CHIROPRACTIC FREEDOM COALITION

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INSTITUTIONAL RISK ADVISORY

What Chiropractic College and University Presidents Need to Know About the Proposed NBCE–FCLB Merger, the False Claims Act, CCE Policy 56, and Federal Title IV Exposure

TO: Presidents, Chiropractic Colleges and Universities (CCE-Accredited Institutions)

FROM: Chiropractic Freedom Coalition

DATE: April 18, 2026

SUBJECT: Urgent Institutional Risk Advisory — NBCE–FCLB Merger, Title IV Qui Tam Exposure, and CCE Policy 56 Integrity

ACTION: Route to Legal Counsel and Chief Financial Officer Immediately. Vote Deadline: April 30, 2026.

THIS IS NOT LEGAL ADVICE. CFC IS NOT YOUR INSTITUTION'S COUNSEL. THE ISSUES DESCRIBED HEREIN REQUIRE IMMEDIATE REVIEW BY YOUR OWN LEGAL COUNSEL AND COMPLIANCE TEAM.

I. Executive Summary

The Chiropractic Freedom Coalition is transmitting this advisory to the presidents of every CCE-accredited chiropractic college and university in the United States. We are doing so because a vote scheduled for April 30, 2026 in Atlanta, on the proposed merger of the National Board of Chiropractic Examiners (NBCE) and the Federation of Chiropractic Licensing Boards (FCLB), creates institutional risks for your institution that, in our assessment, have not been adequately communicated to chiropractic college leadership.

Those risks are not abstract. They arise from specific, documented features of the legal, accreditation, and federal funding structure within which every CCE-accredited chiropractic institution operates. They involve your institution's Title IV federal student aid certifications, the adequacy of CCE's Policy 56 as a student achievement measure, the Department of Education's recognition of CCE as a reliable accrediting authority, and the potential exposure of specific institutional officers, your financial aid director, your president, your chief financial officer, under the False Claims Act's qui tam provisions.

The CFC is transmitting this advisory as a matter of professional obligation to an academic community whose students, graduates, and institutional officers may bear the consequences of a structural problem that extends well beyond the organizational interests of NBCE and FCLB. We urge you to route this document to legal counsel immediately and to initiate the internal review steps described in Section V before April 30.

Risk Category	Level	Description
False Claims Act / Qui Tam	HIGH	Your Title IV certifications include NBCE exam fees. If the exam mandate arises from unlawful regulatory capture or ultra vires board action, those certifications may be false claims. Whistleblower filing possible without your knowledge.
CCE Policy 56 Integrity	HIGH	Policy 56 ties your accreditation to NBCE pass rates — an exam that was materially centralized without CCE's knowledge or review. CCE's own president stated publicly he "wasn't asked" and had "no part in it."
USDE / NACIQI Recognition	ELEVATED	If DOE or NACIQI concludes CCE is not independently evaluating the metric it requires programs to report against, CCE's recognition is at risk. Your students' Title IV eligibility depends on that recognition.
Individual Officer Liability	HIGH	Your Director of Financial Aid, President, and CFO are named certifiers of PPA compliance and COA accuracy. Under qui tam theory, they carry personal exposure if institutional certifications are found to be false.
Merger Concentration	HIGH	Post-merger, one private entity controls mandatory exams, board regulatory coordination, continuing education approval, specialty credentials, and ethics assessments. Total institutional dependency on a single unaccountable monopolist.
Institutional Independence	ELEVATED	Your accredited program already certifies graduate competency. The merger makes that independent judgment permanently subordinate to a private corporate structure that your institution helps fund through student loan-backed exam fees.

II. What Is Being Voted On, and Why Your Institution Is Not a Bystander

A. The April 30 Vote

On April 30, 2026, at the NBCE–FCLB Annual Meeting in Atlanta, state chiropractic licensing board delegates will vote on bylaw amendments that would dissolve FCLB as a separate nonprofit corporation and absorb all its assets, staff, programs, and functions into NBCE. FCLB ceases to exist as an independent entity. Post-merger, a single private organization, NBCE, would simultaneously control:

- All nationally required chiropractic licensure examinations (Parts I through IV), mandated in every U.S. state jurisdiction;
- The FCLB's advisory and regulatory coordination functions to state licensing boards, including the Model Practice Act;

- The PACE continuing education approval program, on which your graduates depend for license renewal;
- The Recognized Chiropractic Specialty Program (RCSP), the pathway for post-graduate specialty credentials;
- Ethics and Boundaries Assessment Services, LLC (EBAS), NBCE's wholly owned for-profit subsidiary, which administers assessments mandated by state boards in disciplinary proceedings. As of fiscal year 2025, EBAS carries $4.9 million in accumulated debt to NBCE and has never been profitable. Its continuity depends entirely on NBCE's ongoing financial support;
- The International Board of Chiropractic Examiners (IBCE), a second NBCE entity disclosed in IRS filings as a disregarded entity from 2018 through 2024 but absent from NBCE's public-facing annual reports for those same years. IBCE appears for the first time in a public NBCE document in the 2024 Annual Report, briefly noted in connection with an international testing initiative. No financial statements, balance sheet, debt obligations, or post-merger status for IBCE have been provided to delegates or member boards; and
- At least one additional NBCE-related entity, referenced in public records and CFC research by variations of the name "MPC" or "MPOC", whose corporate status, purpose, financial condition, and current operational state cannot be determined from publicly available records. Its existence raises the question of what other entities NBCE has created, operated, and wound down without disclosure to the state boards and delegates that rely on NBCE as the foundation of the profession's examination infrastructure.
- The distribution of model legislative and regulatory language to state licensing boards across the country.

