

## AGENDA ITEM EXECUTIVE SUMMARY: Charter Holder Status Amendment Request

### Request

Compass High School, Inc. is requesting to change the legal status from Compass High School, Inc., a For-Profit Corporation to Compass High School, Inc. a Not for Profit corporation. The plan of conversion is dated October 8, 2017 and was filed on October 10, 2017 with the Arizona Corporation Commission. The conversion documents include the Consent to Actions of Board of Directors and Shareholders, Stock Repurchase Agreement, Statement of Conversion and Plan of Conversion.

*See Appendix A. Amendment Request and Support Materials.*

### Background

The Charter Holder was granted a new charter in 2001 and renewed in 2015. The enrollment cap is 550. The Charter Holder operates one school, Compass High School, in Tucson that currently serves 9<sup>th</sup> through 12<sup>th</sup> grade, which is designated as an alternative school. As of November 9, 2017 the average daily membership is 433.378.

The plan of conversion includes:

- The continuation of the entity name of the Charter Holder, Compass High School, Inc.
- Amended Articles of Incorporation and Bylaws under the Charter Holder's for-profit stating not for profit status.
- All assets, liabilities obligations and rights of the Charter Holder's for-profit status will continue with the Charter Holder's not for profit status.
- Each officer and director of the for-profit corporation will continue to be the officers and directors of the Charter Holder under the not for profit. They are Kerk Ferguson and Michael Ferguson.
- The continuation of Compass High School, a 9<sup>th</sup> through 12<sup>th</sup> grade alternative/at risk school serving students at 8250 East 22<sup>nd</sup> Street, Suite 128, Tucson, AZ 85710.

### Operational Compliance

In accordance with the Board's policy, a compliance check was conducted for Compass High School, Inc. No compliance issues were identified.

### Charter Holder Performance

Compass High School, Inc. meets the Board's operational and financial performance expectations. See Appendix A: Charter Holder Status Summary Review.