

National American University Holdings, Inc.

A Delaware Corporation

5301 Mt Rushmore Road
Rapid City, SD 57701
(605)721-5200
www.national.edu

SIC Code:
822101

Quarterly Report **For Quarter Ending August 31, 2019**

The number of shares outstanding of our Common Stock is 24,650,083 as of August 31, 2019
The number of shares outstanding of our Common Stock was 24,350,698 as of August 31, 2018

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes: ☐ No: ☒

NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC.
ANNUAL INFORMATION AND DISCLOSURE STATEMENT
FOR THE QUARTER ENDED AUGUST 31, 2019

All information contained in this Annual Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of OTC Markets Group, Inc. and Rule 15c2-11 under the Securities Exchange Act of 1934. The captions contained herein correspond to the sequential format as set forth in the applicable disclosure guidelines of OTC Markets Group, Inc. All dollar amounts are presented in thousands, except dividend and other per share data. Quantitative share data, among other non-dollar figures, are not presented in thousands.

Forward-Looking Statements

This Annual Information and Disclosure Statement contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. All statements except historical statements contained herein constitute "forward-looking statements." Forward-looking statements are inherently uncertain and are based only on current expectations and assumptions that are subject to future developments that may cause results to differ materially. Readers should carefully consider: (i) economic, competitive, technological and governmental factors affecting operations, customers, markets, services, products and prices of National American University Holdings, Inc.. ("NAUH"); (ii) risk factors affecting the private for-profit higher education industry; and (iii) other factors discussed in NAUH's annual reports, quarterly reports, Information and Disclosure Statements and other documents posted from time to time on the OTCQX website (available at either www.otcm Markets.com or at www.otcqx.com), including without limitation, the description of the nature of NAUH's business and its management discussion and analysis of financial condition and results of operations for reported periods. Except as required by law or the OTC Markets Group, Inc., NAUH undertakes no obligation to update, and is not responsible for updating, the information contained or incorporated by reference in this document beyond the publication date, whether as a result of new information or future events, or to conform this document to actual results or changes in NAUH's expectations, or otherwise or for changes made to this document by wire services or Internet services.

Part A General Company Information

Item 1 Exact name of the issuer and the address of its principal executive offices.

Principal Executive Offices: National American University Holdings, Inc.
5301 Mt Rushmore Road
Rapid City, SD 57701
(605) 721-5200
www.national.edu

Item 2 Shares outstanding.

Common Stock

	<u>August 31, 2019</u>	<u>May 31, 2019</u>
Number of Shares Authorized	50,000,000	50,000,000
Number of Shares Outstanding	24,650,083	24,650,083
Total Number of Shareholders of Record	41	41

The Company has 41 beneficial shareholders of record owning at least 100 shares.

Preferred Stock

	<u>August 31, 2019</u>	<u>May 31, 2019</u>
Number of Shares Authorized	1,000,000	1,000,000
Number of Shares Outstanding	0	0
Total Number of Shareholders of Record	0	0

Class A Common Stock

	<u>August 31, 2019</u>	<u>May 31, 2019</u>
Number of Shares Authorized	100,000	100,000
Number of Shares Outstanding	0	0
Total Number of Shareholders of Record	0	0

Item 3 Interim financial statements.

The following pages contain National American University Holdings, Inc.'s quarterly consolidated balance sheet, consolidated statement of operations, and consolidated statements of cash flow.

NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEET AS OF AUGUST 31, 2019 AND CONSOLIDATED BALANCE SHEET AS OF MAY 31, 2019

(In thousands, except share and per share amounts)

