



Accrediting Commission of Career Schools and Colleges

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September 6, 2017

ELECTRONIC DELIVERY

[REDACTED]

Director
Pacific Coast Trade School
1630 Fiske Place
Oxnard, California 93033

School #M070631
Continued Probation Order

[REDACTED]

At the August 2017 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered its previous action to continue Pacific Coast Trade School (“PCTS”) located in Oxnard, California on Probation and the Notice of Disapproval from the California State Approving Agency for Veterans Education (“CSAAVE”). Upon review of the June 1, 2017 and May 3, 2017 Commission letters and the school’s responses, the Commission voted to continue PCTS on Probation with a subsequent review scheduled for ACCSC’s **November 2017** meeting. The reasons for the Commission’s decision are set forth below.

MAXIMUM TIMEFRAME:

In reaching its decision to continue PCTS on Probation, the Commission again determined that good cause exists to extend the maximum timeframe established for the school to demonstrate compliance with accrediting standards. Upon review of this matter, the Commission found that PCTS continued to show progress has been made toward achieving compliance with the accreditation standard in question and that the school appears to be on track to meet the requirements set forth by the Commission. Specifically, the Commission noted that the U.S. Department of Education (“the Department”) allowed the school to submit funds to be held in escrow in lieu of the original letter of credit and that the school has submitted the required funds. Given that the school appears to have met the Department’s original Letter of Credit requirement, the Commission has extended the maximum timeframe for PCTS to demonstrate compliance to the November 2017 meeting (*Section VII (M), Rules of Process and Procedure, Standards of Accreditation*).

The Commission generally limits the duration of the extended timeframe to demonstrate compliance to within the next two regularly scheduled Commission meetings. Because the Commission first found good cause to extend the maximum timeframe at its May 2017 meeting, the November 2017 meeting will serve at the last opportunity for PCTS to demonstrate compliance as set forth herein. If PCTS fails to demonstrate compliance with accrediting standards as set forth herein, the Commission will likely **withdraw the school’s accreditation** at the November 2017 meeting.

HISTORY OF THE COMMISSION’S REVIEW:

December 2012 Review

At the December 2012 meeting, the Commission considered the cohort default rate information submitted by PCTS and voted to place the school on Cohort Default Rate (“CDR”) Reporting. [REDACTED]

[REDACTED]

August 2013 Review

At the August 2013 meeting, the Commission considered PCTS' Cohort Default Rate Report and voted to continue the school on CDR Reporting. [REDACTED]

Additionally, the Commission considered the Request for a Good Cause Showing submitted by PCTS in which the school sought the Commission's permission to apply for a separate facility while subject to Reporting for issues related to financial soundness. Upon review of the July 10, 2013 request, the Commission voted to deny the request.

February 2014 Review

At the February 2014 meeting, the Commission considered PCTS' Cohort Default Rate Report and again voted to continue the school on CDR Reporting. [REDACTED]

Subsequently, the Commission received a copy of the Department's February 20, 2014 notice to the school stating that the economically disadvantaged appeal was denied, and the April 25, 2013 notice that PCTS lost eligibility to participate in the federal student financial aid programs.

November 2014 Review

At the November 2014 meeting, the Commission reviewed the Application for Renewal of Accreditation, CDR Report, employment verification information, the fiscal year 2013 audited financial statements, interim financial statements, and the school's responses. Upon review of this information, the Commission voted to issue a Warning Order based on concerns related to the PCTS' financial structure, employment verification policies and procedures, and admissions processes for enrolling ability to benefit students. Additionally, the Commission also reviewed an anonymous complaint and voted to forward the complaint to the school for its own review and action.

May 2015 Review

At the May 2015 meeting, the Commission voted to continue PCTS on Warning based on concerns related to PCTS' financial structure. The Commission noted that the school's financial improvement plan to return to profitability provided positive results but also that the financial position of the school was not yet wholly sound.

November 2015 Review

At the November 2015 meeting, the Commission considered its previous action to continue PCTS on Warning and again voted to continue the school on Warning. [REDACTED]

May 2016 Review

At the May 2016 meeting, the Commission considered its previous action to continue PCTS on Warning and voted to place the school on Probation. The Commission determined that PCTS must demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and discharge of obligations to its students.

August 2016 Review

At the August 2016 meeting, the Commission considered its previous action to place PCTS on Probation and voted to continue the school on Probation. Specifically, the Commission determined that PCTS must again demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and discharge of obligations to its students. [REDACTED]

May 2017 Review

At the May 2017 meeting, the Commission considered its previous action to continue PCTS on Probation and voted to continue the school on Probation as the Commission determined that PCTS had yet to fully demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and the discharge of obligations to its students. The Commission also determined that good cause existed to extend the maximum timeframe established for the school to demonstrate compliance with accrediting standards. [REDACTED]

AUGUST 2017 REVIEW AND ACTION:

1. PCTS must demonstrate that its financial structure is sound, with resources sufficient for the proper operation of the school and discharge of obligations to its students (*Section I (C)(1), Substantive Standards, Standards of Accreditation*). [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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█ [REDACTED]

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█ [REDACTED]

