



Accrediting Commission of Career Schools and Colleges

2101 Wilson Boulevard, Suite 302
Arlington, Virginia 22201
703.247.4212
703.247.4533 fax
www.accsc.org

December 14, 2017

ELECTRONIC DELIVERY & FEDERAL EXPRESS

██████████
Director
Pacific Coast Trade School
1630 Fiske Place
Oxnard, California 93033

School #M070631

Dear ██████████:

At the November 2017 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered its previous decision to continue Pacific Coast Trade School (“PCTS”) located in Oxnard, California on Probation. Upon review of the Commission’s September 6, 2017 letter and the school’s response, the Commission found that the school failed to meet its burden of demonstrating continuous compliance with the Standards of Accreditation (*Section I (E)(1) & (2)(a), Rules of Process and Procedure, Standards of Accreditation*). Therefore, the Commission voted to withdraw the accreditation of PCTS and to remove the school from the list of ACCSC-accredited institutions (*Section VII (P)(1), Rules of Process and Procedure, Standards of Accreditation*). The history of the Commission’s review and the reasons for the Commission’s decision to withdraw PCTS’ accreditation are set forth below.

HISTORY OF COMMISSION REVIEW

December 2012 Meeting

At the December 2012 meeting, the Commission considered the cohort default rate information submitted by PCTS. Upon review of the October 25, 2012 Commission letter and the school’s response to it, the Commission voted to place the school on Cohort Default Rate (“CDR”) Reporting. ██████████

August 2013 Review

At the August 2013 meeting, the Commission considered PCTS’ Cohort Default Rate Report. The Commission reviewed its May 22, 2013 letter and the school’s response thereto and voted to continue the school on CDR Reporting. ██████████

February 2014 Review

At the February 2014 meeting, the Commission considered PCTS’ Cohort Default Rate Report. Upon review of the November 7, 2013 letter and the school’s response, the Commission again voted to continue the school on CDR Reporting. ██████████

Subsequently, the Commission received a copy of the Department's February 20, 2014 notice that it had denied the economically disadvantaged appeal and a copy of the Department's April 25, 2014 notice that PCTS had lost eligibility to participate in the federal student financial aid programs.

November 2014 Review

At its November 2014 meeting, the Commission reviewed the Application for Renewal of Accreditation, CDR Report, employment verification information, the fiscal year 2013 audited financial statements, interim financial statements, and the school's responses. Upon review of the June 4, 2014 Team Summary Report, the June 13, 2014 Commission letters regarding Employment Verification and Cohort Default Rates, and the school's responses, the Commission voted to place PCTS on Warning with a subsequent review scheduled for ACCSC's **May 2015** meeting.

May 2015 Review

At its May 2015 meeting, the Commission considered its previous action to issue PCTS a Warning Order. Upon review of the December 10, 2014 Warning Order and the school's response, the Commission voted to continue PCTS on Warning.

November 2015 Review

At its November 2015 meeting, the Commission considered PCTS' Warning Order. Upon review of the June 11, 2015 Warning Order and the school's response, the Commission voted to continue PCTS on Warning.

Additionally, the Commission considered PCTS' Request for a Waiver of a Standard or Policy in order to permit the school to change location while operating under a Warning Order. Based upon the circumstances outlined in the school's waiver request, the Commission voted to grant the waiver.

May 2016 Review

At its meeting in May 2016 meeting, the Commission again reviewed its decision to continue PCTS on Warning. Upon review of the December 18, 2015 Warning Order and the school's response, the Commission voted to place PCTS on Probation with a subsequent review scheduled for ACCSC's August 2016 meeting. The Commission's Probation Order directed the school to demonstrate that its financial structure is sound, with resources sufficient for the proper operation of the school and discharge of its obligations to students.

August 2016 Review

At its August 2016 meeting, the Commission reviewed the Probation Order issued to PCTS. Upon review of the June 2, 2016 Commission letter and the school's response, the Commission voted to continue PCTS on Probation with a subsequent review scheduled for ACCSC's May 2017 meeting. The Commission's

decision required the school to demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and discharge of obligations to its students.

Based on *Section VII (M), Rules of Process and Procedures, Standards of Accreditation* and the school's longest program of 11 months, the September 7, 2016 Commission letter stated that the maximum timeframe allowed for PCTS to achieve and demonstrate compliance with the *Standards of Accreditation* is twelve months. Thus, the timeframe to achieve compliance began as of June 2, 2016 and ends on June 2, 2017.