	August 31, 2019	May 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 734	\$ 1,335
Student receivables -- net of allowance of \$232 and \$251 at August 31, 2019 and May 31, 2019 respectively	517	615
Other receivables	190	132
Income taxes receivable	7	6
Prepaid and other current assets	403	750
Current assets of discontinued operations	-	254
Total current assets	1,851	3,092
Total property and equipment -- net	15,457	15,876
OTHER ASSETS:		
Restricted certificates of deposit	15,638	15,625
Land held for future development	414	414
Course development -- net of accumulated amortization of \$2,436 and \$2,338 at August 31, 2019 and May 31, 2019 respectively	1,291	1,332
Goodwill	363	363
Other intangibles -- net of accumulated amortization of \$78 and \$64 at August 31, 2019 and May 31, 2019 respectively	151	165
Other	1,258	1,109
Other assets of discontinued operations	-	69
Total other assets	19,115	19,077
TOTAL	\$ 36,423	\$ 38,045
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of capital lease payable	\$ 446	\$ 432
Current portion of long-term debt	800	800
Current portion of lease acceleration payable	2,700	-
Short-term related party note payable	500	-
Accounts payable	7,032	2,763
Income taxes payable	38	31
Deferred revenue	2,030	2,798
Accrued and other liabilities	2,337	1,876
Current liabilities of discontinued operations	-	5,386
Total current liabilities	15,883	14,086
OTHER LONG-TERM LIABILITIES	288	131
CAPITAL LEASE PAYABLE, NET OF CURRENT PORTION	10,309	10,425
LONG-TERM DEBT, NET OF CURRENT PORTION	15,437	15,700
LEASE ACCELERATION PAYABLE, NET OF CURRENT PORTION	5,337	-
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	-	5,861
STOCKHOLDERS' EQUITY:		
Common Stock, \$0.0001 par value (50,000,000 authorized; 29,174,787 issued and 24,650,083 outstanding as of August 31, 2019; 29,053,894 issued and 24,650,083 outstanding as of May 31, 2019)	3	3
Additional paid-in capital	59,448	59,476
Accumulated deficit	(47,856)	(45,209)
Treasury stock, at cost (4,524,704 shares at August 31, 2019 and 4,432,160 shares at May 31, 2019)	(22,515)	(22,510)
Total National American University Holdings, Inc. stockholders' equity	(10,920)	(8,240)
Non-controlling interest	89	82
Total stockholders' equity	(10,831)	(8,158)
TOTAL	\$ 36,423	\$ 38,045

NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. AND SUBSIDIARIES		
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS		
FOR THE THREE MONTHS ENDED AUGUST 31, 2019 AND 2018		
(In thousands, except share and per share amounts)		
	Three Months Ended	
	August 31,	
	2019	2018
REVENUE:		
Academic revenue	\$ 6,930	\$ 14,680
Auxiliary revenue	335	727
Rental income -- apartments	347	351
Condominium sales	-	225
Other real estate income	52	52
Total revenue	7,664	16,035
OPERATING EXPENSES:		
Cost of educational services	3,102	6,354
Selling, general, and administrative	6,493	13,072
Auxiliary expense	175	501
Cost of condominium sales	-	189
Loss on course development impairment	-	-
Loss on impairment and disposition of property and equipment	135	597
Total operating expenses	9,905	20,713
OPERATING LOSS	(2,241)	(4,678)
OTHER INCOME (EXPENSE):		
Interest income	50	31
Interest expense	(461)	(283)
Other expense -- net	19	1
Total other expense	(392)	(251)
Loss from Continuing Operations before Income Taxes	(2,633)	(4,929)
Income Tax (Expense) Benefit	(7)	(8)
NET LOSS FROM CONTINUING OPERATIONS	(2,640)	(4,937)
NET LOSS	(2,640)	(4,937)
Net Income Attributable to Non-Controlling Interest	(7)	(17)
NET LOSS ATTRIBUTABLE TO		
NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. AND SUBSIDIARIES	(2,647)	(4,954)
OTHER COMPREHENSIVE GAIN, NET OF TAX		
Unrealized losses on investments, net of tax benefit	-	-
COMPREHENSIVE LOSS ATTRIBUTABLE TO		
NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. AND SUBSIDIARIES	\$ (2,647)	\$ (4,954)

NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE THREE MONTHS ENDED AUGUST 31, 2019 AND 2018

(In thousands, except share and per share amounts)

	Three Months Ended August 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss from Continuing Operations	\$ (2,640)	\$ (4,937)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Depreciation and amortization	539	1,054
Loss on course development impairment	-	-
Loss on impairment and disposition of property	135	597
Provision for uncollectible tuition	94	425
Noncash compensation expense	(28)	32
Change in assets and liabilities:		
Student and other receivables	197	(936)
Prepaid and other current assets	419	658
Condominium inventory	-	191
Other assets	(149)	(354)
Income taxes receivable/payable	6	107
Accounts payable	2,341	1,154
Deferred revenue	(1,260)	364
Accrued and other liabilities	287	190
Other long-term liabilities	(635)	(338)
Net cash flows used in operating activities	(694)	(1,793)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of available for sale investments	(13)	-
Purchases of property and equipment	(8)	(201)
Proceeds from sale of property and equipment	41	2
Course Development	(57)	(4)
Other	-	8
Net cash flows used in investing activities	(37)	(195)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayments of capital lease payable	(102)	(89)
Borrowings of long-term debt	(263)	-
Borrowings of short-term debt	500	-
Purchase of treasury stock	(5)	-
Net cash flows used in financing activities	130	(89)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(601)	(2,077)
CASH AND CASH EQUIVALENTS -- Beginning of year	1,335	5,324
CASH AND CASH EQUIVALENTS -- End of year	\$ 734	\$ 3,247
BALANCE SHEET RECONCILIATION -- CASH AND CASH EQUIVALENTS	\$ 734	\$ 3,247
RESTRICTED CASH	15,638	9,250
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	\$ 16,372	\$ 12,497
SUPPLEMENTAL DISCLOSURE OF CASH FLOW / NON-CASH INFORMATION		
Cash (received) paid for income taxes	\$ -	\$ (100)
Cash paid for interest	\$ 462	\$ 282
Property and equipment purchases included in accounts payable	\$ -	\$ 367

