



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 17, 2015

VIA EMAIL & FEDERAL EXPRESS  
([accet@vs.edu](mailto:accet@vs.edu))

Mr. Mike Flanagan, President  
Video Symphony EnterTraining, Inc.  
266 E. Magnolia Blvd  
Burbank, CA 91502

***Re: Accreditation Withdrawn  
under a Show Cause Directive  
(Appealable, Not a Final Action)  
ACCET ID #1098***

Dear Mr. Flanagan:

This letter is to inform you that, at its April 2015 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) voted to withdraw accreditation from Video Symphony EnterTraining, located in Burbank, California. The decision was based upon a careful review and evaluation of the record during the prior 11-month period in which the institution was under Institutional Show Cause status without exhibiting sufficient good cause as to why its accreditation should not be withdrawn. The Institutional Show Cause status was issued on May 22, 2014, as a result of a Quality Assurance Visit which revealed the institution's Heightened Cash Monitoring 2 status with the U.S. Department of Education, and receipt of a Program Review Report from the U.S. Department of Education citing the institution for twelve findings of non-compliance relative to its administration of Title IV federal programs

As part of its review at the April meeting, the Commission reviewed the institution's interim report received on January 14, 2015 submitted in response to the December 2014 Commission action letter, dated December 18, 2014, as well as the follow-up report received March 1, 2015, as directed in the letter dated January 23, 2015. Upon review, the Commission determined that the institution failed to adequately address any of the issues noted in either the Commission Action letter or follow-up directive. As a result, the institution has not demonstrated compliance with respect to ACCET standards, policies, and procedures, relative specifically to the following findings of non-compliance:

1. Standard III-A: Financial Stability

The institution failed to demonstrate a record of responsible financial management with resources sufficient to provide quality education, training, and student services and to complete the instruction of all enrolled participants.

The institution was directed to submit: a) annual financial reporting submitted in accordance with ACCET Document 27 – Policy on Financial Reporting and Financial Stability, as the institution did not provide audited statements as part of its resolution with the DOE, nor has it provided ACCET with its 2013 annual financial reporting, now eight months overdue; b) internally-generated financial statements (profit/loss statement, balance sheet, statement of cash flows, statement of changes in equity) for fiscal year 2014; and c) a comprehensive financial recovery plan to include specific and measurable steps to ensure that the institution can continue operations without Title IV funding. This plan was to include appropriate timeframes, specific objectives and resources, as well a strategic plan relative to future program offerings and enrollment strategies, to include faculty and facility considerations, in order to demonstrate a sustainable operational budget.

In its response to the follow-up directive, the institution failed to provide the items required, indicating that, “Video Symphony’s ability and intention to deliver financial statements and other documentation required in ACCET’s January 23<sup>rd</sup> letter are subject to the findings concerning the future viability of continuing to operate and a possible revised form of accreditation.” The institution has not demonstrated financial stability, nor did it provide thorough, thoughtful, and concrete steps to improve its seriously compromised financial situation, resulting in the Commission’s conclusion that the institution has not effectively, consistently, and competently managed its finances.

2. Standard III-C: Financial Assistance/Scholarship

The institution failed to demonstrate that federal financial aid programs are responsibly managed, governed by written policies and procedures, and in full compliance with relevant statutes and regulations.

The institution was directed to provide a copy of the institution’s response to the Program Review Report issued by USDE and to provide the status of the institution’s reconciliation of return to Title IV funding and the total liability assessed by USDE for the years 2011 – 2013.

In its interim report, the institution indicated that the USDE has terminated the institution’s participation in Federal Financial Aid Title IV Funding. The institution has not provided any further response to the Program Review, nor aided in the reconciliation of its total liabilities. The USDE notified ACCET that the total liability due from the institution is \$11,223,503.53. As a result, the Commission concludes that the institution does not have the administrative capacity to effectively and responsibly manage a financial aid program.

3. Standard VIII-E: Completion and Placement

The institution failed to demonstrate an effective means to regularly assess, document, and validate the quality of the education and training services provided relative to completion and

placement rates, nor did the institution demonstrate positive training-related outcomes consistent with the benchmarks established by the Accrediting Commission.