May 2017 Review

The Commission again considered the Probation Order at its May 2017 meeting. Upon review of the September 7, 2016 Commission letter and the school's response, the Commission voted to again continue PCTS on Probation with a subsequent review scheduled for ACCSC's August 2017 meeting. The Commission determined that PCTS had yet to fully demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and the discharge of obligations to its students (*Section I (C)(1), Substantive Standards, Standards of Accreditation*).

In reaching its decision, the Commission determined that good cause existed to extend the maximum timeframe established for the school to demonstrate compliance with accrediting standards. The Commission found that PCTS had shown that significant progress had been made toward achieving compliance with the accreditation standard in question and that the school appeared to be on track to meet the requirements set forth by the Commission. Given the timing of the Commission's May 2017 meeting and the lack of availability of additional information regarding the school's financial position, the Commission extended the maximum timeframe for PCTS to demonstrate compliance to the August 2017 meeting (*Section VII (M), Rules of Process and Procedure, Standards of Accreditation*).

August 2017 Review

At its August 2017 meeting, the Commission considered its previous action to continue PCTS on Probation along with a Notice of Disapproval from the California State Approving Agency for Veterans Education ("CSAAVE"). Upon review of the June 1, 2017 and May 3, 2017 Commission letters and the school's responses, the Commission voted to continue PCTS on Probation with a subsequent review scheduled for ACCSC's November 2017 meeting.

In reaching its decision to continue PCTS on Probation, the Commission again determined that good cause existed to extend the maximum timeframe established for the school to demonstrate compliance with accrediting standards. Upon review of this matter, the Commission found that PCTS showed that some progress had been made toward achieving compliance with the accreditation standard in question and that the school had the potential to meet the requirements set forth by the Commission if the school fulfilled all aspects of its response. Specifically, the Commission noted that the Department allowed the school to submit funds to be held in escrow in lieu of the original letter of credit and that the school had submitted the required funds. Given that the school appeared to have met the Department's original Letter of Credit requirement, the Commission extended the maximum timeframe for PCTS to demonstrate compliance to the November 2017 meeting (*Section VII (M), Rules of Process and Procedure, Standards of Accreditation*).

The Commission generally limits the duration of the extended timeframe to demonstrate compliance to within the next two regularly scheduled Commission meetings. Because the Commission first found good

cause to extend the maximum timeframe at its May 2017 meeting, the November 2017 meeting served as the last opportunity for PCTS to demonstrate compliance with ACCSC’s standards and policies. The September 6, 2017 Commission letter specifically stated that “If PCTS fails to demonstrate compliance with accrediting standards as set forth herein, the Commission will likely withdraw the school’s accreditation at the November 2017 meeting.”

NOVEMBER 2017 REVIEW AND ACTION:

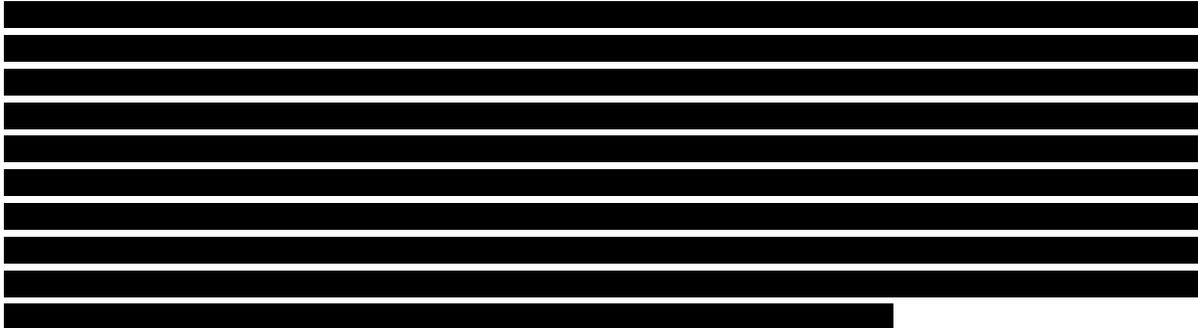
At the November 2017 meeting, the Commission carefully examined PCTS’ response to the Commission’s September 6, 2017 Continued Probation Order. Upon doing so, it determined that the school failed to meet its burden to demonstrate compliance with the *Standards of Accreditation (Preamble, Standards of Accreditation)* and voted to withdraw PCTS’ accreditation for the following reasons:

1. PCTS failed to demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and the discharge of its obligations to its students (*Section I (C)(1), Substantive Standards, Standards of Accreditation*). At the August 2017 meeting, the Commission found that PCTS did not provide the Commission with adequate financial information prepared and submitted in accordance with requirements set forth in ACCSC’s Instructions for the Preparation and Submission of Financial Statements and Related Information.