Item 4 Management's discussion and analysis or plan of operation.

You should read the following discussion together with the financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that are based on management's current expectations, estimates and projections about our business and operations, and involves risks and uncertainties. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of a number of factors, including those we discuss under "Risk Factors," "Special Note Regarding Forward-Looking Statements" and elsewhere in this annual report.

Background

National American University, or NAU, is a regionally accredited, for-profit institution of higher learning offering diploma, associates, bachelor's and master's degree programs in business-related disciplines, such as accounting, applied management, business administration and information technology; legal-related disciplines, such as paralegal, criminal justice; and in healthcare-related disciplines, such as nursing, medical assisting, surgical technology and healthcare management; and higher education. Courses are offered online via the internet. We expect ground locations and programs to finalize teach out arrangements in fiscal year ending May 31, 2020. As of May 31, 2019, NAU operated five instructional locations across the states of Colorado, Indiana, Kansas, and Texas, in addition to its central administration location in Rapid City, South Dakota. NAU also continued to conduct educational programs at Ellsworth Air Force Base, South Dakota and Kings Bay Naval Base, Georgia.

Key Financial Results Metrics

Revenue. Revenue is derived mostly from NAU's operations. For fiscal year ended May 31, 2019, approximately 91.4% of our revenue was generated from NAU's academic revenue, which consists of tuition and fees. The remainder of our revenue comes from NAU's auxiliary revenue from sources such as NAU's book sales and the real estate operations' rental income and condominium sales. Tuition revenue is reported net of adjustments for refunds and scholarships and is recognized on a daily basis over the length of the term. During the second quarter of fiscal year 2018, we began allowing students to take classes in the 2nd or 3rd month within a term rather than waiting to enroll the following term. Upon withdrawal, students generally are refunded tuition based on the uncompleted portion of the term, unless they have already finished 60% or more of the term. Auxiliary revenue is recognized as items are sold and services are performed and is net of any applicable sales tax.

Factors affecting revenue include:

- the number of students who are enrolled and who remain enrolled in courses throughout the term;
- the number of credit hours per student;
- the student's degree and program mix;
- changes in tuition rates;
- the affiliates with which NAU is working as well as the number of students at the affiliates; and
- the amount of scholarships for which students qualify.

We record unearned tuition for academic services to be provided in future periods. Similarly, we record a tuition receivable for the portion of the tuition that has not been paid. Tuition receivable at the end of

any calendar quarter largely represents student tuition due for the prior academic quarter. Based upon past experience and judgment, we establish an allowance for doubtful accounts to recognize those receivables we anticipate will not be paid. Any uncollected account more than six months past due on students who have left NAU is charged against the allowance. Bad debt expense as a percentage of academic revenue for the fiscal years ended May 31, 2019 and 2018 was 3.3% and 3.0%, respectively.

We define enrollments for a particular reporting period as the number of students registered in a course on the last day of the reporting period. Enrollments are a function of the number of continuing students registered and the number of new enrollments registered during the specified period. Enrollment numbers are offset by inactive students, graduations and withdrawals occurring during the period. Inactive students for a particular period are students who are not registered in a class and, therefore, are not generating net revenue for that period.

We believe the principal factors affecting NAU's enrollments and net revenue are the number and breadth of the programs being offered; the effectiveness of our marketing, recruiting and retention efforts; the quality of our academic programs and student services; the convenience and flexibility of our online delivery platform; the availability and amount of federal and other funding sources for student financial assistance; and general economic conditions.

The following chart is a summary of our student enrollment on May 31, 2019, and May 31, 2018, by degree type and by instructional delivery method.