This is the most significant private governance consolidation in the history of the chiropractic profession. Every function listed above has a direct operational connection to your institution's students, graduates, and accreditation standing.

B. Your Institution Is Not a Bystander

Chiropractic colleges and universities are not delegates to the NBCE or FCLB vote. But you are not bystanders. Your institution sits at the precise intersection where the legal and financial risks created by this structure become concrete:

- Your students pay NBCE examination fees. Those fees are included in your published Cost of Attendance and are financed by federal student loans that your financial aid office certifies.
- Your graduates' NBCE pass rates are the primary metric by which your accreditation standing is measured under CCE Policy 56, a standard whose underlying examination was materially altered without CCE's knowledge or approval.
- Your institution's CCE accreditation is a prerequisite for your students' Title IV eligibility. CCE's recognition by the U.S. Department of Education is what makes that link legally operative.

- Your graduates who face state board disciplinary proceedings may be referred by those boards to EBAS, a for-profit entity owned by NBCE, as a condition of resolution. Your institution may have had no awareness of the financial structure of that entity.

Each of these connections places your institution, its officers, its accreditation, its federal funding eligibility, within the legal blast radius of the risks described below.

III. The Title IV Payment Pipeline and the False Claims Act

A. How NBCE Examination Fees Flow Through Federal Student Loan Money

The overwhelming majority of chiropractic students finance their education and associated professional costs, including NBCE examination fees, through federal Title IV student loans. NBCE examination fees across Parts I through IV total up to approximately $5000.00 per candidate. These fees are standard components of the cost of attendance that institutions calculate, publish, and certify to the Department of Education.

The payment chain works as follows. Your institution calculates and certifies a Cost of Attendance that includes NBCE exam fees as an allowable educational cost. Students borrow up to that COA amount through federal Direct Loans and GradPLUS loans. Your financial aid office certifies individual loan disbursements on the basis of enrollment and the COA framework. Those loan proceeds, federal money backed by the U.S. government, are what actually flow to NBCE when your students sit for their examinations.

Calderon, the General Counsel of the Texas Board of Chiropractic Examiners, acknowledged at a special board meeting on April 16, 2026 that “in some cases the colleges will even pay for it”, referring to NBCE exam fees. Whether the school pays directly or the student pays from loan disbursements is a routing detail. The source of the funds in either case is federal student aid. The regulatory mandate that makes the payment obligatory is the state board’s licensure requirement. Your institution’s certification is what connects those two facts to the federal funding stream.

B. The False Claims Act Framework

The False Claims Act (31 U.S.C. § 3729 et seq.) creates civil liability for any person who knowingly presents a false or fraudulent claim for payment to the federal government, or knowingly makes a false statement material to such a claim. The qui tam provision allows a private relator, any person with knowledge of the relevant facts, including a current or former student, employee, faculty member, or financial aid officer, to file suit on behalf of the United States under seal. The relator receives between fifteen and thirty percent of any recovery. Potential institutional liability is treble actual damages plus civil penalties per false claim. Investigations can proceed for years before resolution.

The legal theory that creates exposure for your institution is certification falsity. Your Program Participation Agreement with the Department of Education certifies that your institution will comply with all applicable federal statutes and regulations and that Title IV funds will be used for their intended purposes within a lawful institutional framework. Your COA certifications attest that the educational costs included, including NBCE exam fees, represent legitimate costs arising from lawfully constituted requirements.

If the NBCE examination mandate is not a lawfully constituted requirement, because it arises from regulatory capture or ultra vires board action, then the certification of NBCE exam fees as a legitimate COA cost is potentially a false certification, regardless of the institution's intent.

C. The Two Legal Theories That Create the Underlying Risk

1. Regulatory Capture / Antitrust

In NC State Board of Dental Examiners v. FTC (2015), the United States Supreme Court held that a state regulatory board dominated by active market participants, practitioners who benefit financially from the board's regulatory decisions, is a market participant for antitrust purposes and loses the state action immunity that would otherwise shield it from Sherman Act challenge. When board members simultaneously govern the mandatory vendor (NBCE) and exercise the state regulatory power that mandates that vendor's product, the state action defense is not available.

