



September 29, 2020

VIA EMAIL
(accetbranford@branfordhall.com)

Dr. Jon Coover, Chief Executive Officer
Trigram Education Partners, LLC
Branford Hall Career Institute
1 Summit Place
Branford, CT 06405

***RE: Show Cause Issued;
Interim Report Required
ACCET ID # 1507***

Dear Dr. Coover,

On September 29, 2020, the Executive Committee of the Accrediting Council for Continuing Education & Training (ACCET) issued a show cause directive requiring Branford Hall Career Institute (with a main campus located in Branford, CT and branch campuses in Southington, CT and Amityville, NY) to show cause why its accredited status should not be withdrawn. This serious action was based on the institution's failure to demonstrate that it meets ACCET Standards for Accreditation, including Standards II-A Governance and III-A Financial Stability that require: "*compliance with statutory, regulatory, and accreditation requirements*" and "*responsible financial management with resources sufficient to provide quality education, training, and student services and to complete the instruction of all enrolled students,*" respectively. Despite repeated assurances from senior management, the new owners (Trigram Education Partners, LLC) failed to obtain the letter of credit and financial support required to effectively operate the institution in accordance with ACCET requirements, as described below.

Recently, in a letter (dated August 24, 2020), the Commission expressed serious concerns regarding the financial status of Branford Hall Career Institute. The Commission indicated that it would closely monitor the situation following the U.S. Department of Education's notice (dated August 14, 2020) to Trigram Education Partners, LLC (TEP) of: (1) the institution's loss of eligibility and the end of participation in Title IV, HEA programs, effective June 26, 2020, and (2) the Stop Payment action. The Commission also directed the institution to submit an Interim Report by September 15, 2020 to include a narrative update on: (a) the institution's recent change of ownership consummated on June 26, 2020, (b) the institution's effort to provide a complete application for a change of ownership to ACCET, including financial statements for the new owner, (c) the failure of the institution to submit a materially complete application for a change of ownership to the U.S. Department of Education, including the status of the required letter of credit, and (d) efforts by the institution to reinstate its eligibility to participate in Title IV programs, including the submission of the required 25% letter of credit. The institution was required to provide documented evidence that the required letter of credit was submitted to the U.S. Department of Education and a complete application was provided to ACCET. The institution was also required to provide ACCET with a teach-out plan consistent with ACCET Document 32 – Teach-Out/Closure Policy in the event of a subsequent closure.

In the required Interim Report (dated September 15, 2020), the institution failed to provide documented evidence that TEP had secured the letter of credit (\$6,513,134) required by the U.S. Department of Education. Additionally, TEP reported that it failed to obtain a line of credit or a bridge loan to cover operating costs at TEP campuses. Rather, TEP indicated that a \$10 million line of credit would be secured

by September 22, 2020, or, in the absence of a line of credit, a bridge loan would be obtained for operating expenses. Similarly, TEP stated that *“the funds required to back the letter of credit (LOC) will be supplied to Liberty Bank within the next two to three weeks, and we hope to have the LOC posted to the Department shortly thereafter.”*

It is noted for the record that the Chief Executive Officer of TEP previously provided assurance of a quick resolution of the letter of credit and Title IV eligibility issues. In an August 1, 2020 email, the CEO informed ACCET that: *“We hope that this email and the attached documentation demonstrates that we have been in regulation communication with the Department and are on track to resolve the present issue [of the required letter of credit] by mid-month [mid-August 2020].”* Repeatedly, projected deadlines passed without TEP obtaining the letter of credit and operating funds required to sustain the institutions it acquired on June 26, 2020.

Beginning on September 27, 2020, ACCET received complaints from an employee and landlord regarding the failure of TEP to make payroll and pay rent at some or all of its nine campuses, including those of Branford Hall Career Institute. On September 28, 2020, ACCET requested an immediate response to a serious and urgent anonymous complaint (# 1628) filed against TEP alleging that: (1) campuses were ordered by TEP to temporarily close, (2) payroll payments owed to faculty and staff were delayed in August and unpaid in September 2020, and (3) rent for campus facilities was not paid and eviction notices were received at some campuses. Subsequently, TEC senior staff confirmed that some campuses owned by TEP were notified on September 25, 2020 of an unscheduled two-week break, temporary campus closures, and furloughs of employees, including instructional staff, effective September 28 – October 12, 2020. Due to the urgency of this matter, TEP was directed (by September 29, 2020) to submit to ACCET a written response to address the complaint allegations, in accordance with ACCET Document 49 – Policy for Processing Complaints Against ACCET Accredited Institutions, and to provide official notice of the status of TEP institutions.

Although a response was provided by TEP on September 29, 2020, it failed to provide the requested documented evidence of the financial capacity and viability of TEP institutions, including Branford Hall Career Institute. TEP acknowledged that, while it remains “hopeful” that money will be transferred by October 2, 2020, funding had yet to be obtained for the letter of credit or operating expenses required for TEP campuses. In the meantime, TEP acknowledged that it owes employees for wages for September 2020 and landlords almost \$750,000 for back rent. Additionally, TEP acknowledged that it notified at least three of its nine campuses on September 25, 2020 of a two-week break and furlough of instructors, effective September 28, 2020 – October 12, 2020, including the Amityville campus of Branford Hall Career Institute

Therefore, the institution is again directed to submit an Interim Report to include:

- A narrative update on: (a) the failure of the institution to submit a materially complete application for a change of ownership to the U.S. Department of Education, including the status of the required letter of credit and (b) efforts by the institution to reinstate its eligibility to participate in Title IV programs, including the submission of the required 25% letter of credit. The institution must provide documented evidence that the required letter of credit was submitted to the U.S. Department of Education and a complete application was provided to ACCET. The institution is also required to provide ACCET with an updated teach-out plan consistent with ACCET Document 32 – Teach-Out/Closure Policy in the event of a subsequent closure.