The institution was directed to submit a narrative update, along with updated Document 28.1's - Completion and Placement Statistics, for calendar year 2013 and for the period January 1 - August 31, 2014, for the New Media Production program and the Graphics Animation and Effects program to demonstrate continued placement assistance for graduates in these discontinued programs.

In its response to the interim report and follow-up directive, the institution failed to provide updated Document 28.1s or provide supporting documentation to demonstrate successful job placement of its graduates. The institution indicated in its January 14, 2015 response that, "it was not feasible for VS to obtain updated job placement statistics to be suitably responsive to ACCET's request." The institution did not address completion and placement statistics in its March 1, 2015 response to the staff directive. The institution's inability to provide ACCET with updated placement rates and supporting documentation indicates that it does not have an effective means to regularly assess, document, and validate the quality of the education provided relative to completion and placement rates as required by this standard.

Since withdrawal of reaccreditation is an adverse action by the Accrediting Commission, the institution may appeal the decision. The full procedures and guidelines for appealing the decision are outlined in Document 11, Policies and Practices of the Accrediting Commission, which is available on our website at [www.accet.org](http://www.accet.org).

If the institution wishes to appeal the decision, the Commission must receive written notification no later than fifteen (15) calendar days from receipt of this letter, in addition to a certified or cashier's check in the amount of \$8,500.00, payable to ACCET, for an appeals hearing. This notification must be accompanied by an affidavit signed by an authorized representative of the institution indicating that a Notice of Status of Accreditation, notifying interested parties of the Commission's adverse action, has been disseminated to new enrollees and posted in conspicuous places at the institution to include, at minimum, the admissions office and student lounge or comparable location and in a conspicuous place on its website. In addition, the institution must submit an updated written teach-out plan that is in accordance with ACCET Document 32 - Closing/Teach-Out Policy, as originally requested in the December 18, 2014 Commission Action letter.

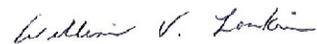
In the case of an appeal, a written statement, plus six (6) additional copies regarding the grounds for the appeal, saved as PDF documents and copied to individual flash drives, must be submitted to the ACCET office within sixty (60) calendar days from receipt of this letter. The appeal process allows for the institution to provide clarification of and/or new information regarding the conditions at the institution at the time the Accrediting Commission made its decision to deny or withdraw accreditation. The appeal process does not allow for consideration of changes that have been made by or at the institution or new information created or obtained after the Commission's action to deny or withdraw accreditation, except under such circumstances when the Commission's adverse action

included a finding of non-compliance with Standard III-A, Financial Stability, whereupon the Appeals Panel may consider, on a one-time basis only, such financial information provided all of the following conditions are met:

- The only remaining deficiency cited by the Commission in support of a final adverse action decision is the institution's failure to meet ACCET Standard III-A, Financial Stability, with the institution's non-compliance with Standard III-A the sole deficiency warranting a final adverse action.
- The financial information was unavailable to the institution until after the Commission's decision was made and is included in the written statement of the grounds for appeal submitted in accordance with the ACCET appeals process; and
- The financial information provided is significant and bears materially on the specified financial deficiencies identified by the Commission.

The Appeals Panel shall apply such criteria of significance and materiality as established by the Commission. Further, any determination made by the Appeals Panel relative to this new financial information shall not constitute a basis for further appeal.

Sincerely,



William V. Larkin, Ed.D.

Executive Director

WVL/lao

CC: Mr. Herman Bounds, Chief, Accreditation Division, USDE (aslrecordsmanager@ed.gov)  
Ms. Martina Fernandez-Rosario, ACD - San Francisco/Seattle, USDE  
(martina.fernandez-rosario@ed.gov)  
Mr. Ron Bennett, Director, School Eligibility Service Group, USDE (ron.bennett@ed.gov)  
USDE Accredited Schools Directory (accreditedschoolslist@westat.com)  
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)