



ACCREDITING COUNCIL FOR CONTINUING EDUCATION & TRAINING
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August 12, 2011

VIA EMAIL & FEDERAL EXPRESS
(dderycz@lafilm.com)

Ms. Diana Derycz-Kessler, President
Los Angeles Recording School
6690 Sunset Boulevard
Hollywood, CA 90028

*Re: Appeals Decision
August 2011 Hearing
ACCET ID # 0647*

Dear Ms. Kessler:

This letter is written to advise you of the outcome of the appeals hearing held on August 1, 2011 regarding the decision by the Accrediting Commission of the Accrediting Council for Continuing Education and Training (ACCET) at its April 2011 Commission meeting to withdraw the accreditation of the Los Angeles Recording School. Based upon the argument and information presented in the appeal brief and the oral presentation, the Appeals Panel remanded the decision under appeal relative to the findings cited in the Commission's decision letter of April 29, 2011 under Standard VIII-E, Completion and Placement to the Commission for further consideration, review, and final decision.

In its decision, the Appeals panel stated:

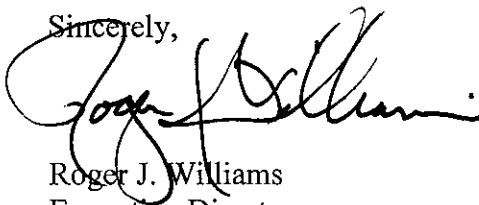
Based upon the argument and information presented in the appeal brief and the oral presentation, the Panel remands the decision under appeal relative to the findings cited in the Commission's decision letter of April 29, 2011 under Standard VIII-E, Completion and Placement to the Commission for further consideration, review, and final decision. During the hearing, the institution acknowledged its failure to regularly assess and document placement in accordance with ACCET standards and policies and its lack of documented verification of the placement of its self-employed graduates during the Quality Assurance visit on February 23, 2011 and in its response to that report, dated March 23, 2011. Upon review of the updated placement rates and supporting placement documentation provided in the appeal brief and oral presentation, the Panel was inclined to affirm the Commission's decision letter of April 29, 2011, because of serious concern regarding the timing of placement verifications which were not completed until April – June, 2011 and the manner in which they were obtained in conjunction with the offer of a "paid externship opportunity" to program graduates by the institution. Ultimately, the Panel decided to remand the Commission's decision in the April 29, 2011 letter to the Commission for further consideration, review, and a final decision, based on the following factors: (1) the institution's representation to the Panel that it only has four currently enrolled students and will complete the teach-out of all students no later than November 2011, in order to finalize the consolidation of the institution with the LA Film School, an ACCSC accredited

institution; and (2) possible ambiguity relative to the appeals process and the timing and admissibility of new information upon appeal.

Therefore, it is the unanimous decision of the members of the Appeals Panel to remand the decision under appeal as conveyed in the April 29, 2011 Commission action letter to the Commission for further consideration, review, and final decision. Given the circumstances identified above, the Panel directs the Commission to address the appropriate action(s) to be taken relative to the institution and its accredited status.

In accordance with the directive of the Appeals Panel, the Commission, at its August 2011 meeting, considered the appropriate action(s) to be taken relative to the institution's accredited status. Further information was communicated to the Commission through contacts between the respective attorneys representing ACCET and LARS on the institution's commitment to ensure that its three currently enrolled students be properly taught-out or transferred prior to the institution's planned consolidation with the LA Film School. The institution indicated that it would complete its teach-out by transferring the three remaining students to the affiliated ACCSC accredited institution, LA Film School, by no later than August 31, 2011. In anticipation of these conditions being met, the Commission voted to stay its decision to withdraw the accreditation of the Los Angeles Recording School to allow the institution the opportunity to successfully complete the teach-out of all current students in a manner acceptable to each affected student, with appropriate documentation (refer to ACCET Document 32 – Teach-Out/Closure Policy) submitted to ACCET for prior review and approval of the teach-out plan/agreement. Upon such conditions being met, the institution will be permitted to submit a letter of resignation of accreditation, which would not be subject to the April 29, 2011 action by the Commission. Should the institution fail to obtain approval of the teach-out plan/agreement, successfully complete the teach-out/transfer of all current students, and provide a written resignation of accreditation to ACCET no later than August, 31, 2011, the Commission's decision to stay the withdrawal of accreditation of the Los Angeles Recording School will be rescinded and the Commission's original April 29, 2011 decision to withdraw accreditation will be final.

Sincerely,



Roger J. Williams
Executive Director

RJW/jhh

- c: Ms. Kay Gilcher, Director, Accreditation Division, USDE, asrecordsmanager@ed.gov
- Diane Currie, School Certification Branch, Chief, Department of Homeland Security, (diane.currie1@dhs.gov)
- Ms. Martina Fernandez-Rosario, ACD-San Francisco, USDE (martina.fernandez-rosario@ed.gov)
- Ms. Patricia Dickerson, TD – San Francisco/Seattle, USDE (patricia.dickerson@ed.gov)
- Ms. Joanne Wenzel, Deputy Bureau Chief, CA BPPE (joanne-wenzel@dca.ca.gov)
- Mr. Michale McComis, Executive Director, ACCSC, (mccomis@accsc.org)

TEACH-OUT/CLOSURE POLICY

Standards: Document 2, Sections II-A and III-A

Rationale: Institutions seek to ensure that students are afforded every opportunity to successfully complete their training, whether it is with another institution that has agreed to teach those students, by the institution itself, or through refunds paid to students so that they may continue their education elsewhere. In addition, ACCET will work with the U.S. Department of Education (USDE) and the appropriate state and accrediting agencies, to the extent feasible, to make sure that students are given reasonable opportunities to complete their education without additional charge.