	<u>May 31, 2019</u> <u>(Spring 2019 Term)</u>		<u>May 31, 2018</u> <u>(Spring 2018 Term)</u>		
	<u>Number of</u> <u>Students</u>	<u>% of Total</u>	<u>Number of</u> <u>Students</u>	<u>% of</u> <u>Total</u>	<u>YOY Percent</u> <u>Change</u>
Continuing Ed	-	0.0%	59	1.0%	-100.0%
Doctoral	175	5.3%	111	2.0%	57.7%
Graduate	355	10.7%	449	8.0%	-20.9%
Undergraduate & Diploma	2,783	84.0%	5,029	89.0%	-44.7%
Total	3,313	100.0%	5,648	100.0%	-41.3%
On-Campus	553	16.7%	724	12.8%	-23.6%
Online	2,760	83.3%	4,342	76.9%	-36.4%
Hybrid	-	0.0%	582	10.3%	-100.0%
Total	3,313	100.0%	5,648	100.0%	-41.3%

We experienced a 41.3% decline in enrollment in spring term 2019 from spring term 2018. The undergraduate and diploma degree education programs had a 44.7% decline while the master's programs had a 20.9% decrease. The on-campus, online and hybrid delivery methods saw a 23.6%, 36.4% and 100% decrease, respectively. We believe our investment to expand academic programming and our growth strategies detailed earlier in this document will be critical in growing all segments.

Our ability to maintain or increase enrollment will depend on how economic factors are perceived by our target student market in relation to the advantages of pursuing higher education. If current market conditions continue, we believe that the extent to which we are able to maintain or increase enrollment will be correlated with the effectiveness of the One-Stop student service platform and the delivery of online academic programming.

Expenses. Expenses consist of cost of educational services, selling, general and administrative, auxiliary expenses, the cost of condominium sales, loss on course development impairment, loss on lease termination and acceleration, and the loss on impairment and disposition of property and

equipment. Cost of educational services expenses contain expenditures attributable to the educational activity of NAU. This expense category includes salaries and benefits of faculty and academic administrators, costs of educational supplies, faculty reference and support material and related academic costs, and facility costs. Selling, general and administrative expenses include the salaries of the learner services positions (and other expenses related to support of students), salaries and benefits of admissions staff, marketing expenditures, salaries of other support and leadership services (including finance, human resources, compliance and other corporate functions), as well as depreciation and amortization, bad debt expenses and other related costs associated with student support functions. Auxiliary expenses include expenses for the cost of goods sold, including costs associated with books. The cost of condominium sales is the expense related to condominiums that are sold during the reporting period. The loss on disposition of property and equipment expense, loss on courseware impairment and loss on lease acceleration, record the cost incurred or income received in the disposal of assets that are no longer used by us.

Factors affecting comparability

Set forth below are selected factors we believe have had, or which we expect to have, a significant effect on the comparability of our recent or future results of operations:

Transition to Online Programs. The comparability of results depends in large part on the timing of the transition from ground locations to all online programs. The recent transition of students, and the related financial impact, will continue during the fiscal year ending May 31, 2020.

Seasonality. Our operations are generally subject to seasonal trends. While we enroll students throughout the year, summer and winter quarter new enrollments and revenue are generally lower than enrollments and revenue in other quarters due to the traditional custom of summer breaks and the holiday break in December and January. In addition, we generally experience an increase in enrollments in the fall of each year when most students seek to begin their postsecondary education. We cannot predict at this time the effect on seasonality due to the monthly start program that began in the second quarter of fiscal year 2018.

Critical Accounting Policies and Estimates

The discussion of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. Management evaluates its estimates and judgments, including those discussed below, on an ongoing basis. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. The results of our analysis form the basis for making assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and the impact of such differences may be material to the consolidated financial statements. We believe the following critical accounting policies involve more significant judgments and estimates than others used in the preparation of our consolidated financial statements:

Allowance for doubtful accounts. We maintain an allowance for doubtful accounts for estimated losses resulting from the inability, failure or refusal of the students to make required payments. We determine the adequacy of the allowance for doubtful accounts based on an analysis of aging of the accounts receivable and with regard to historical bad debt experience. Accounts receivable balances are generally written off when deemed uncollectible at the time the account is returned by an outside collection agency. Bad debt expense is recorded as a selling, general and administrative expense.

Accounting for Income Taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the new rate is enacted. We recognize a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion, or all, of a deferred tax asset will not be realized.

We evaluate and account for uncertain tax positions using a two-step approach. Recognition (step one) occurs when we conclude that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that is greater than 50% likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. De-recognition of a tax position that was previously recognized would occur when we subsequently determine that a tax position no longer meets the more-likely-than-not threshold of being sustained.