The documented record before Atlanta is extensive. On April 16, 2026, the Texas Board of Chiropractic Examiners held a special called meeting at which board president Scott Bronson disclosed on the record that he has been a contracted NBCE employee for almost thirty years while simultaneously serving as board president. Texas board general counsel Rudy Calderon acknowledged that the merger eliminates the arms-length separation between NBCE and state board governance, and that an AG opinion will be required post-merger to determine whether continued board participation in the merged entity is lawful under Texas statute. The board voted 7-1 to oppose the merger.

That on-record acknowledgment, from a state board's own general counsel, that a sitting board president has held a three-decade compensated relationship with the mandatory testing vendor, while that board requires applicants to pass that vendor's exams, is precisely the conflict-of-interest fact pattern that NC Dental identified as the basis for losing antitrust immunity. The same interlocking relationships are documented across multiple states in the CFC's fourteen-state FOIA campaign.

2. Ultra Vires Delegate Authority

A separate and independent legal theory holds that state chiropractic board delegates lack statutory authority to vote on the corporate dissolution of one private entity into another. State regulatory boards derive their authority exclusively from state statute. No state practice act reviewed to date affirmatively authorizes a state board delegate to vote on the merger or dissolution of private nonprofit corporations.

This position has been formally adopted in multiple jurisdictions. The New Mexico Attorney General's office, in a memorandum issued December 30, 2025, formally advised that the merger vote is outside the scope of delegate authority. Vermont's board counsel reached the same conclusion. New Jersey declined to send delegates entirely. Multiple other states are conducting independent legal reviews. Texas's general counsel, while concluding the vote itself was permissible, expressly stated that post-merger participation in the combined entity raises statutory conflicts requiring AG guidance.

If the examination mandate has been perpetuated through delegate participation in NBCE governance that is itself ultra vires, the mandate lacks a sound legal foundation in those states. Your institution's COA certifications, which treat compliance with that mandate as a lawful educational requirement, would be certifying something whose legal basis is contested.

D. The Specific Individuals at Risk at Your Institution

The False Claims Act's exposure does not fall on the institution abstractly. It falls on the specific individuals who sign the relevant certifications. At your institution, those individuals are:

Director of Financial Aid	Signs individual COA calculations and loan disbursement certifications that include NBCE exam fee line items. This person certifies year after year that those fees represent legitimate educational costs of a lawfully constituted program.
President / Chief Executive Officer	Signs the Program Participation Agreement with the Department of Education, certifying institutional compliance with all applicable federal statutes and regulations. This certification encompasses the lawfulness of the regulatory structure that makes NBCE exams a mandatory cost in the first place.
Chief Financial Officer	Signs the management representation letter accompanying the annual Title IV compliance audit, attesting to the accuracy of the institution's financial aid operations and cost certifications.
Independent Auditor	Certifies the annual compliance audit submitted to the Department of Education. If the audit attests to Title IV compliance without flagging the legal questions now in the public record, the auditor's position may also be subject to scrutiny.

These individuals signed these documents in good faith. That good faith is a defense, not an immunity. The question a qui tam relator will ask is whether, given the public record now assembled, the institution's ongoing certifications can be characterized as knowing false statements. The answer to that question is more complicated after this advisory than it was before it. That is why immediate engagement of legal counsel is essential.

IV. CCE Policy 56, USDE Recognition, and Your Accreditation Integrity

A. What Policy 56 Actually Does

CCE's January 2025 Accreditation Standards require every Doctor of Chiropractic program to publish program effectiveness data "in compliance with CCE Policy 56." CCE's July 2025 Manual of Policies specifies that NBCE Parts I through IV are the licensing examination framework for U.S. programs under that policy. In practice, every CCE-accredited institution reports its annual NBCE pass rates as the headline measure of student achievement under Policy 56.

The alternative pathway, reporting licensure rates instead of NBCE pass rates, is formally available under Policy 56 but operationally useless. CCE's own president stated in a public forum that gathering licensure outcome data jurisdiction by jurisdiction is "crazy" and effectively unworkable for most programs. He simultaneously stated that CCE "wasn't asked," "didn't have any part in it," and "didn't know about" NBCE's decision to centralize Part IV, and that centralization was "not the way I would have done it."

That combination, CCE requiring institutions to report against an NBCE-based metric, while CCE's president acknowledges the alternative is unworkable and that he had no awareness of the material change to the exam underlying that metric, is the core of the Policy 56 integrity problem. Your institution is being measured against a standard whose practical content shifted when NBCE unilaterally centralized Part IV, and the accreditor responsible for that standard says it was not consulted.

B. The USDE Recognition Framework

CCE is a U.S. Department of Education-recognized accreditor. That recognition is what makes CCE's accreditation decisions legally operative for Title IV purposes. Under 34 C.F.R. Part 602, recognized accreditors must be "reliable authorities" on educational quality. They must maintain standards that are sufficiently rigorous, adequately address student achievement, are independently reviewed and applied, and are kept current as circumstances change.

