission membership:** With respect to Commission members, the Trading Freeze shall apply to those Commission members who are involved in a Commission action involving an ACCJC Institution. Except in instances where the entire Commission is taking action on an ACCJC Institution, the Trading Freeze will only affect readers and members of the Commission panel assigned to review the ACCJC Institution. Such trading freeze will begin at such time as the affected Commission member receives non-public information about the ACCJC Institution and will end two weeks after the Commission makes public the action taken on the ACCJC Institution.
- d. **Commission Staff:** With respect to Commission Staff, the Trading Freeze shall apply to all staff members who have access to any non-public information concerning ACCJC

Institutions, and the Trading Freeze shall apply during the entire employment of all such Commission staff members.

Exceptions

- a. The above Policy shall not apply to any person who certifies in a Conflict of Interest Disclosure Statement to the Commission that:
 - (i) he or she received stock in a particular ACCJC Institution by virtue of his or her employment with that ACCJC Institution; and
 - (ii) he or she is aware of and will abide by rules established by that ACCJC Institution designed to protect against violations of SEC trading rules.
- b. The above Policy shall not apply if the investment is in a mutual fund that includes the stock of an ACCJC Institution as one of its holdings.
- c. The above Policy shall not restrict any person from owning and holding stock in any ACCJC Institution if that person does not trade (i.e., buy or sell) that stock, or exercise any options or puts for that stock, at any time during that person's service for the Commission.

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