



September 6, 2024

VIA EMAIL
info@calcamerica.edu

Zhaomin Wei
Owner
Cal America Education Institute
1126 N. Brookhurst St, Suite 200A
Anaheim, CA 92801

***Re: Application for a Change of Ownership and/or Control Reviewed
Institutional Show Cause Issued
Interim Report Required
ACCET ID #1378***

Dear Zhaomin Wei:

At its August 2024 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) reviewed the institution's application for a change of ownership with a change of control, submitted on July 10, 2024, which was referred to the Commission by ACCET staff following its review of the documentation provided by the institution. It is noted that the application was submitted following a query from ACCET staff, dated July 3, 2024, resulting from a preliminary review of the institution's annual financial statements, during which staff identified that the signatory, Zhaomin Wei, was not the owner of record for ACCET. In its reply to the query, dated July 3, 2024, the institution indicated that it was preparing an application for change of ownership "to confirm Zhaomin Wei as part of the ownership team." Upon review of the application, staff noted that the new owner had made three payments in the amounts noted as follows: \$20,000 (August 19, 2022), \$230,000 (September 30, 2023), and \$50,000 (June 30, 2024).

Per the Stock Purchase Agreement (signed on June 30, 2024), the seller was no longer financially liable or liable for tax purposes as of August 19, 2022, the date when the first payment was made. The purchase agreement does not explicitly indicate that the new owner assumed control on June 30, 2024. With payments made in 2022 and 2023 totaling \$250,000 (83.33% of the purchase price), ACCET determined that a **change of ownership with a change of control** had occurred **effective September 30, 2023**, with the payment of \$230,000.00. As a result, the institution's application for change of ownership was referred to the Accrediting Commission for its consideration.

Upon its review, the Commission voted to issue a show cause directive, requiring the institution to provide a compelling rationale showing cause as to why its accreditation should not be withdrawn. The Commission's action was based upon the institution's apparent failure to submit the required application for a change of ownership and control within ten days following the change, in this case, ten days following the September 30, 2023 payment, and the lack of documentation in the record showing that the new owner, Zhaomin Wei, was in charge of the institution's operations devoting 100% of her time to the institution, as noted in section 2 of the application for a change of ownership/control, before and after the June 30, 2024 date of the application. It is noted that, per ACCET Document 22 – Policy on Change of Ownership and/or Control, upon a change, "ACCET accreditation automatically ceases under the prior ownership and transfer of the institution's accredited status awaits receipt, review, and approval of an application for a change of ownership and/or control." Further, the institution states that Zhaomin

Wei was managing the institution, yet she does not appear on any organizational charts in the institution's 2022 application for accreditation or Analytic Self-Evaluation Report, or the 2023 on-site evaluation visit team report, despite being noted as the Chief Financial Officer in the change of ownership application. The 2023 team report does not note her as an officer or employee of the institution at all. Finally, the institution's Document 12b – Annual Report and Enrollment Statistics indicated a total of 18 enrollments in 2023, up from the three students noted in the team report from the beginning of 2023. Finally, while enrollment has increased since the institution's temporary closure under permitted COVID flexibilities, the Commission continues to express its concern that the institution can meet the requirement of continuous enrollment, especially under the new ownership.

Therefore, the institution is directed to submit an interim report for Commission review at the December 2024 meeting to include:

- **A detailed narrative explanation of the stock purchase agreement, addressing why the institution waited until July 10, 2024 to submit a change of ownership application.**
- **A narrative explanation as to why the institution did not inform the visiting team in February 2023 that Zhaomin Wei was an owner of the company and why she was not included in any documents submitted to ACCET prior to the institution's 2024 Annual Financial Report, why she did not sign the previous year's Annual Financial Report, and why she did not participate in the on-site visit conducted in February 2023, despite the institution indicating in an email sent July 3, 2024 that *"Zhaomin Wei is authorized to sign the financial reports on behalf of Cal America Education Institute and has been part of our school since 2022."***
- **Proof of employment for Zhaomin Wei, including a copy of her signed ACCET Document 6 – Faculty/Administrative Personnel Form and any other pertinent documents or payroll records.**
- **A narrative update on the institution's enrollment numbers to include a narrative description of how the institution continues to meet the eligibility criteria per ACCET Document 1 – The Accreditation Process relative to "continuous operation," to include documented evidence of continuous, ongoing, and successful operation of the institution in the delivery of education and/or training programs. Supporting documentation should include, but is not limited to, completed enrollment agreements, class rosters, attendance records, SEVIS lists and other relevant documents that substantiate continuous operation.**

Further, as a result of the Show Cause directive, the institution is required to provide the following:

- **A teach-out plan in accordance with ACCET Document 32 – Teach-out/Closure Policy, in the event of the institution's closure, and as required following the issuance of a Show Cause directive as described in ACCET Document 11 – The Policies of the Practices of the Accrediting Commission.**
- **Notification to all current and prospective students of the show cause action within seven days of receipt of this letter in accordance with ACCET Document 11 – Policies and Practices**

of the Accrediting Commission. Evidence of notification must be submitted to the ACCET Interim Report upload link noted below no later than September 13, 2024.

The institution's response, including the attached **interim report cover sheet**, must be uploaded (link provided below) no later than **October 31, 2024**, for the institution's report to be considered further at the Commission's December 2024 meeting. Please see the attached submission instructions.

ACCET Interim Report upload link: <https://www.dropbox.com/request/owwNFFSirPC8ai6OKh25>

The institution is reminded 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 – Fee Schedule, which can be found at www.accet.org.

In accordance with Commission policy, no substantive changes, including, but not limited to, new programs or major program revisions, new branch campuses or other new sites, and/or relocation out of the general market area, will be permitted while on a show cause directive.

The appropriate state and federal education officials will be notified of this action by copy of this letter. The institution is advised to visit the ACCET website at www.accet.org for timely updates and for downloading the most current information, policy documents, and forms.

The institution's application for change of ownership with a change of control will be processed in the normal course. Should you have any questions or need further assistance, please contact the ACCET office at info@accet.org or 202-955-1113.

Sincerely,



Res Helfer
Executive Director

RH/sef

Attachments: Interim Report Submission Instructions
Interim Report Cover Sheet

cc: Mr. Herman Bounds, Chief, Accreditation Division, US ED (aslrecordsmanager@ed.gov)
Ms. Charity Helton, Specialist, Accreditation Division, US ED (charity.helton@ed.gov)
Mr. James Hicks, Deputy Director of External Services, SEVP (james.d.hicks@ice.dhs.gov)
Ms. Katherine Westerlund, Certification Chief, SEVP (Katherine.H.Westerlund@ice.dhs.gov)
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