The risk to CCE's recognition, and by extension to your institution's Title IV eligibility, arises from a specific and documented regulatory gap: CCE is applying Policy 56 as though nothing material has changed, while its own president says the examination underlying that policy changed without CCE's knowledge. An interim NACIQI review can be triggered when credible information raises concerns about an accreditor's reliability. The body of public evidence now on record, transcripts, the multi-state legal challenges, the NACIQI's own 2006 characterization of the CCE-NBCE-FCLB structure as a "virtual cartel," and the 2013 NACIQI advisory reference to the environment surrounding CCE standards as resembling an offer from "Tony Soprano", constitutes exactly the kind of credible information that can trigger such review.

If CCE's recognition were placed under adverse action during a NACIQI review, the Title IV eligibility of your students would be at immediate risk. This is not a speculative outcome. It is a legally established mechanism that exists for precisely this kind of situation.

C. How the Merger Makes All of This Worse

Post-merger, every element of the CCE-NBCE dependency becomes more concentrated and less accountable:

- NBCE will control the exam (Parts I–IV) that CCE measures under Policy 56.
- NBCE will control PACE, the continuing education approval program your graduates depend on for license maintenance.
- NBCE will control FCLB's advisory functions to state boards, which shape the licensure requirements your graduates must satisfy.
- NBCE will control EBAS, whose disciplinary assessment services are mandated by the same state boards whose regulatory culture FCLB shapes.
- NBCE's governance will include individuals auto-installed without delegate election, specifically the current FCLB president and her designees, preserving the existing power structure while eliminating the organizational separation that provided at least nominal independence.

CCE's continued use of Policy 56 as a student achievement measure in this post-merger environment, without independent review of whether the merged entity's governance structure is compatible with CCE's obligations under federal recognition standards, is not a sustainable regulatory position. Your institution will be measuring its students' achievement against a metric produced by a private monopolist that also controls every other gate your graduates must pass through.

V. Recommended Immediate Steps for Internal Investigation

The CFC is not your legal counsel and cannot advise your institution on its specific legal exposure. What we can do is suggest the specific questions your legal counsel, compliance team, and board should be asking immediately. The following steps are recommended:

#	Action	What to Do and Why
1	**Engage Legal Counsel Now**	Route this advisory and the supporting documents listed in Section VI to your institution's legal counsel today. The question is not whether your institution has done anything wrong. The question is whether your current certifications create qui tam exposure given the public record now assembled, and what, if anything, your institution should do about it before April 30.
2	**Audit Your PPA and COA**	Direct your financial aid office and CFO to identify every line item in your COA framework that relates to NBCE examination fees, and assess those items against the question: does the certification of these costs as legitimate

		educational expenses rest on a lawfully constituted regulatory mandate? Document that assessment before your next disbursement cycle.
3	**Assess Individual Officer Exposure**	Ensure that your Director of Financial Aid, President, and CFO are aware of the issues described in this advisory. Consider whether appropriate protections — insurance, indemnification review, counsel engagement — are in place for the specific certifying individuals identified in Section III.D.
4	**Engage CCE Formally on Policy 56**	Submit a written inquiry to CCE requesting: (a) CCE's independent assessment of whether Part IV centralization constitutes a material change requiring Policy 56 review; (b) a timeline for developing a workable school-based competency pathway as a genuine alternative to NBCE-dependent reporting; and (c) CCE's position on whether continued reliance on Policy 56 in the post-merger environment is consistent with its obligations under 34 C.F.R. Part 602. Multiple institutions making this inquiry simultaneously is more effective than any single inquiry.
5	**Review Your EBAS Exposure**	Determine the extent to which your graduates have been referred to EBAS by state licensing boards as a condition of disciplinary resolution. NBCE's audited financials documented a multi-million dollar intercompany debt from EBAS to NBCE and substantial NBCE-funded indirect subsidies to EBAS. The financial condition of EBAS has not been publicly disclosed. Your institution's graduates may be paying a for-profit entity in undisclosed financial distress as a regulatory condition, with no independent oversight of that entity post-merger.
6	**Consider Your Institution's Public Position**	Your institution has standing, as an accredited program whose students bear the direct financial and logistical consequences of the merger, to communicate your concerns to NBCE, FCLB, and CCE. A written communication from your institution before April 30, consistent with whatever public positions your institution has already taken on Part IV centralization or student financial burden, creates a record of good-faith engagement that is a meaningful protection against any later characterization that the institution was a passive beneficiary of a process it had concerns about.

V. The Broader Structural Picture: What Everyone Is Missing

The individual risk dimensions described in this advisory, qui tam, Policy 56, USDE recognition, are serious on their own terms. What makes them especially urgent is how they connect to each other through the same pipeline of federally-backed money flowing through accredited institutions into a mandatory examination system governed by conflicted private actors.

