ACCREDITING BUREAU OF HEALTH EDUCATION SCHOOLS | ABHES

6116 Executive Boulevard, Suite 730 • North Bethesda, MD 20852
Tel: 301.291.7550 • Email: info@abhes.org

Transmitted by electronic mail only: galaxy_college@yahoo.com; bppe.notice@dca.ca.gov

August 12, 2026 ID: I-079

Ms. Agun Anna Khachatryan
Owner
Galaxy Medical College
6400 Laurel Canyon Boulevard, Suite 115
North Hollywood, CA 91606

Dear Ms. Anna Khachatryan:

The Commission, at its July 15-16, 2026, meeting, reviewed the record[1] of the institution's financial history. Based on review and discussion, the Commission directed the institution to **show cause why its accreditation should not be withdrawn.** The Commission will consider the institution's response at its January 2027 meeting.

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and information by and from the institution that demonstrates compliance with the standards, its accreditation may be withdrawn.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

<u>Procedural History</u>

According to the accreditation record, 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. Accordingly, the Commission placed the institution on financial reporting for non-compliance with standards III.A.10.b. (now III.A.11.b.) and IV.B.1 and provided notice in a letter dated August 6, 2025.

At its January 2026 meeting, the Commission reviewed the institution's response to the August 6, 2025, letter. The institution again did not submit its audited financial statements for the fiscal year ending December 31, 2024. Therefore, the Commission continued the institution on financial reporting and, in a February 11, 2026, letter, notified the institution of its continued non-compliance with standards III.A.11.b. and IV.B.1.

[1] The accreditation record includes the institution's responses to the Commission's August 6, 2025 and February 11, 2026 financial reporting letters, the institution's financial history, and other relevant correspondence and documentation.

At its July 2026 meeting, the Commission reviewed the institution's response to the February 11, 2026, continued financial reporting letter. For the third time, the institution did not provide audited financial statements for the fiscal year ending December 31, 2024. Although the institution's responses have stated that due to a flood incident at the school, operations were significantly disrupted and caused delays in administrative processes including the timely completion of the annual audit, the FY2024 audit is now more than twelve months past due to ABHES. Further, the institution did not provide audited financial statements for the fiscal year ending December 31, 2025. Accordingly, the Commission placed the institution on show cause.

Reasons for the Show Cause

- 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.11.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 Commission requires additional information from the institution to demonstrate compliance with the above standards because the institution did not submit its audited financial statements for the fiscal years ending December 31, 2024, and December 31, 2025, which were due by June 30, 2025 and June 30, 2026, respectively. ABHES sent the institution a reminder email on July 1, 2026. In a letter dated July 8, 2026, the institution was informed that the audit for the fiscal year ending December 31, 2025 had not been submitted by the deadline 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 does not absolve the institution of its obligation to submit the audited financial statements.

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

  - Audited financial statements for the fiscal year ending December 31, 2024 and December 31, 2025, 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 required fiscal year-end (FYE) audit by the deadline for a second consecutive year and an update on the implementation of the institution's administrative plan, which it submitted previously to ABHES, detailing how the institution will ensure that subsequent audits are submitted in a timely manner, including the institution's auditing policy and procedures and evidence they are reviewed by the Board of Directors or Audit Committee, as applicable, a description of any changes or new initiatives the institution is taking at the administrative level to ensure subsequent audits and other requested financial reports are submitted in a timely manner, and evidence that the institution's audits for FY 2024 and FY 2025 are underway for submission to ABHES, including, but not limited to, the signed engagement letters with the auditor(s) and any formal or informal correspondence with the auditor(s) since May 1, 2026.

Additionally, based on information provided by the U.S. Department of Education, the institution is on Heightened Cash Monitoring 1 (HCM1) status. Accordingly, the Commission requires a narrative update on the institution's HCM1 status as well as copies of all correspondence between the institution and the United States Department of Education between May 1, 2026, and October 15, 2026.

Maximum Timeframe for Compliance

The maximum period of time the Commission may allow for an institution to achieve compliance with accreditation requirements is stated in III.C.1.b. of the *Accreditation Manual.* The Commission first identified the areas of non-compliance set forth above in its August 6, 2025, letter. The Commission set a maximum timeframe for compliance, which requires a final response by November 1, 2026, for review at the Commission's January 2027 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 2027 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 may, for good cause, extend the period for achieving compliance.

The institution may request a good cause extension by submitting a completed *Request for Good Cause Extension Form*, with its response due on November 2, 2026. If approved, the Commission will limit the timeframe to no longer than 12 months from the institution's original maximum timeframe. If granted, the institution would be required to submit a final response in time for consideration at the Commission's January 2028 meeting.

Submission Procedures and Requirements

1. Teach-Out

By **August 26, 2026,** the institution must submit via DropBox Applications 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

Within seven business days of the date of this letter, by **August 26, 2026,** the institution must submit via DropBox Commission Responses evidence that it has published a student disclosure notice informing enrolled and prospective program students of the continued Show Cause action as the reason the updated Teach-Out Plan is required.[2] Evidence of adequate public notice to prospective students must be provided to ABHES and remain published in the same form as the original publication/posting until the next Commission decision.

[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). . ."

3. Additional information regarding the standard-related directives

By **November 2, 2026**, the institution must submit via DropBox Commission Responses, its response to the standard-related directives identified within this letter. The file must be named "*I-079_RSP to Aug 2026 SC Letter_112026*."

The response must be submitted in accordance with the format and content instructions outlined in the Preparing Your Response 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 video conference, its request to appear must be submitted to ABHES via DropBox Commission Responses by **August 26, 2026**. The file must be named *"I-079_Request to Appear_082026."* Upon receipt of the institution's request to appear, a virtual appearance fee of $2,000 will be assessed in accordance with Appendix G, Fees, of the *Accreditation Manual*. **The required fee must be remitted within five business days of the invoice date.** Failure to remit the appearance fee by the due date may hinder or delay scheduling 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 staff liaison, Kyle Boyles, at kboyles@abhes.org or at (571) 282-0054.

Sincerely,

India Y. Tips
Executive Director

c: DAPIP, U.S. Department of Education
California Bureau for Private Postsecondary Education