



ACCREDITING COUNCIL FOR CONTINUING EDUCATION & TRAINING
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<http://www.accet.org>

November 6, 2015

VIA EMAIL
(rvillanueva@capstonecolleges.com)

Mr. Ramon Villanueva
Capstone Colleges
1200 North Fair Oaks Avenue #32
Pasadena, CA 91103

***Re: US Department of Education correspondence reviewed;
FRC Follow-up Reporting Reviewed;
Institutional Show Cause Issued;
Interim Report Required
ACCET ID# 0735***

Dear Mr. Villanueva:

At its October 25, 2015 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) reviewed the official three-year cohort default rates published by the United States Department of Education (US ED) for fiscal year 2012 and the follow-up reporting to the Financial Review Committee regarding actions and planned actions taken in response to the US ED draft and official three-year cohort default rates.

Upon its review, the Commission voted to issue a show cause directive, requiring the institution to show cause why its accredited status should not be withdrawn. The Commission determined that the institution's official three-year cohort default rates were above 40% for fiscal year 2012, subjecting the institution to loss of Direct Loan Program eligibility. The reporting provided by the institution indicated that it was appealing the Department's decision. However, the results of this appeal have not yet been decided, and loss of eligibility for the Direct Loan Program could have a significant adverse effect on the institution's financial position.

Toward that end, the Commission directed the institution to submit an interim report to include the following specific items:

1. Any notifications or actions from the US Department of Education concerning its eligibility to participate in the Direct Loan Program and the institution's appeal. This information must be provided to ACCET within ten (10) days of receipt or submission, and should be sent to Megan Ackerman-Yost at mackerman@accet.org.

2. A narrative on steps taken by the institution to improve its cohort default rate to ensure that, should the appeal be successful, future cohort default rates will be below the limits set by US ED.
3. Draft teach-out plan, following the guidelines in ACCET Document 32 – Teach-Out/Closure Policy, to establish that the institution has processes in place in the event of closure, ensuring that students are protected.

A copy of this report, including the attached interim report cover sheet, must be emailed to interimreports@accet.org for receipt at the ACCET office no later than **November 25, 2015**.

As a reminder, please be advised that late submission and receipt of documents and reports are subject to significant late fees in accordance with Commission policy. These fees are outlined in ACCET Document 10, which can be found at www.accet.org.

Further, while under a Show Cause directive, the institution is restricted from making any substantive changes including, but not limited to, new programs, major program revisions, new branch campuses or other new sites, or relocations out of the general market area.

Your demonstrated capabilities and commitment in support of the institution's accredited status are essential to a favorable outcome in this process. Should you have any questions or need further assistance regarding this letter, please contact the ACCET office at your earliest opportunity.

Sincerely,

William V. Larkin, Ed. D.
Executive Director

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Enclosures: Interim Report Cover Sheet

CC: Mr. Herman Bounds, Chief, Accreditation Division, USDE
(aslrecordsmanager@ed.gov)
Mr. Ron Bennett, Director, School Eligibility Service Group, USDE
(ron.bennett@ed.gov)
Ms. Martina Fernandez-Rosario, ACD - San Francisco/Seattle, USDE
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Ms. Joanne Wenzel, Bureau Chief, CA Bureau for Private Postsecondary Education, (joanne_wenzel@dca.ca.gov)
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