The pipeline works as follows: your state board mandates NBCE exams and your students pay those fees using federal loan money certified by your institution. NBCE uses that revenue to fund FCLB through a 25-year financial support agreement (confirmed in NBCE's own audited financials and sworn to the IRS by FCLB, which disclosed that 62% of its annual budget came from NBCE in 2024). FCLB shapes state board regulatory culture and model laws. State boards mandate NBCE exams and this process repeats. The merger closes the loop by making all of this internal to a single entity.

Now add the CCE layer: CCE requires institutions to report NBCE outcomes under Policy 56. Institutions include NBCE fees in federally-certified COA. DOE funds flow through institutional certifications into NBCE. CCE, as a DOE-recognized accreditor, continues to apply Policy 56 without independent review of the governance changes. DOE's federal recognition of CCE is the legal predicate that makes the entire arrangement eligible for federal funding.

Your institution is not a peripheral actor in this structure. It is the point where federal money enters the pipeline through your Title IV certifications, and where federal accountability obligations attach through CCE's recognition standards. The merger makes your institution more exposed, not less, because it concentrates the conflicted governance structure that generates these risks into a single entity with no remaining organizational firewall.

The CFC has documented this structure extensively through a multi state FOIA campaign, analysis of NBCE and FCLB audited financial statements and IRS filings, review of town hall transcripts containing on-record admissions from NBCE and FCLB leadership, and engagement with multiple state boards. The evidentiary record is substantial. We are transmitting this advisory because that record now creates a factual predicate that reaches your institution's own operations in ways that your legal counsel should assess.

A. What Delegates and State Boards Are Not Being Told: The Undisclosed Corporate Universe

NBCE enters the proposed merger carrying a corporate structure that has not been fully disclosed to the state boards and institutions that depend on it. The CFC's review of NBCE's IRS Form 990 filings from 2018 through 2024 reveals that the International Board of Chiropractic Examiners (IBCE) has been disclosed to the IRS as a disregarded entity for at least six years while appearing nowhere in NBCE's public-facing audited annual reports for those same years. IBCE appears for the first time in a public NBCE document only in the 2024 Annual Report, where it is briefly mentioned in connection with an international testing initiative. No financial statements, balance sheet, outstanding obligations, or post-merger disposition of IBCE have been provided to delegates, member boards, or accredited institutions. The entity that will survive the merger has not fully disclosed its own corporate structure.

CFC research has also identified at least one additional NBCE-related entity, referenced in public records by variations of the names "MPC" or "MPOC", about which no identifying information could be located through standard public records research. Its current status, active, dissolved, or dormant, is unknown. Its purpose, financial history, and relationship to NBCE have not been disclosed. That an outside research effort with access to IRS filings, state corporate registries, and NBCE's own published documents cannot identify a named NBCE-related entity is itself a disclosure failure of the first order. Delegates are being asked to vote on the dissolution of one organization into another without knowing how many entities they are actually consolidating.

The EBAS situation compounds this disclosure problem with a specific and documented contradiction. NBCE's IRS Form 990 filings for fiscal years 2018 through 2024 report EBAS revenue in the column designated for unrelated business revenue, income from activities not related to NBCE's exempt purpose of administering chiropractic licensure examinations, and confirm NBCE filed Form 990-T (Exempt Organization Business Income Tax Return) for each of those years. NBCE's audited annual financial reports, the documents provided to state boards and the public, simultaneously state that "the Organization has no income from business unrelated to its exempt purpose." NBCE is making opposite representations to the IRS under penalty of perjury and to the public in audited reports. That contradiction has not been disclosed in any merger communication. State boards that have mandated EBAS assessments as a condition of licensure action should understand that the legal and regulatory foundation for those mandatory referrals may warrant independent review in light of NBCE's own IRS classification of EBAS as an unrelated business activity.

And there is one more financial fact that has not been disclosed in any merger communication: NBCE recorded its first operating deficit in fiscal year 2025, with revenues of $14.9 million against operating expenses of $16.2 million, a pre-investment operating loss of approximately $1.3 million. NBCE's financial position in the year it proposed this merger is being sustained by investment returns, not operating income. The organization asking state boards and institutions to accept a permanent consolidation of the profession's examination, regulatory coordination, continuing education, and specialty credentialing functions is doing so from its weakest financial position in the six-year audited record.

B. The Statutory Mandate Trap: How Deliberate Entrenchment Created System-Wide Fragility

The architects of the current structure spent decades getting private corporations named in state statutes and rules. CCE is referenced as the required accreditor in the practice act of the large majority of states. NBCE is named or authorized as the required examination provider in the statutes and administrative rules of most states. FCLB's model practice act language is woven into the regulatory fabric of state boards across the country. This was not accidental. It was the deliberate product of sustained lobbying, model law distribution, board coordination, and the strategic occupation of every governance node that touched chiropractic education, examination, and licensure. The people who built this structure believed that getting private corporations named in public law would make their positions permanently secure.

What they actually built is a system where the entire profession's licensure infrastructure depends on the continued legal legitimacy and financial health of private corporations that are now under simultaneous challenge from multiple directions. The statutory references that were supposed to make their positions unassailable are now the mechanism that converts a legal challenge into a system-wide crisis.