Impairment of Long-Lived Assets. Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, impairment exists when the estimated undiscounted cash flows associated with the asset or group of assets is less than carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisals, as applicable. All impairment charges are recorded within loss on impairment and disposition of property and equipment and as a component of net loss from discontinued operations, in the consolidated financial statements.

Regulation and Oversight

We are subject to extensive regulation by state education agencies, accrediting commissions and federal government agencies, particularly by the Department of Education under the Higher Education Act and the regulations promulgated thereunder by the Department of Education. The regulations, standards and policies of these agencies cover substantially all of our operations. For a more complete description of this regulation and oversight, see "Item – Business – Regulatory Matters."

Any regulations that reduce or eliminate our students' access to Title IV program funds, that require us to change or eliminate programs or that increase our costs of compliance could have an adverse effect on our business.

Item 5 Legal proceedings.

In April 2017, a former NAU employee filed a qui tam suit against NAU, NAUH, and Dlorah, Inc., alleging certain violations of the Higher Education Act and Title IV program requirements, including alleged misrepresentations to a programmatic accrediting agency, alleged miscalculating its percentage of revenues derived from Title IV program funds under the 90/10 Rule, and alleged noncompliance with the incentive compensation prohibition. The U.S. government decided to not intervene in the lawsuit at that time, and the complaint was then unsealed by the court in January 2018, with an amended complaint being filed on April 24, 2018. The U.S. government reserved the right to intervene at a later time. The case is styled U.S. ex rel. Brian Gravely v. National American University, et al., No. 5:17-cv-05032-JLV, and remains pending in the U.S. District Court for the District of South Dakota. NAU, NAUH, and Dlorah, Inc., have filed an answer to the amended complaint, deny any legal wrongdoing or liability. A trial date has not yet been set. We cannot predict the outcome of this litigation, nor its ability to harm our reputation, impose litigation costs, or materially adversely affect our business, financial condition, and results of operations. The amount

or range of reasonably possible losses cannot be reasonably estimated and, accordingly, no liability has been accrued for this matter.

In December 2018, NAU was served with a lawsuit (Summons and Petition) commenced by two former students of NAU, Shayanne Bowman and Jackquelynn Mortenson, in Missouri state court, alleging claims of fraud and misrepresentations as to the quality and value of the educational degrees that were being pursued by the two Plaintiffs, and also a claim under the Missouri Merchandising Practices Act. The Petition (complaint) does not specify the damages being sought by Plaintiffs in the lawsuit. The case is styled Shayanne Bowman and Jackquelynn Mortenson v. Dlorah, Inc., d/b/a National American University, et al., Case No. 1816-cv30104, and is pending in Jackson County Circuit Court (MO). Three individual defendants are also included in the lawsuit, all former employees of NAU: Stacy J. Wilton, Tyree Smith, and Robin D. Cook. The Plaintiffs served an Amended Petition on August 8, 2019, adding six additional Plaintiffs to the lawsuit: Heather Morris, Jessica Smith, Melissa Hopper, Zaimah Muhammad, Melissa Stewart, and Gabrielle Nelson. A trial date has not yet been set. We cannot predict the outcome of this litigation, nor its ability to harm our reputation, impose litigation costs, or materially adversely affect our business, financial condition, and results of operations. The amount or range of reasonably possible losses cannot be reasonably estimated and, accordingly, no liability has been accrued for this matter.

The University leases building facilities for branch operations under operating leases with various terms and conditions. As it implements the strategic and operational shift from ground locations to online programs, it has discontinued operations at several of these leased facilities. While the University is communicating with the lessors of these facilities, certain lessors have commenced litigation related to the lease agreements. We cannot predict the outcome of this litigation, nor whether these actions will materially adversely affect our business or financial condition. The amount or range of reasonably possible losses cannot be reasonably estimated and, accordingly, no liability has been accrued for these matters.

Item 6 Defaults upon senior securities.

There are currently no defaults upon senior securities.

Item 7 Other information.

None.

Item 8 Exhibits.

None.

Item 9 **Certifications.**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

I, Ronald Shape, certify that:

1. I have reviewed this quarterly disclosure statement of National American University Holdings, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for the periods presented in this disclosure statement.

Date: 10/10/2019

/s/ Ronald L. Shape

Dr. Ronald Shape

President & Chief Executive Officer

National American University Holdings, Inc.

I, Thomas Bickart, certify that:

1. I have reviewed this quarterly disclosure statement of National American University Holdings, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for the periods presented in this disclosure statement.

Date: 10/10/2019

/s/ Thomas Bickart

Thomas Bickart

Chief Financial Officer

National American University Holdings, Inc.