If an institution intends to close or, in ACCET's judgement, lacks sufficient financial or administrative resources to sustain the proper operation of the institution in discharging its obligations to the students, the institution will be required to submit a comprehensive closure and teach-out plan. In accordance with ACCET Document 48 – Policy on Adverse Actions and Other Negative Actions by Federal, State, and Other Accrediting Agencies, an ACCET member institution must notify ACCET of an adverse action taken by a recognized accrediting body and/or an agency of the federal or state government against the institution.

In accordance with the Higher Education Opportunity Act (HEOA), an institution must submit a teach-out plan upon the occurrence of any of the following events:

1. The Secretary of USDE notifies ACCET of either an emergency action initiated against the institution or an action to limit, suspend, or terminate an institution participating in any Title IV federal financial aid program;
2. ACCET acts to withdraw, terminate, or suspend the accreditation of the institution;
3. The institution notifies ACCET that the institution intends to cease operation entirely or close a location that provides one hundred percent of at least one program; or
4. A state licensing or authorizing agency notifies ACCET that an institution's license or legal authorization to provide an educational program has or will be revoked.

A teach-out plan must address and/or provide: (a) the institution's plan to teach out its own students; (b) an executed teach-out agreement with one or more institutions located in reasonable geographic proximity which currently offer programs similar to those offered at the closing institution and have agreed to conduct the teach-out; or (c) a description of how the tuition recovery fund or other means will be used to make student refunds

Teach-Out Plan (Minimum Requirements): A teach-out plan must adequately address, at minimum, each of the following issues:

1. A listing by name and, if applicable, the last four digits of the social security number of all students in each program and their estimated graduation dates, the status of unearned tuition,

all current refunds due and account balances.

2. The date of last classes, and date of site closure.
3. Arrangements for disposition of all student records, including educational, accounting and financial aid records, in an accessible location and in accordance with applicable legal requirements in the event the institution closes.
4. An explanation, accompanied by appropriate supporting documentation and timelines, of how the closing institution will notify students in the event of closure and, if applicable, how the closing institution will notify the students of the teach-out.
5. Procedures to ensure that the delivery of training and services to students will not be materially disrupted and that obligations to students will be timely met.
6. A statement which evidences that state guidelines regarding a student protection fund and/or bonds are followed, if applicable.
7. Final document 28.1(s) for year to date, and final document 28.1(s) within 90 days of the last graduating class.
8. An explanation of how job placement services for past and recent graduates from the closed facility will be made available.

If ACCET approves a teach-out plan that includes a program that is accredited by another recognized accrediting agency, it will notify that accrediting agency of its approval.

Teach-Out Agreement: ACCET may require an institution it accredits to enter into a teach-out agreement as part of its teach-out plan. ACCET will approve a teach-out agreement only if the agreement is consistent with applicable standards and regulations and provides for the equitable treatment of students by ensuring that the teach-out institution has the necessary experience, resources, and support services to:

1. provide an educational program of acceptable quality and reasonably similar in content, structure, and scheduling to that provided by the institution that is ceasing operations either entirely or at one of its locations; and
2. remain stable in order to carry out its mission and meet all obligations.

If an institution enters into a teach-out agreement, the agreement must be approved by ACCET prior to implementation. In such cases, the institution must provide documentation to demonstrate that the educational program provided by the teach-out institution is of acceptable quality. The teach-out institution must have sufficient experience, resources, and support services; a program comparable in content, structure, and scheduling to that of the closing institution; and an accessible

location within a reasonable distance to the closing institution. The following elements will be considered in approving the agreement:

1. The agreement is with one or more institutions accredited by an agency that is nationally recognized by the U.S. Department of Education, state licensed, and currently offer programs similar to those offered at the closing institution or would be capable of conducting a teach-out.
2. The agreement states that the student will be provided all of the instruction, without additional cost, for which the student originally contracted and paid, but did not receive due to the closure of the institution. This does not preclude a student from the closing institution from voluntarily transferring into the teach-out institution and receiving additional training for an additional cost, with the student notified of such costs.
3. The agreement clarifies the financial responsibilities of all parties, including the assumption of any liability.
4. The agreement indicates the location and type of facility where the student will be taught out, as well as any arrangements for the absorption or addition of sites.
5. The agreement states whether, upon completion of the program, the student will receive a diploma or certificate from the teach-out institution, or whether the diploma or certificate will be awarded by the closing institution.
6. The agreement indicates whether students who had already enrolled, but who had not yet started their program of study at the closing institution, or who are on a leave of absence from the closing institution will be entitled to begin training or re-enroll at the teach-out institution.
7. The agreement states that the closing institution will provide the teach-out institution with copies of the following records for the students being taught out: (a) Enrollment Agreements; (b) Financial Aid Transcripts; (c) Attendance Records; (d) Academic Transcripts; (e) Student Registration List; and (f) Student Account Records.
8. The agreement provides for placement services to students who complete their courses of study.
9. The agreement requires that the teach-out institution separately maintain records and documents performance under accrediting standards for the students being taught out.
10. The agreement provides for appropriate notification to the Accrediting Commission and federal and state authorities.
11. The agreement complies with applicable federal and state law.

Closure without Teach-Out Plan/Agreement

If an ACCET accredited institution closes without a teach-out plan or agreement, ACCET will work with USDE and the appropriate state agency, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.

The owners and/or senior administrators of an institution that precipitously closes without providing an adequate teach-out plan/agreement to minimize the risk and hardships to its students will be subject to a review by the Accrediting Commission for consideration of debarment.