



December 22, 2016 **REVISED December 28, 2016**

ID Code 00015728(MC)

VIA E-MAIL AND UPS DELIVERY

Mr. Gene Raltz
Bristol University
2390 East Orangewood Avenue, Suite 485
Anaheim, CA 92806

ACICS@bristoluniversity.edu

Subject: Continued Financial Show-Cause & Student Achievement Show-Cause Directive

Dear Mr. Raltz:

The Council has reviewed the institution's response to the financial show-cause directive issued on September 1, 2016, during the November 29, 2016, in-writing hearing. After a review of all the information related to this matter, the Council notes the following:

1. The institution asserted in its response that regaining approval to award Title IV from the U.S. Department of Education depended solely on ACICS clearing its accreditation.
2. The institution shared that there are a three investors who are ready and willing to provide substantial financial support, in the amount of \$1,000,000 to the institution, once ACICS accreditation is reaffirmed.
3. The institution mentioned it has increased its recruitment activities from three to 65 recruiting agents already resulting in increased student activity.
4. A number of operational changes were outlined on page ten (10) of its response to demonstrate how the institution will fulfill its Financial Improvement Plan and they were expected to be completed in late December 2016 and early January 2017.
5. The institution's unaudited financial reports for the nine months ended September 30, 2016, do not evidence financial stability for the following reasons:

a.	net loss of	\$576, 384
	on educational revenues of	\$649, 846
	for a percentage loss of	-88.7%
b.	retained deficit of	\$4, 064, 220
c.	shareholder's equity of	(\$204,515)
	on total assets of	\$682,703
	for equity as a percentage of total assets of	-30%

The Council has also reviewed your 2016 Campus Accountability Report (CAR) and as a result of its review, the Council found the following based on the Accreditation Criteria:

- The campus reported a 34% retention rate and as such, is materially below the Council student achievement standard (Section 2-1-809).

Council Action

Therefore, the Council acted to continue the financial show-cause directive¹ and to place the institution on student achievement show cause for review during the April 2017 review cycle. The institution must provide the appropriate notification and fee **within ten days of receipt of this notice.** Failure to do so will be considered a deviation from the directives of ACICS and result in a withdrawal by suspension action in accordance with Section 2-3-402 of the *Accreditation Criteria*.

In response to this action, the institution must provide the following information and take the steps outlined below. All information must be submitted no later than **March 1, 2017**, unless otherwise indicated.

Continued Financial Show-Cause

1. A copy of any and all communications with the U.S. Department of Education regarding the institution's recertification to participate in Federal Title IV funding programs.
2. A detailed listing of the investors identified along with signed agreements to include the nature of their commitments and cash infusion amounts. Further, copies of the current organizational chart and detailed ownership structure must also be submitted.
3. A summary of the nature of the relationships with the 65 recruiting agencies and copies of the contracts. Evidence must also be provided to demonstrate that these agencies are educated on the institution and its services, and that they are regularly evaluated and closely monitored.
4. A Financial Improvement Plan (FIP) worksheet completed on Council forms reporting the cumulative financial results of the institution for the **January 1, 2017 - December 31, 2017**, period. This should include a detailed narrative analysis of the results in comparison to the plan's projected figures and enrollment numbers.

¹ The Council notes that Section 2-1-808 allows for, but does not mandate, compliance warnings with respect to financial review. Regardless, the institution is being given the benefit of the functional equivalent of the compliance warning procedure by way of the continuation of the financial show cause.

5. Monthly financial statements to include the income statement and balance sheets for **January 2017**.
6. An analysis of the operational changes and enrollment projections that will allow the institution to fulfill its Financial Improvement Plan, with emphasis on those activities that are intended to improve the institution's financial position. Specifically, the institution must provide an update on the new building with the reduced lease; the \$1 million letter of credit; increased student tuition revenue; and cash collections. A summary of monthly starts and student population must also be provided from December 2016 – February 2017.

Student Achievement Show Cause

1. A corrective action plan that has been incorporated into the current Campus Effectiveness Plan (CEP) and includes specific activities that are being implemented to improve the programs that are negatively impacting the campus-level retention performance.
2. A mid-year CAR which includes all student information between **July 1, 2016, and December 31, 2016**, along with evidence that supports the mid-year retention rate, to include documentation of all retention exemptions. At its April 2017 meeting, the Council will review the campus's updated student achievement information and may take further action if the institution has not demonstrated improvement in its student achievement outcomes.
3. All current and prospective students must be advised of the show-cause status. Please provide the following statement and place it prominently on the institutions' websites of all ACICS-accredited institutions:
 - o Notice to students and prospective students: Bristol University has been placed on student achievement show-cause by their accreditor, the Accrediting Council for Independent Colleges and Schools ("ACICS"), due to material noncompliance with retention standards: 34% as reported on the 2016 Campus Accountability Report.

Institutional Teach-Out Plan

Further, in compliance with Section 2-3-230 of the *Accreditation Criteria*, the institution must submit a campus closure application via the ACICS Online Portal with teach-out plans and agreements that ensure that students will receive an appropriate outcome, in the event of institutional closure.

ACICS directs the institution to execute formal teach-out agreements or transfer arrangements with those institutions that can provide a comparable program to the currently enrolled students. In addition, the institution must provide updated information on the following:

- a. A listing of students with the student name; program of study; expected graduation date; and institution at which the student will complete their program.
- b. A custodian for all permanent academic records that includes contact information for this individual or entity and the process by which students can obtain their records.
- c. A description of the financial resources available to ensure that students who are expected to graduate from their current campus can complete their programs or receive refunds.

Please submit one copy of your response via e-mail to frc@acics.org and electronically via the online Show-Cause Application on the institution's account. If you have any questions regarding this action, please contact Ms. Perliter Walters-Gilliam at pwgilliam@acics.org.

Sincerely,

A handwritten signature in black ink that reads "Roger J. Williams". The signature is written in a cursive style and is positioned to the left of a vertical line.

Roger J. Williams
Interim President

- c: Ms. Cathy Sheffield, US Department of Education (aslrecordsmanager@ed.gov)
Ms. Joanne Wenzel, California Bureau for Private Postsecondary Education
(Joanne.Wenzel@dca.ca.gov)
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