█ [REDACTED]

2. ACCSC’s accrediting standards state that the Commission will review and take appropriate action as allowed under the *Rules of Process and Procedure* regarding the accreditation status of any school for which the Commission has received information from an appropriate state agency that the school is subject to, but not limited to, an action by a state agency potentially leading to the suspension, denial, withdrawal/revocation, or termination of the school’s eligibility to participate in any state student financial aid program (*Section VII (D)(5)(a)(iii), Rules of Process and Procedure, Standards of Accreditation*). The Commission received notice on March 22, 2017 from CSAAVE that the agency issued PCTS a Notice of Disapproval of all courses offered at the school for the training of veterans and other eligible persons under the agency’s provisions effective October 26, 2016. Schools must notify ACCSC of any material event or circumstance that will or could affect the school’s operations, policies, staff, curricula, reputation, approval status or authority to operate as a legal entity, or financial status. The Commission found that PCTS failed to submit such notification about this material event within 10 calendar days of the event’s occurrence (*Section V (E)(1), Rules of Process and Procedure, Standards of Accreditation*).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

- [REDACTED]
- [REDACTED]

3. PCTS must demonstrate that the school is attentive to the students' educational and other needs (Section VI (A)(1), Substantive Standards, Standards of Accreditation).

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED]
- [REDACTED]

TEACH-OUT PLAN REQUIREMENT:

Given the continued serious nature of the issues outlined herein, the Commission directs the school to provide an updated [ACCSC Institutional Teach-Out Approval Plan](#) which must be submitted as part of the response for the items listed above.

PROBATION REQUIREMENTS and MAXIMUM TIMEFRAME:

In cases where the Commission has reason to believe that a school is not in compliance with accreditation standards and other requirements, the Commission may, at its discretion, place a school on Probation. A school subject to a Probation Order must demonstrate corrective action and compliance with accrediting standards. Given the Commission’s decision to continue the school on Probation and extend the maximum timeline to demonstrate compliance given the good cause showing, PCTS’s failure of the school to demonstrate compliance with accrediting standards or other accrediting requirements by the due date set forth herein **will likely result in a withdrawal of accreditation action** at the November 2017 meeting.

The Commission will not consider substantive changes, a change of location/relocation, or additions (i.e., separate facilities, new programs) to a school or its separate facilities while the school is on Probation. However, a school that is subject to Probation may seek the Commission’s approval for the transfer of accreditation that would result from a change of ownership as described in *Section IV, Rules of Process and Procedure, Standards of Accreditation*.

In accordance with *Section X, Rules of Process and Procedure, Standards of Accreditation*, a summary of the Probation Order is made public and provided to the U.S. Department of Education, appropriate State agencies, and appropriate accrediting agencies. Moreover, in accordance with *Section X (C)(6), Rules of Process and Procedure, Standards of Accreditation*, the Commission has notified the U.S. Department of Education of this action pertaining to the findings related to the school’s federal financial aid responsibilities.

In accordance with *Section VII (L)(8), Rules of Process and Procedure, Standards of Accreditation*, a school subject to a Probation Order must inform current and prospective students that the school has been placed on Probation and that additional information regarding that action can be obtained from the Commission’s website.

RESPONSE REQUIREMENTS:

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the *Standards of Accreditation*. While the Commission employs its own methods to determine a school’s compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission’s deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school’s compliance with accrediting standards.

PCTS must provide a response to the items expressed above that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.¹ If the school’s response contains documentation that includes personal or confidential student or staff information that is not required for the Commission’s review (e.g., social security numbers, dates of birth, etc.), please remove or redact that information.

PCTS must upload the school’s electronic response directly to ACCSC’s College 360 Database. The ACCSC College 360 database can be accessed by [clicking here](#). Please note that the password utilized by the institution to access the Annual Report Portal is the same to access the School Submission section of the College 360 database. The Instructions for College 360 DMS Submissions can be found [here](#). A detailed overview on how to upload a school submission can be found [here](#).

Keep in mind, the school’s response must be prepared in accordance with ACCSC’s Instructions for Electronic Submission (e.g., prepared as one Portable Document Format (“PDF”) file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.

The school’s response must include a signed certification attesting to the accuracy of the information and be received in the Commission’s office **on or before October 13, 2017**. If a response and the certificate of attesting to the accuracy of the information are not received in the Commission’s office **on or before October 13, 2017**, the Commission will consider further appropriate action.

For assistance with the password or for any other questions regarding the electronic submission requirements, please contact [REDACTED]. Please note that any password requests to access College 360 must be made by the school director, or designated member of the school’s management team, via e-mail.

For further assistance or additional information, please contact [REDACTED] or [REDACTED].

Sincerely,



Michale S. McComis, Ed.D.
Executive Director

c: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

¹ ACCSC has issued two modules of the **Blueprints for Success Series** – [Organizing an Effective Electronic Submission](#) and [Preparing a Comprehensive Response for Commission Consideration](#) – which provide a framework for submitting a well-documented, organized, electronic response for Commission consideration. ACCSC encourages the school to review these modules when formulating its response to this letter. More information is available in the [Resources section](#) at www.accsc.org.