ACCREDITING BUREAU OF HEALTH EDUCATION SCHOOLS | ABHES

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August 12, 2026 ID: I-365

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

Dear Dr. Castillo:

The Commission, at its July 15-16, 2026, meeting, reviewed the record[1] of the institution's financial reporting and financial history. Based on the review and discussion, the Commission **denied** the institution's application for renewed accreditation and **withdrew** the current grant of accreditation due to noncompliance with ABHES accreditation standards. This action is stayed subject to the review procedures for consideration of new financial information set forth in III.C.10 of the *Accreditation Manual*. **The institution remains on show-cause status pending review of any newly submitted financial information due by January 4, 2027.**

Procedural History

According to the accreditation record, the institution's fiscal year ended on December 31, 2023, requiring 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, the institution was placed on financial reporting.

The institution underwent a team visit in October 2024 as part of its application for a renewed grant of institutional accreditation, which was considered at the Commission's January 2025 meeting. Several areas of concern were identified in the visit reports, which required a response from the institution.

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.

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

At its July 2025 meeting, the Commission determined that the institution had provided the additional information required to resolve the compliance concerns 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, and, accordingly, the Commission issued a Show Cause directive.

In response to the Commission's August 6, 2025, notice of show cause, the institution provided its audited financial statements for the fiscal year ending December 31, 2024. Due to improvement in the institution's financial position, at its January 2026 meeting, the Commission granted a good-cause extension and continued the institution's accreditation and show-cause directive.

The institution's fiscal year ending December 31, 2025, required submission of audited financial statements to ABHES by June 30, 2026. The audit was not received by the deadline. 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 still had not been received and assessed the Audit Financial Statement Late Fee. The institution paid the late fee and, on July 15, 2026, submitted the financial audit, which was considered at the Commission's July 2026 meeting.

Reason for Denial of the Application for Renewal and Withdrawal of Accreditation

- 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 has not provided evidence that it has the resources to ensure continuity of operation and to fulfill its obligations to students and employees. Based on a review of the institution's audited financial statements for fiscal years ending December 31, 2024, and December 31, 2025, the institution does not meet one or more of the financial capability criteria within a two-year period. Specifically, the institution incurred net losses of $60,981 and $253,367 for the fiscal years ended (FYE) 2024 and 2025, respectively, and had a total stockholders' deficit of $377,536 and a current ratio below 1:1 for FYE 2025.

- The institution's lack of timely compliance with the requirements for maintaining accreditation, as outlined in Chapter III, Section A, Subsection 11 of the *Accreditation Manual*, also raises concern regarding the institution's financial and management capability.

Maximum Timeframe for Compliance

The maximum period of time the Commission may allow for a program to demonstrate compliance with ABHES requirements is stated in III.C.1.b. of the Accreditation Manual. The institution was directed to demonstrate compliance within the maximum timeframe with its final response on November 1, 2025, for review at the Commission's January 2026 meeting. At that meeting, the Commission issued a good-cause extension of the maximum timeframe until its July 2026 meeting, based on the institution's need for additional time to achieve compliance. The institution has exceeded its maximum timeframe, and the Commission has not found that the institution has demonstrated the significant improvement required to further extend its accreditation.

Procedures Regarding Financial Reasons for Adverse Action

In accordance with III.C.10, prior to a final adverse action, an institution whose accreditation is withdrawn for financial reasons may seek review of new financial information by the Commission if all of the following conditions are met:

a. The only remaining deficiency cited by the Commission in support of an adverse action was the institution's or program's failure to meet an ABHES standard pertaining to finances.

b. The financial information was unavailable to the institution or program until after the adverse action was taken by the Commission.

c. The financial information is significant and bears materially on the financial deficiencies identified by the agency. The significance and materiality of the information offered will be determined by the Commission using as its criteria whether the Commission would have been more likely than not to have reached a different decision on any of its prior findings had the information been available to it at the time of its decision.

An institution or program may seek the review of new financial information described in this subsection only once, and any determination by the Commission made with respect to the significance or materiality of the new financial information does not provide a basis for appeal. The institution or program may appeal the decision on other grounds.

Accordingly, if the institution has new financial information that it believes meets the requirements of III.C.10, it may submit the information for Commission consideration by **January 4, 2027**. **If no information is received by ABHES on or before the deadline or, if after submission, the Commission determines that the information is not significant or material or that it does not warrant an action other than withdrawal of accreditation, the decision to withdraw accreditation will become final and subject to appeal in accordance with III.E.3.a. of the *Accreditation Manual*.**

Per III.C.11(b), an institution can relinquish accreditation, without a right of appeal, if "the Commission receives, and formally accepts, written notification from the Authorized Institutional Representative of the institution or controlling entity for the program that it voluntarily relinquishes accreditation. All outstanding financial obligations to ABHES must be settled before ABHES confirms the relinquishment."

Submission Requirements

The institution is directed to submit the following:

1. Teach-Out Plan

By **August 26, 2026**, the institution must submit, online via DropBox Applications its updated 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, t**he institution must submit evidence that it has published a new student disclosure notice informing enrolled and prospective students that the Commission has initiated action to withdraw the institution's accreditation and has continued the show cause, and that these actions are the reason the updated Teach-Out Plan is being 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 Commission's next action.

3. New Financial Information

By **January 4, 2027**, the institution must submit, online via DropBox Financial Responses, its response, which may include internal or interim financial statements and any other new financial information that is significant and bears materially on the institution's financial capability.

The institution's response must demonstrate it has revenues and assets available to meet the institution's responsibilities, including continuity of service and the accomplishment of overall educational objectives. Factors to be considered, among others, include 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.

If the institution fails to submit new financial information by the due dates outlined in this letter, the Commission will lift the stay, and the action to withdraw accreditation will become final, subject to appeal. The institution retains its accreditation under show cause, pending the outcome of the Commission's review of new financial information and, in the event that withdrawal of accreditation becomes final, any subsequent appeal.

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 26, 2026**. The file must be named "*I-365_Request to Appear_082026*". A teleconference appearance fee of $2,000 will be assessed in accordance with Appendix G, Fees, of the *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 appearance fee in a timely manner may hinder or delay the scheduling of the appearance.

Disclosures

ABHES will not review, consider, or process substantive changes (as defined in III.B.2.b. of the *Accreditation Manual*) while the stay is in place and the accreditation continues under a show cause directive.

[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). . ."

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 concerning this correspondence, please contact staff liaison, Kelly Costello, at kcostello@abhes.org or at (571) 282-0055.

Sincerely,

India Y. Tips
Executive Director

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