Consider what happens if CCE's DOE recognition faces adverse action, through interim NACIQI review, through a monitoring determination, or through any of the mechanisms the recognition framework provides. Every state whose practice act requires graduation from a CCE-accredited program as a prerequisite for licensure is immediately affected. Students currently enrolled would face the prospect of earning a degree that may not satisfy their state's licensure requirements. Graduates who have completed their degrees but have not yet obtained licensure would be stranded. Schools would face the near-immediate disruption of Title IV eligibility, the loss of which would, for most chiropractic institutions, be existential. State boards, which have long outsourced the educational gatekeeping function to CCE, would have no lawful substitute mechanism in place. The statutory reference to CCE that was placed in state law to cement the cartel's gatekeeping function becomes the mechanism that propagates a CCE recognition problem throughout every dimension of the profession's entry pathway simultaneously.

The NBCE analysis runs in parallel. Every state statute or rule that specifically names NBCE as the required examination provider was placed there deliberately, over decades, through the same network of regulatory influence. If the NBCE exam mandate is successfully challenged as the product of unlawful regulatory capture, under the NC State Board of Dental Examiners framework or under state ultra vires doctrine, those statutory references become the precise features that expose state boards to antitrust liability and that require simultaneous legislative correction across every affected jurisdiction. The process of updating statutes and administrative rules in even one state takes years. Doing it across the majority of states, at the same time, in response to an adverse legal determination, while students are sitting for exams whose legal status is in question, is not a governance problem. It is a profession-wide emergency.

The merger makes this structural fragility worse in a specific and documentable way: it eliminates the last organizational firewall between the examination function and the regulatory coordination function. Before the merger, NBCE's problems were NBCE's problems. After the merger, there is one entity. When that entity's legal legitimacy is challenged, as it already is, now, in multiple jurisdictions simultaneously, the challenge reaches everything it controls at once: the exams, the board coordination, the continuing education, the specialty credentials, the ethics assessments, and the model legislative language embedded in state law across the country. This is not what "modernization" looks like. It is what consolidation of a single point of failure looks like.

C. Who Was Put at Risk, and By Whom

The CFC's year-plus investigation of this structure has produced an evidentiary record that reveals something more serious than a governance dispute between competing organizational philosophies. It reveals the systematic placement of private financial interests at the center of a public regulatory system, accomplished through the deliberate occupation of every governance node that touched chiropractic education, examination, and licensure, and accomplished in a way that placed every stakeholder in the profession at risk of the consequences now emerging.

Students paid federal loan money to a for-profit subsidiary whose financial condition was being misrepresented simultaneously to the IRS and to the public. Students at institutions that adopted private-vendor graduation mandates were denied degrees based on examination outcomes that may have no lawful regulatory foundation. Graduates built careers and practices under a licensure framework now under active legal challenge. Schools certified the legitimacy of this framework to the Department of Education in every Title IV filing, not knowing the legal questions embedded in what they were certifying. State boards mandated exams and made licensing decisions based on assessments from entities whose financial structure was undisclosed and whose legal basis for mandatory referral may not withstand scrutiny. The public trusted a regulatory system to protect them that was, in material respects, organized to protect private financial interests instead.

None of these people were asked whether they consented to this arrangement. None of them were given the information that would have allowed them to assess the risks they were accepting. That information existed, in fragments, in IRS filings, audited footnotes, NACIQI proceedings, and state public records. It was not synthesized. It was not disclosed. It was not surfaced. Until now.

The CFC is transmitting this advisory to your institution because your institution is one of the points in the system where the structural risks described above convert from legal abstractions into concrete operational and financial consequences. The April 30 vote is the moment the architects of this structure hope to make permanent what should instead be unwound. Your institution's legal counsel, your board of trustees, and your president deserve to have the complete picture of what has been built around you, and what it means for your students, your graduates, your staff, and your institution if it unravels.

VI. Closing

The Chiropractic Freedom Coalition represents over 10,000 chiropractors, students, and stakeholders dedicated to transparency and accountability in the regulatory structures that govern this profession. We have spent more than a year building the evidentiary record that underlies this advisory. We are transmitting it to you now because the April 30 vote, and its potential post-vote consequences, create a moment of concentrated risk that your institution has a professional and legal obligation to understand.

We do not ask you to take any particular political position on the merger. We ask you to engage your legal counsel, audit your certifications, protect your institutional officers, and ask CCE the questions that your students' accreditation depends on someone asking. The risks described in this advisory do not disappear if the merger fails. They are structural features of the current system that the merger would make permanent and irreversible. Your institution's engagement, now, through proper legal channels, is the appropriate and proportionate response.

Questions, requests for supporting documentation, or requests for further briefing may be directed to the Chiropractic Freedom Coalition at chiropracticfreedomcoalition.org.