[Redacted text block]

[Redacted text block]

[Redacted text block]



For the foregoing reasons, the Commission determined that PCTS failed to demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and the discharge of obligations to its students. The Commission granted the school an extension of the maximum timeframe to demonstrate financial soundness because the Commission believed that good cause existed to do so as a means to allow the school to demonstrate that student federal financial aid through the title IV funding programs had been reinstated and that the school had taken other necessary steps to improve its balance sheet. However, PCTS failed to adduce evidence of its reinstatement to participate in the student federal financial aid through the title IV funding programs. In addition, the school also lost eligibility to participate in another funding program through the VA and it appears that PCTS has an additional liability to the VA. Moreover, the school failed to provide a balance sheet with the current financial information as directed and failed to show that the school is currently financially sound. As such, the Commission determined that PCTS has failed to demonstrate sufficient financial soundness as required by *Section I (C)(1), Substantive Standards, Standards of Accreditation* within the period specified by the Commission.

Based upon the foregoing, the Commission voted to withdraw the accreditation of Pacific Coast Trade School in accordance with *Section VII (M)(4)&(P)(1)(b), Rules of Process and Procedure, Standards of Accreditation* and remove the school from the ACCSC list of accredited institutions.

In accordance with *Section X, Rules of Process and Procedure, Standards of Accreditation*, the reasons for the Withdrawal Order are made public and provided to the U.S. Department of Education, appropriate state agencies, and appropriate accrediting agencies.

TEACH-OUT PLAN

Pursuant to federal law, an accrediting agency recognized by the U.S. Department of Education must require a teach-out plan from an institution subject to an adverse accreditation decision to withdraw accreditation. Therefore, in accordance with *Section IV (F)(1)(c) Rules of Process and Procedure, Standards of Accreditation* the Commission requires that Pacific Coast Trade School submit a completed ACCSC Institutional Teach-Out Plan Approval Form,¹ to demonstrate how PCTS will ensure the opportunity for students to complete their program of study. The school Teach-Out Plan should be submitted **on or before December 28, 2017**. Although the school submitted a teach-out plan in response to the Probation Order which included a signed attestation that PCTS will teach-out all students, the Commission directs the school to submit a teach-out plan including any updates.

¹ Available online at: <http://www.accsc.org/Content/FormsAndReports/FormsAndReports.asp>

APPEAL AND REAPPLICATION PROCESS AND PROCEDURE

Pacific Coast Trade School may opt to appeal the Commission's decision to withdraw accreditation or may elect to reapply for accreditation. Details regarding the reapplication and appeal procedures are outlined in the *ACCSC Rules of Process and Procedures, Standards of Accreditation*.

- If PCTS elects to appeal this decision, the school must sign and return the enclosed Letter of Intent to Appeal a Commission Decision, along with the Appeal Expense Fee of \$6,000.00, **on or before December 28, 2017**.
- If PCTS elects to appeal this decision, the school's Application for Appeal of a Commission Decision and Grounds for Appeal must be submitted **on or before January 15, 2018**.
- If PCTS elects not to appeal this decision, the Commission's decision will become effective **December 28, 2017**. The school may submit comments **on or before December 28, 2017** in accordance with the enclosed Public Comment Disclosure Form. Comments submitted by the school will accompany any public disclosure of a final Commission action pursuant to *Section X (D)(4), Rules of Process and Procedure, Standards of Accreditation*.

For additional information regarding the Commission's decision, please contact me directly at

[REDACTED]

Sincerely,



Michale S. McComis, Ed.D.
Executive Director

c: Teresita Hacuman
Trhacuman@doctor.com

Encls: Letter of Intent to Appeal a Commission Decision
ACCSC Standing Appeals Panel Members
Public Comment Disclosure Form



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LETTER OF INTENT TO APPEAL A COMMISSION DECISION

To Be Submitted No Later Than December 28, 2017

Michale S. McComis, Ed.D.
Executive Director
ACCSC
2101 Wilson Boulevard, Suite #302
Arlington, Virginia 22201

Dear Dr. McComis:

This letter serves to provide notice that Pacific Coast Trade School located in Oxnard, California intends to appeal the recent decision of the Commission to withdraw the school’s accreditation and remove the school from the list of ACCSC-accredited institutions. Attached is a check in the amount of \$6,000 as required by accreditation procedures. I understand that this fee is non-refundable.

