

ACCREDITING BUREAU OF HEALTH EDUCATION SCHOOLS | ABHES

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August 6, 2025

Dr. Marilyn Castillo CEO & President Medical Career College 41300 Christy Street Fremont, CA 94538

Dear Dr. Castillo:

The Commission, at its July 2025 meeting, reviewed the record¹ of the institution's application for a renewed grant of institutional accreditation. Based on review and discussion, the Commission deferred action on the application for a continued grant of accreditation and directed the institution to **show cause why its accreditation should not be withdrawn.** The current grant of accreditation has been extended through **February 28, 2026.**

The Commission issues this show cause directive because the institution did not demonstrate compliance with the standard outlined below. This constitutes notice to the institution that, absent corrective action and information by and from the institution that demonstrates compliance with the standard, its accreditation may be withdrawn. The institution is being provided with the opportunity to respond to the following finding of non-compliance based on the standard set forth in the *Accreditation Manual*.

Procedural History

The institution's fiscal year ending December 31, 2023, required submission of audited financial statements to ABHES by June 30, 2024. The institution submitted the financial audit for consideration at the Commission's July 2024 meeting, and upon the Commission's review of the audit, it was placed on financial reporting.

The institution underwent a team visit in October 2024 as part of its application for a continued grant of institutional accreditation for consideration at the Commission's January 2025 meeting. Several areas of concern were identified that required the institution's response to the visit reports, and as a result, the Commission deferred action.

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¹ The accreditation record includes the Application for Accreditation, the May 2024 Self-Evaluation Report, the Commission's August 7, 2024 letter placing the institution on financial reporting and the institution's response to that letter, the October 2024 visit reports, the institution's November 2024 response to the visit reports, the Commission's February 12, 2025 deferral letter and the institution's response, the institution's financial history, and other relevant correspondence and documentation.

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The institution's fiscal year ending December 31, 2024, required submission of audited financial statements to ABHES by June 30, 2025. The institution did not submit that financial audit, which would have been considered at the Commission's July 2025 meeting.

At its July 2025 meeting, the Commission determined that the institution provided the additional information required to satisfy the issues identified in the February 12, 2025, deferral letter. However, the institution did not submit its audited financial statements for the fiscal year ending December 31, 2024. This constitutes non-compliance with standards III.A.10.b. and IV.B.1.

Reasons for the Show Cause

1. Institutions accredited by ABHES must submit externally audited financial and other statements to the Commission within six months after the completion of their fiscal year or 30 days after an audit is released, whichever is earlier (III.A.10.b.); and, an institution demonstrates that it has the financial resources to ensure continuity of operation and to fulfill its obligations to students and employees (IV.B.1.).

The institution did not submit its audited financial statements for the fiscal year ending December 31, 2024, which were due by June 30, 2025. ABHES sent the institution a reminder email on July 1, 2025. In a letter dated July 3, 2025, the institution was informed that the audit had not been received and was assessed the Audit Financial Statement Late Fee. The institution paid the late fee but did not submit the audited financial statements. Paying the late fee alone does not absolve the institution of its obligation to submit the audited financial statements.

The institution, therefore, is directed to submit sufficient information and documentation to demonstrate compliance with the standard, including, but not limited to, the following:

- Audited financial statements for the fiscal year ending December 31, 2024, which demonstrate
 the institution has revenues and assets available to meet the institution's responsibilities,
 including continuity of service and the accomplishment of overall educational objectives. The
 financial statements must evidence one or more of the following: a ratio of current assets to
 current liabilities that is at least 1:1 for the most recent operating year, a history of operating
 surpluses for the most recent two years, and a positive net worth for the most recent operating
 year.
- An explanation for why the institution did not submit the audited financial statements by the June 30, 2025, deadline, and an administrative plan detailing how the institution will ensure that subsequent audits are submitted in a timely manner.

Maximum Timeframe for Compliance

The maximum period of time the Commission may allow for an institution to demonstrate compliance with accreditation requirements is stated in III.C.1.b. of the *Accreditation Manual*. The Commission first identified the findings of non-compliance set forth above in its letter dated August 7, 2024. The Commission may withdraw accreditation at any time if it determines that an institution or program is not complying with its policies or standards. Alternatively, the Commission may, in its discretion, provide the

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institution with an opportunity to demonstrate compliance within a maximum timeframe, which would require a final response due November 1, 2025, for review at the Commission's January 2026 meeting. The Commission will review the institution's response to this letter and assess its progress toward attaining compliance with the standards at its January 2026 meeting. At that time, the Commission may find that the institution does not comply with ABHES accreditation standards or policies and may withdraw the institution's accreditation or, for good cause, extend the period for demonstrating compliance.

