

Public Notice: Show Cause Directive

May 23, 2018

In accordance with its procedure for Notification and Information Sharing (Section X.C), Part II Processes and Procedures, DEAC Accreditation Handbook) and 34 Code of Federal Regulations §602.26(b)(1), the Commission provides written notice to the U.S. Secretary of Education, the appropriate state licensing or authorizing agencies, the appropriate accrediting organizations, and the public at the same time it notifies the institution of the decision, but no later than 30 days after the Commission makes a decision to place an institution on show cause.

At its May 16, 2018 meeting, the Commission voted to direct the following institution to show cause why its accreditation should not be withdrawn.

Brighton College
8777 Via de Ventura, Suite 300
Scottsdale, AZ 87258

Listed below are the DEAC Standards of Accreditation pertinent to the Commission's decision.

Standard XI.D. Financial Reporting

Financial statements are prepared in conformity with generally accepted accounting principles in the United States of America often referred to as "GAAP," including the accrual method of accounting. An independent certified public accountant (CPA) audit or review report accompanies these statements.

- 1. The institution's financial statements reflect sufficient liquid assets to provide for a staff and faculty.*
- 2. Annually, the institution has the option of submitting one of these two types of financial statements, unless the Commission directs the institution to submit audited financial statements.*
 - Audited comparative financial statements containing an audit opinion by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants, or*
 - Reviewed comparative financial statements containing a review report by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.*
- 3. Financial statements submitted must include the institution's fiscal statement for either the most recent fiscal year end or the date specified by the Commission, the CPA's opinion letter or review report, and a letter of financial statement validation.*

DEAC Accreditation Handbook, Part II, Processes and Procedures, Section XIII, Part C.3.

6. A proposed transfer of ownership is approved based on the new owners, governing board members, and administrators possessing the capacity to own and operate a DEAC accredited institution. The new ownership's financial condition includes sufficient resources to continue sound institutional operations in fulfillment of all commitments to enrolled students. The financial stability allows the institution to remain in compliance with DEAC accreditation standards, and

7. These are the steps in obtaining Commission approval for this substantive change:

a. Submit a Change of Legal Status, Control, or Ownership Application Part 1, including required documentation, 30 days prior to the proposed change. The completed application and documentation are presented to the Commission for initial approval.

b. Once the change of legal status, control, or ownership is implemented, the institution submits a Change of Legal Status, Control, or Ownership Application Part 2 including required documentation. For change in ownership, the institution notifies DEAC and provides additional documentation within 10 days after closing.

c. The institution receives an on-site visit six months after the change of legal status, control, or ownership is complete. The institution receives a Chair's Report and has 30 days to respond with any additional information or documentation necessary to support the substantive change.

d. The Commission reviews all documentation submitted to date and approves or denies the substantive change in accordance with accreditation standards. DEAC notifies the institution in writing within 30 days of the Commission's action and notifies the U.S. Department of Education and other relevant constituencies in accordance with Section X, Notification and Information Sharing.