I understand that the ACCSC Appeals Panel will meet to consider the appeal of the school and that I will receive final confirmation of the hearing at a later date. I have reviewed *Section VIII, Rules of Process and Procedure* of the *Standards of Accreditation* pertaining to appeals and noted that I am entitled to a transcript of the proceedings and to have representatives, including legal counsel, present with advance notification to ACCSC.

I understand that it is the right of a school to appeal an adverse action taken by the Commission on the grounds that the decision was arbitrary, capricious, or otherwise in disregard of the criteria or procedures of the Commission, or not supported by substantial evidence in the record on which the Commission took the action (*Section VIII (B), Rules of Process and Procedures, Standards of Accreditation*). I understand that because the appeal must be based on evidence in the record at the time that the Commission took the adverse action, no new evidence may be submitted during the appeal process, other than information related to the financial solvency and condition of the school.

I understand it is the right of a school intending to appeal a Commission decision to indicate whether there is good cause as to why any member of the Commission’s Standing Appeal Panel should not hear the appeal. I have reviewed the list of Standing Appeal Panel members and have included with this notice any objections to any member of the Standing Appeal Member with the reasons and cause why I believe a member should not hear the school’s appeal. I understand the absence of a submission with this notice indicates my approval to allow any member of the Standing Appeal Panel to sit for the school’s appeal.

I understand that the Application for Appeal of Commission Decision with the school’s Grounds for Appeal are due to ACCSC **on or before January 15, 2017**, and I agree to submit that material on or before that date. I understand that failure to submit these required documents by the due date could prevent consideration of the school’s appeal.

Signature

Date

Name/Title

ACCSC Standing Appeals Panel Members

Panel Member	Affiliation	Term Ending
Gary Baker	U.S. Department of Education (Retired) Springfield, Virginia <i>Public Member</i>	2019
Paul Bott, Ed.D.	Pacific College Costa Mesa, California <i>Public Member</i>	2020
Nancy Bradley	Daytona College Ormond Beach, Florida <i>School Member</i>	2020
Mary Cano	Western Technical College El Paso, Texas <i>School Member</i>	2018
Paul Fitzgerald	Erie Institute of Technology Erie, Pennsylvania <i>School Member</i>	2019
Lorne P. Gauthier	Northwest Technological Institute Southfield, Michigan <i>School Member</i>	2017
William James	U.S. Department of Education (Retired) Fairfax, Virginia <i>Public Member</i>	2019
Timothy McMahon	Triangle Tech Pittsburgh, Pennsylvania <i>School Member</i>	2020
Kathleen J. Steinberg	Midwest Technical Institute Lincoln, Illinois <i>School Member</i>	2018
Raymond Tuttle, Ph.D.	University of Mary Washington Fredericksburg, Virginia <i>Public Member</i>	2020



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PUBLIC COMMENT DISCLOSURE FORM

To Be Submitted No Later Than December 28, 2017.

Michale S. McComis, Ed.D.
Executive Director
ACCSC
2101 Wilson Boulevard, Suite #302
Arlington, Virginia 22201

RE: Pacific Coast Trade School
1630 Fiske Place
Oxnard, California 93033

Dear Dr. McComis:

I understand and agree that the Commission, pursuant to *Section X (C)(4)&(D)(4), Rules of Process and Procedure, Standards of Accreditation*, will make public a summary of the reasons for the decision together with any comments submitted by the school. I further understand that the summary will be accompanied by the attached comments.

I understand and agree that the attached comments constitute Pacific Coast Trade School public comments on the adverse accreditation action that are to be disseminated with the public notice of the Commission's adverse accreditation decision including, but not limited to, dissemination to appropriate federal, state and other accrediting agencies and posting to the ACCSC website (*Section X (C)(4)&(D)(4), Rules of Process and Procedure, Standards of Accreditation*).

I understand and agree that the school is not obligated to submit public comments and acknowledge that the attached comments are provided voluntarily.

I understand and agree that the public comments must be in summary format, professional in tone, and free of profanity and calumnious statements. I acknowledge that any comments which do not meet these requirements will not be disseminated or posted along with the summary of the reasons for the adverse accreditation decision.

I understand and agree that the Commission will release its summary of the adverse accreditation decision to the public pursuant to the Commission's *Rules of Process and Procedure, Standards of Accreditation* and that the school's written comments will not be added to this disclosure if this form and comments are not submitted in the required format **on or before December 28, 2017.**

I understand and agree that the Commission has no responsibility for how the school's comments may be used once they are put in the public domain.

Signature

Date

Name/Title