IX. Supplemental Addendum: The Graduation Mandate — Additional and More Severe Risks for Institutions That Make NBCE Passage a Condition of Degree Conferral

DOCUMENTED CASE: AT LEAST ONE CCE-ACCREDITED INSTITUTION HAS ALREADY ADOPTED THIS POLICY. ADDITIONAL INSTITUTIONS ARE REPORTED TO BE CONSIDERING IT UNDER POLICY 56 ACCREDITATION PRESSURE. THIS SECTION ADDRESSES THE SPECIFIC INCREMENTAL RISKS THAT ATTACH WHEN ANY INSTITUTION CROSSES THIS THRESHOLD.

The preceding sections of this advisory apply to every CCE-accredited chiropractic institution by virtue of the Title IV payment pipeline, the CCE Policy 56 dependency, and the USDE recognition framework. This addendum addresses a qualitatively different and more severe category of risk that applies to any institution that has gone one step further: writing the passage of all four NBCE examinations into its own graduation requirements as a condition of degree conferral.

The CFC is aware that at least one CCE-accredited chiropractic institution has already adopted this policy, effective in 2025. That institution's graduation policy states that students who have not passed all four parts of NBCE are not eligible for graduation. This policy was adopted under the governance of board leadership that, in the publicly available record, simultaneously held significant roles within the FCLB governance structure, including committee chairmanships that placed those individuals at the center of the same merger and model-practice machinery this advisory addresses. That institution has since added to its board a former senior NBCE governance officer with a documented multi-year tenure in NBCE leadership roles. A senior institutional officer has publicly participated in NBCE student leadership programming at NBCE's headquarters.

The CFC has also received credible reports that at least one other institution is considering adopting a similar policy in response to declining NBCE pass rates and the resulting Policy 56 accreditation pressure. Published CCE Policy 56 data for that institution reflects pass rates that have declined over successive reporting periods into a range that generates accreditation concern. The analysis below applies to any institution that has adopted or is considering adopting this policy, and is transmitted here as a caution against treating the graduation mandate as a solution to Policy 56 pressure when it is, in fact, an amplification of the underlying risk.

A. The Graduation Mandate Collapses the Distance Between the Institution and the Tainted Mandate

Under the baseline False Claims Act theory addressed in Section III, every chiropractic institution certifies NBCE exam fees as legitimate educational costs arising from an external regulatory mandate. The school is one step removed from that mandate, it certifies the cost, but the obligation originates with the state

board. That step of separation matters legally, because it creates at least a colorable argument that the institution was a passive participant in an external regulatory structure it did not control.

Once the institution adopts NBCE passage as its own graduation requirement, that distance disappears. The institution is no longer certifying costs that arise from an external mandate. It is certifying that its own academic program, including its graduation standards, constitutes a lawful educational program eligible for Title IV funding under 34 C.F.R. § 668. When the graduation standard now incorporates passage of an exam that may be mandated through unlawful regulatory capture or ultra vires board action, the institution has certified its own academic standards as lawful when those standards embed the tainted mandate at their core.

When the policy is adopted in response to CCE accreditation pressure, as the circumstances surrounding both the documented and reported cases appear to reflect, the institutional record documents the causal chain explicitly: the school adopted the NBCE requirement because CCE's Policy 56 metrics demanded it, CCE's Policy 56 metrics are driven by NBCE exam outcomes, and the NBCE exam mandate is now under active legal challenge in multiple jurisdictions as a product of unlawful regulatory capture. Once that chain is written into institutional graduation policy, it is certifiable to the Department of Education with the school's own signature, and it is the roadmap a qui tam relator or state attorney general investigator will follow.

B. Every Denied Graduate Is a Specific Adverse Party With Multiple Causes of Action

Under the baseline advisory, potential qui tam relators are relatively abstract, a disgruntled employee, a faculty member, a compliance officer who becomes aware of the legal issues. Under a graduation mandate, every student who has failed any part of NBCE and been denied graduation as a result is a specific, identifiable person with a specific, documented injury directly traceable to an institutional policy decision. These individuals simultaneously hold four distinct legal postures against the institution:

- Potential qui tam relators. Any person with knowledge of facts showing that a false claim was presented to the federal government can file a False Claims Act action under seal. A student denied graduation because of NBCE failure who has reviewed the public evidentiary record now assembled across multiple jurisdictions has everything needed to file: a documented institutional policy, a documented injury, and a documented legal theory. The investigation that follows targets the institution and its certifying officers regardless of whether the relator ultimately prevails on the merits.
- Breach of contract plaintiffs. Students who enrolled before the graduation requirement was added, as is the case wherever an institution adopted this policy mid-program, were not on notice of that condition at the time of their enrollment decision. The institution's catalog, enrollment agreement, and student handbook constitute a binding contract. Adding a material new condition of graduation to students already enrolled may be a breach of that contract. State contract law provides a cause of action in every jurisdiction where affected students reside.