The institution may request a good cause extension by submitting a completed *Request for Good Cause Extension* form available for download at https://abhes.org/resources/#Forms, with its response due on November 1, 2025. If approved, the Commission will limit the timeframe to no longer than 12 months from the institution's original maximum timeframe. This would require a final response in time for consideration at the Commission's January 2027 meeting.

Submission Procedures and Requirements

1. Teach-Out

By **August 20, 2025,** the institution must submit online via <u>DropBox Applications</u> its Teach-Out Plan and the corresponding form (available for download from the ABHES website at https://www.abhes.org/resources/#Forms) for all active programs.

2. Student disclosure

By **August 20, 2025**, the institution must submit online via <u>DropBox Commission Responses</u> evidence that it has published a student disclosure notice **within seven business days of the date of this letter,** informing enrolled and prospective students of the Show Cause action as the reason the Teach-Out Plan or Agreement is required.²

3. Additional information regarding the standard-related directives

By **November 1, 2025**, the institution must submit, online via <u>DropBox Commission Responses</u>, its response to the standard-related directives identified within this letter. The file must be named "ABHES ID# I-345_RSP to Aug 2025 SC Letter_112025."

The response must be submitted according to the format and content instructions outlined in the <u>Preparing Your Response</u> Guide. Failure to adhere to the instructions or the due dates will result in a late-fee assessment in accordance with Appendix G of the *Accreditation Manual*.

Appearance

If, as part of its response to this directive, the institution wishes to appear before a panel of the Commission via teleconference, its request to appear must be submitted to ABHES online via DropBox Commission Responses by August 18, 2025. The file must be named "ABHES ID# I-345_Request to Appear_82025." A teleconference appearance fee of \$2,000 will be assessed in accordance with Appendix G, Fees, of the

² This disclosure is also required under 34 Code of Federal Regulations § 668.43(a) (19) which states: "If the institution is required to maintain a teach-out plan by its accrediting agency, notice that the institution is required to maintain such teach-out plan and the reason that the accrediting agency required such plan under § 602.24(c)(1)..."

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Accreditation Manual upon receipt of the institution's request to appear. The required fee must be remitted within five business days. Failure to remit the timely payment of the appearance fee may hinder or delay the scheduling of the appearance.

Disclosures

ABHES will not consider, review, or process substantive changes (as defined in III.B.2.b. of the *Accreditation Manual*) while the institution is under a show cause directive, unless the institution demonstrates that the substantive change is likely to resolve the show cause directive. An institution's request for acceptance of the application must include justification for the change and its effect on the institution's operation.

The U.S. Department of Education, the appropriate State licensing or authorizing agency, the appropriate accrediting agency, and the public have been notified of this action as required under 34 Code of Federal Regulations § 602.26 *et seq* and set forth in Chapter III of the *Accreditation Manual*.

The Commission conducts its evaluation of institutions and programs in an objective and confidential manner. To ensure objectivity, impartiality, and integrity in the accreditation process, Commissioners do not participate in considerations of institutions or programs that present or appear to present a conflict of interest. The list of ABHES Commissioners is posted at https://www.abhes.org/board-of-commissioners/. Each Commissioner serves a defined term, which expires June 30, and is held responsible to a strict Code of Ethics. An institution may object to a current Commissioner considering an impending accreditation matter on the basis of a possible conflict of interest, indicating the reason(s) for the objection per the examples listed in I.A.4 of the Accreditation Manual. An objection must be submitted in writing to the ABHES Executive Director within five business days prior to a scheduled Commission meeting via email at info@abhes.org.

If you have any questions about this correspondence, please contact the staff liaison, Melissa Santillana, at msantillana@abhes.org or (571) 282-0067.

Sincerely,

India Y. Tips

Executive Director

DAPIP, U.S. Department of Education
 Debbie Cochrane, California Bureau for Private Postsecondary Education
 Ebony Santee, California Bureau for Private Postsecondary Education
 Gregory Donkerbrook, California Bureau for Private Postsecondary Education
 Erica Pan, California Department of Public Health
 Elaine Yamaguchi, California Board of Vocational Nursing and Psychiatric Technicians