Dear Mr. Davis:

The Commission, at its July 2022 meeting, reviewed its previous decision to withdraw the institution’s accreditation. That decision, communicated to the institution in a letter dated February 17, 2022 was stayed pending consideration by the Commission of new financial information pursuant to Chapter III, Section C, Subsection 8 of the ABHES Accreditation Manual. Upon review of the record1 including correspondence from the institution in letters dated June 30, 2022, and July 7, 2022, regarding its inability to submit required financial audits and reports to the Commission, the Commission acted to lift the stay on its previous action and affirmed the withdrawal of the institution’s current grant of accreditation. The Commission’s action is subject to appeal in accordance with the procedural requirements of Chapter III, Section C, Subsection 6 and based on the standards within the Accreditation Manual.

Procedural History

According to the institution’s accreditation record, the institution has not submitted its last three audited financial statements as required per the procedural requirements set forth in Chapter III, Section A, Subsection 10 of the Accreditation Manual. On June 25, 2020, the institution requested and received a six-month extension from June 30, 2020 to December 31, 2020, to submit its audited financial statements for the fiscal year ending December 31, 2019. The institution did not provide the audit by the new deadline and was permitted another opportunity to submit it by June 30, 2021, along with its new FYE December 31, 2020, audit. Again, the institution did not provide the two missing audits. Instead, the institution requested another extension to submit both audits by September 30, 2021. Once again, instead of providing the audits, the institution requested another extension to submit the audits by June 30, 2022. At its January 2022 meeting, the Commission acted to withdraw the current grant of accreditation. The action was stayed subject to the review procedures for consideration of new financial information per Chapter III, Section C, Subsection 8 of the Accreditation Manual.

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1 The accreditation record includes the Commission’s August 2021 show cause and February 2022 withdrawal/continued show cause letters, the institution’s response to the letters, the institution's financial history, and other relevant correspondence and documentation.
In a letter from ABHES to the institution, dated February 17, 2022 conveying the January 2022 Commission action, the institution was given one final opportunity to submit new financial information that met the conditions outlined in Chapter III, Section C, Subsection 8 by June 30, 2022. The institution was advised that if no information was received by ABHES on or before the deadline, or, if after review, the Commission determined that the information was not significant or material or did not warrant an action other than withdrawal of accreditation, the decision to withdraw accreditation would become final subject to appeal. In response to the February 17, 2022 letter, the institution submitted two letters, one dated June 30, 2022, requesting another extension to submit the missing audited financial statements by August 31, 2022, and a second letter, dated July 7, 2022, affirming the auditor’s agreement with the institution’s proposed extension timeline. The Commission determined that the two letters submitted by the institution did not meet the requirements under Chapter III, Section C, Subsection 8 (b) or (c) as it did not contain any new significant financial information that bears materially on the institution’s failure to demonstrate compliance with IV.B.1 and IV.C.1 of the ABHES Standards.

**Reasons for 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.); and, the on-site administrator demonstrates effective management capability (IV.C.1.).

The Commission found that the institution has not demonstrated compliance with these standards because the institution has not provided evidence to demonstrate that it has the resources to ensure continuity of operation and to fulfill its obligations to students and employees through the submission of required annual audited financial statements. Moreover, the Commission has found that the institution’s inability to provide the financial audits despite multiple extensions over a three-year period compels a finding that the institution has not implemented financial reporting policies and procedures in keeping with its obligations for maintaining accreditation under Chapter III, Section A, Subsection 10 of the Accreditation Manual.

**Appeal of Action, Notice of Intent to Appeal and Required Fees**

In accordance with Chapter III, Section C, Subsection 8, of the Accreditation Manual, the institution was provided the opportunity to seek the review of new financial information before the Commission’s action to withdraw its current grant of accreditation was affirmed. The Commission determined that the information provided by the institution was neither significant, nor material in demonstrating the institution’s failure to demonstrate compliance with IV.B.1, or financial reporting capacity under IV.C.1 and Chapter III, Section A, Subsection 10 of the Accreditation Manual. This determination is not appealable. The institution, however, may appeal the decision to withdraw accreditation on other grounds.

If the institution wishes to appeal the action of the Commission, it may do so by filing its intent to appeal the Commission action online via DropBox Commission Responses within 10 calendar days of the date of this letter and named “ABHES ID# Intent to Appeal” for receipt by ABHES by August 22, 2022. A non-refundable $5,000 appeal fee plus an Appeal Hearing expense deposit of $10,000 are to be remitted to ABHES to accompany the statement of intent to appeal. Payment of any fees are to be remitted electronically. Please contact the Accounting Department at accounting@abhes.org or (703) 917-9503 to obtain an invoice. The institution will be provided a summary of expenses following the appeal hearing and will be refunded or charged the difference from the $10,000 deposit.
In accordance with Chapter III, Section E, Subsection 3 of the Accreditation Manual, the institution retains its accreditation status during any pending appeal.

Should the institution elect not to appeal, the decision to withdraw accreditation will be effective as of August 22, 2022, and the institution may not reapply to ABHES for accreditation within one year from that date.

**Written Statement of Grounds for Appeal**

The appeal materials, consisting of a complete written statement of the grounds for its appeal based on the Commission’s findings and reasons, is due within **45 calendar days** from the date of this letter for receipt by ABHES by **September 26, 2022**. The institution should review carefully all procedures governing its appeal, in accordance with the procedures found in Chapter III, Section E, Subsection 3 of the Accreditation Manual. Note that the appeal is based upon the information that was available to the Commission at the time of its action. The Appeals Panel has no authority to consider evidence outside of the record before the Commission at its July 2022 meeting or information determined by the Commission at its July 2022 meeting not to meet the requirements of significance or materiality under Chapter III, Section C, Subsection 8. The institution has the burden of demonstrating that the action of the Commission was not supported by the record or was otherwise erroneous.

**Appeal Submission Requirements**

Should the institution wish to appeal, the appeal document, including a cover letter, narrative, and exhibits, must be submitted to ABHES online via DropBox Commission Responses for receipt by September 26, 2022, in accordance with the instructions in Preparing Your Response.

It is imperative that the file name must include ABHES ID#, RSP to Aug 2022 Denial Letter - APPEAL, and date of submission (ex: I-100_RSP to Aug 2022 Denial APPEAL Letter_92022).

**Required Submission**

The institution is directed to submit the following:

- **Teach-out Plan and Student Disclosure**

  By **August 22, 2022**, the institution must submit, online via DropBox Forms/Applications, under separate cover and not as part of the materials it may opt to submit for an appeal, an updated Teach-Out Plan and the corresponding Teach-Out Plan Form (available for download from the ABHES website at https://abhes.org/resources/#Forms).

  The institution must also include in its submission evidence it has published a new student disclosure notice **within seven business days of the date of this letter** and that the notice is readily available to enrolled and prospective students informing them of the withdrawal of accreditation action as the reason the updated Teach-Out Plan is being required.\(^2\)

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\(^2\) 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). . .”
Disclosure

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 to withdraw the institution’s accreditation and that the action is subject to appeal in compliance with 34 Code of Federal Regulations § 602.26 et seq and Chapter III of the Accreditation Manual.

Since the Commission rejected the institution’s request for another extension through August 31, 2022, the institution’s $1,500 financial late fee payment is being returned. Please allow up to three weeks for processing.

If you have any questions concerning this correspondence, please contact me at (703) 917-9503.

Sincerely,

[Signature]

India Y. Tips
Executive Director

c: Herman Bounds, U.S. Department of Education
   Joey Smith, Florida Commission for Independent Education