- Copies of clear written notice(s) to students, employees, and the public of the show cause status of the institution and documented evidence of the dissemination of the notice(s) to students, employees, and the public.
- Documented evidence that the institution is meeting ACCET Standards for Accreditation, including Standard II-A Governance and III-A Financial Responsibility that require “*compliance with statutory, regulatory, and accreditation requirements*” and “*responsible financial management with resources sufficient to provide quality education, training, and student services and to complete the instruction of all enrolled students,*” respectively. The written response must include:
 1. Documented evidence from the financial institution(s) of receipt of the bridge loan, line of credit, and/or wire transfer of funds to the financial account(s) of TEP to support the operation of its ACCET-accredited institutions, including any financial transfers made by or on behalf of Dr. Annie Ma and others to TEP. The documentation must clearly identify the amount of each such financial transaction, and the date each transaction was initiated and received. If applicable, the documentation must also include the approval date of and any required signatures for these transactions.
 2. Documented evidence that TEP has paid any outstanding monies owed to operate ACCET-accredited institutions, including Branford Hall Career Institute, to include:
 - a. Current and back wages owed all faculty and staff for the period of September 1 – September 30, 2020.
 - i. Detailed documentation, by ACCET institution and by employee, of wages either paid or unpaid during this period, including payment due dates and actual date(s) paid, including details of any partial payments.
 - ii. Current payroll obligations, by ACCET institution and by employee, of current wages due, and when scheduled to be paid.
 - iii. Details of any financial obligations to contractual staff or faculty, if any, by ACCET institution and by contracted staff, for back pay and current obligations, in the same manner as above.
 - b. A detailed ledger of rent or lease payments for each ACCET accredited main and branch campus for the period July 1 – September 30, 2020, to include:
 - i. Details of any rent/lease payments paid for the period specified above, including \$365,605 reported owed for Branford Hall Career Institute.
 - ii. Details of any rent/lease payments unpaid from a prior fiscal period.
 - iii. Due date and amount of rent/lease payments for each main and branch campus.
 - iv. A listing of any past due rent/lease payments through September 30, 2020.
 - v. A listing of rent/lease payments due October 1 - 15, 2020, and date scheduled to be paid.
 3. Written notice provided to (1) employees, (2) students, and (3) each state licensing body, regarding the operational status of the ACCET-accredited institutions, to include:
 - a. Suspension of classes, temporary or otherwise, due to COVID.
 - b. Suspension of classes, temporary or otherwise, due to financial issues.
 - c. Resumption of previously suspended classes, temporary or otherwise.

A copy of this report, including the **attached interim report cover sheet**, must be emailed to interimreports@accet.org for receipt at the ACCET office no later than **October 6, 2020**.

Trigram Education Partners LLC

September 29, 2020

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The institution is advised that continued failure to demonstrate compliance with ACCET Standards for Accreditation, including Standards II-A Governance and II-A Financial Stability may subsequently result in the withdrawal of accreditation for ACCET-accredited institutions owned by TEP, including Branford Hall Career Institute, and the denial of final approval of the change of ownership by the Commission. The institution is also advised to regularly keep ACCET apprised of the status of the institution's change of ownership application and Title IV eligibility by providing ACCET copies of correspondence between the institution and the U.S. Department of Education.

During the term of the show cause directive, no requests for substantive changes or applications for additional locations or programs will be considered by the institution. In the interest of transparency, the institutional directory on the ACCET website will identify those institutions issued an institutional show cause directive and provide access to a copy of the show cause letters.

As a reminder, please be advised that late submission and receipt of documents and reports are subject to significant late fees in accordance with Commission policy. These fees are outlined in ACCET Document 10, which can be found at www.accet.org.

Should you have any questions or need further assistance regarding this letter, please contact the ACCET office at your earliest opportunity.

Sincerely,



Judy Hendrickson
Interim Executive Director

JHH

Enclosure: Interim Report Cover Sheet

cc: Mr. Herman Bounds, Chief, Accreditation Division, USED (aslrecordsmanager@ed.gov)
Ms. Charity Helton, Specialist, USED (charity.helton@ed.gov)
Mr. Ron Bennett, Director, School Eligibility Services Group, USED, (ron.bennett@ed.gov)
Mr. Michael Frola, ACD - Multi-Regional (michael.frola@ed.gov)
Mr. Bryan Mitchell, Director Academic Affairs, CT Department of Higher Education, (bmitchell@ctohe.org)
Ms. Lisa Stiles-Roy, Supervisor of Educational Programs, NYSED Bureau of Proprietary School Supervision, (lisa.stiles-roy@nysed.gov)
Ms. April Lupinacci, Vice President of Compliance and Licensure, Trigram Education Partners alupinacci@trigramschools.com