



ACCREDITING COUNCIL FOR CONTINUING EDUCATION & TRAINING
1722 N. Street, N.W., Washington, D.C. 20036
Telephone : 202-955-1113 Fax: 202-955-1118
<http://www.accet.org>

April 22, 2016

VIA EMAIL
(rvillanueva@capstonecolleges.com)

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

***Re: Institutional Show Cause Continued;
Interim Report Reviewed;
Interim Report Required
ACCET ID #735***

Dear Mr. Villanueva,

At its April 2016 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) reviewed the institution's interim report submitted in response to the December 17, 2015 Commission Action letter, as a result of its review of the institution's interim report, provided in response to a Show Cause Directive issued on November 6, 2015 due to the institution's 2012 three-year cohort default rates in excess of 40%. The Commission's December 2015 action directed the institution to submit an interim report to include the following items: a narrative update and supporting documentation to demonstrate implementation of its Default Management Plan and a representative sampling of the results of this plan.

Upon its review of the institution's interim report, received February 26, 2016, the Commission noted that the institution's FY2012 CDR Economic Disadvantaged appeal to the US ED based on a low income rate and placement rate was successful as demonstrated in the December 9, 2015 letter from US ED, and determined that the institution provided appropriate documentation on the implementation and effectiveness of its default management plan. It also provided evidence of substantial improvements in the oversight, management, and active communications of its borrowers, resulting in significantly lower estimated rates for 2014 and 2015. However, significant concerns remain regarding the institution's 2013 draft cohort default rates, as the institution indicated that these rates were also above 40%.

Therefore, the Commission voted to continue the Institutional Show Cause and directed the institution to submit an interim report to include the following specific items:

1. An update on the institution's 2013 draft cohort default rate, including any successful data challenges and the result of these data challenges on the draft cohort default rate.

2. Any correspondence from the US Department of Education regarding the institution's 2012 or 2013 cohort default rates.

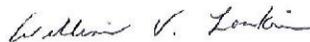
A copy of this report, including the attached interim report cover sheet, must be emailed to **interimreports@accet.org** for receipt at the ACCET office no later than **June 24, 2016**.

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 improvements are acknowledged and appreciated. However, 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

WVL/meay

Enclosures: Interim Report Cover Sheet

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