

## Massachusetts Department of Higher Education

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Carlos E. Santiago, *Commissioner*  
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*Massachusetts Board of Higher Education*

September 9, 2016

John Lay, President  
The New England Institute of Art  
10 Brookline Place  
Brookline, MA 02445

Re: New England Institute of Art

Dear President Lay:

The staff of the Massachusetts Department of Higher Education (the "Department") has reviewed your recent letter dated July 25, 2016 regarding the proposed sale of The New England School of Art ("NEIA") to the Ritnand Balved Education Foundation (the "Foundation"). While the letter provides some detail about the proposed sale in addition to what was shared at the July 13, 2016 meeting between representatives from NEIA, Amity University, Education Management Corp. ("EDMC"), and the Department, there are significant gaps in the information that we have about this transaction and the resulting institution. Without additional information and details, we are unable to evaluate the proposed transaction and whether it is in compliance with the Board of Higher Education's degree-granting regulations.

As such, it would be helpful to the Department in our review if you would please answer the following questions and provide the requested documentation as soon as possible so that we can gain a better understanding of the proposal and determine next steps.

1. What is the Foundation? We have not received any information about this entity, and it does not appear to be registered with the relevant Massachusetts agencies. What is the Foundation's relationship with Amity University?
2. What is the non-profit subsidiary of the Foundation that purports to purchase NEIA? We cannot evaluate the proposed transaction without information about that entity, including its corporate structure, the composition of its board, its governance documents, and the relationship with the Foundation. The July 25 letter is the first notification that the Department has received that any entity other than Amity University would be purchasing NEIA.
3. There is a non-profit corporation established in Massachusetts in 2014 with the name of Amity University, Inc. and which has the Chancellor of the Amity University in India as its president. What is the relationship of the Massachusetts corporation Amity University, Inc. to the Foundation?

To the extent that the Massachusetts corporation Amity University, Inc. is the intended subsidiary of the Foundation that would be purchasing NEIA, it appears to have compliance issues that need to be resolved. It has not been filing annual

reports with the Secretary of the Commonwealth's Corporations Division, it is not registered with the Non-Profit Organizations/Public Charities Division of the Attorney General's Office, and it does not appear to have its 501(c)(3) status from the Internal Revenue Service. These compliance issues mean that little information is publically available about the corporation, its charitable status, and the structure of this proposed transaction.

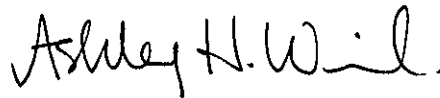
4. Will any person affiliated with EDMC and/or NEIA have a governance and/or management role with the proposed buyer of NEIA's assets? If so, who and what role will he or she have?
5. Will any person affiliated with EDMC and/or NEIA have a position in the administration, faculty, and/or staff at the institution that will result from the sale of NEIA's assets? If so, who and what role will he or she have?
6. What steps have been taken to ensure the comparability of the NEIA degree programs with programs currently offered by Amity University? What role will Amity University's academic team have in reviewing, revising, and/or expanding the curricula of the existing NEIA degree programs?
7. What information will be provided about this proposed change in ownership to students who are currently enrolled at NEIA?
8. If this proposed transaction is completed, how does the resulting institution plan to deal with students who transferred out of NEIA or who were denied admission to NEIA as a result of NEIA's prior plan to close? How does the resulting institution plan to deal with former NEIA students who seek to re-enroll?
9. Does the proposed buyer intend to make changes to any existing NEIA documents (e.g., student handbook, faculty handbook, nondiscrimination policy, refund policy, harassment policy)? If so, which policies and how will they be changed?
10. What is the proposed buyer's financial capacity to continue the operation of NEIA? Please provide financial statements that indicate that the proposed buyer is sufficiently capitalized to continue the operation of NEIA's existing programs and a proposed budget for the first two years.
11. Does the proposed buyer have the approval of the U.S. Department of Education to receive federal student aid funds? If so, please provide evidence of the USDOE's approval. If not, please explain the process and timeline that the proposed buyer intends to follow in order to obtain approval. What is the impact of the change in ownership on the availability of federal student aid funds on currently enrolled students? On to-be-enrolled students? What is the impact (if any) of the cancellation of NEIA's closure on student financial aid? On student loan repayment terms/schedules?
12. What is the impact of the change in ownership on NEIA's accreditation from the New England Association of Schools and Colleges ("NEASC")? Has NEASC been informed of the proposed transaction? If so, please provide all communications

between the parties to the proposed transaction and NEASC regarding the proposed transaction.

13. In our July 13 meeting, NEIA and Amity University representatives stated that, at some point in time, the institution that would result from this proposed transaction would begin a gradual changeover from the NEIA name and identity to the Amity University name and identity. The representatives did not provide detail about how and when this evolution would take place. The Department would like additional information about this process, including a timeframe and details about the process. Will there at any time be students admitted under the Amity University name while there are also other students enrolled in programs which would result in an NEIA degree? Will any students be shifted from an NEIA degree program to an Amity University degree program? How does the resulting institution propose to manage both the NEIA and Amity University identities and programs at the same time on the same campus?
14. Please provide the Department with a copy of the Asset Purchase Agreement between the parties.

Please contact me directly if you have any questions or concerns. Thank you in advance for your anticipated cooperation.

Sincerely yours,



Ashley H. Wisneski  
Assistant General Counsel  
Massachusetts Department of Higher Education

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