- State consumer protection complainants. Most states' consumer protection statutes prohibit unfair or deceptive practices in the sale of educational services. Retroactive imposition of a material new graduation condition on enrolled students may constitute an unfair practice under these statutes. State attorneys general and private plaintiffs both have standing to bring such claims, and no federal action is required to trigger this exposure.
- CCE formal complainants. CCE's complaint process is available to students who believe an accredited institution has violated CCE's standards. A student denied graduation because of NBCE failure has standing to argue that the graduation requirement is inconsistent with CCE's own accreditation framework, because CCE has never required, endorsed, or approved NBCE passage as a condition of degree conferral. That complaint obligates CCE to investigate and respond, placing CCE in a position where its answer either validates the policy (deepening CCE's own USDE recognition exposure) or challenges it (creating an accreditation action against the institution). Either outcome is adverse to someone with significant institutional consequences.

C. The Degree-Granting Inversion Creates an Accreditation Problem CCE Has Not Addressed

CCE accredits institutions to award the Doctor of Chiropractic degree. That degree represents the institution's own certification that the student has satisfied all program requirements as determined by the institution's own academic governance. When an institution makes NBCE passage a condition of graduation, it places a private vendor's outcome above its own academic judgment in determining degree eligibility. The institution is no longer certifying that the student has met its academic requirements and is therefore eligible for the degree. It is certifying that the student has met its requirements and that a private corporation concurs.

CCE has never reviewed or approved this policy choice. There is no CCE standard that requires NBCE passage as a condition of graduation. A graduation mandate of this kind is a unilateral institutional decision that arguably contradicts the accreditation framework by subordinating the institution's own degree-granting authority to a private vendor whose governance and financial condition are not subject to CCE review. Any student denied graduation under this policy has standing to file a CCE complaint on exactly this basis, and CCE's response will either validate the policy (creating problems for CCE's own recognition under 34 C.F.R. Part 602) or challenge it (creating problems for the institution's own accreditation status). The institution that adopted this policy created this trap for itself.

D. Interlocking Governance Creates Personal Liability for Board Members, Not Just Institutional Liability

The general advisory addresses the regulatory capture argument at the state board governance level. Where a graduation mandate has been adopted, the capture argument has an additional institutional dimension: if board members who voted to adopt the graduation requirement held documented concurrent governance roles at the private vendor whose exam was being written into graduation requirements, their

personal exposure is distinct from and potentially more severe than the institution's own institutional exposure.

In the documented case known to the CFC, the publicly available record shows that leadership responsible for the graduation policy decision held concurrent senior roles within FCLB governance, including committee chairmanship over the very bylaws and model practice machinery this advisory addresses, while also appearing in public records of NBCE annual governance proceedings. Subsequent board additions brought former senior NBCE governance figures into the institutional board. Where such an interlocking record exists, board members who voted to adopt a graduation requirement benefiting a private vendor in whose governance they participated may face individual breach of fiduciary duty claims. That exposure is personal and is not institutional. Directors and officers liability insurance may not cover intentional self-dealing decisions. Any board member who held concurrent roles at NBCE or FCLB at the time their institution adopted a graduation mandate should seek individual legal counsel separate from the institution's counsel.

E. For Any Institution Considering This Policy Under Policy 56 Pressure: It Is Not a Solution

The institutional logic for adopting a graduation mandate in response to Policy 56 pressure is understandable: if students must pass all four NBCE parts before receiving the degree, the institution's Policy 56 pass-rate metrics improve, accreditation risk decreases in the short term, and the institution survives the review cycle. As immediate institutional risk management, this is a rational response to a real pressure.

As legal exposure analysis, it is the opposite of a solution. It takes the baseline exposure described in this advisory and amplifies it across every dimension: it collapses the distance between the institution and the tainted mandate; it creates a documented causal chain from Policy 56 pressure through graduation policy to federal loan certifications; it generates specific adverse parties with multiple causes of action in the form of every denied graduate; and it potentially exposes board members individually in addition to the institution as a whole. If the institution's board included individuals with concurrent NBCE or FCLB roles at the time the policy was adopted, the personal exposure dimension becomes acute.

Declining Policy 56 pass rates are a symptom of the structural dependency problem this advisory identifies. A graduation mandate is the same problem one level deeper into the institution's own governance, with the full additional exposure stack described in this addendum now layered on top of the baseline risks. An institution that maintains its required Policy 56 reporting while simultaneously engaging CCE formally on the need for a genuine school-based competency pathway, and building the public record of principled institutional advocacy, is in a defensible posture. An institution that responds to accreditation pressure by subordinating its own degree-granting authority to a private vendor's exam outcomes is not.

The CFC urges any institution that has adopted or is actively considering a graduation mandate of this kind to seek immediate privileged legal review of the specific additional exposures identified in this addendum, separate from and in addition to the general legal review recommended in Section V. The issues

are not the same, and they require distinct analysis by counsel familiar with both federal education compliance and state fiduciary duty law.

Respectfully submitted,
Chiropractic Freedom Coalition
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