

**2016 CAPPS ANNUAL CONFERENCE
PASADENA, CA**

Moderator

Peter Leyton, Ritzert & Leyton, P.C.

Panelists

**Matthew Johnston, President, Santa Barbara
Business College,**

David Vice, President, Asher College

Gary Yasuda, President, Milan College



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- **The Views Expressed In This Presentation Are Those Of The Speakers Only.**
- **The Contents Of This Presentation Do Not Constitute Legal Or Regulatory Advice. No One Should Act Or Refrain From Acting On The Basis Of This Presentation Without Seeking Individualized, Professional Counsel As Appropriate.**

CURRENT DEVELOPMENTS

- **Aggressive enforcement by ED**
 - Denial of Recognition to ACICS
 - ITT Closure and Bankruptcy
 - FSA Enforcement Unit and Compliance Assessments
 - Denial of Recertifications
 - Letter of Credit Requests
 - Program Reviews
 - Lengthy Delays in Processing Changes and Recertifications
 - Borrower Defense to Repayment
 - State Authorization
- **Heightened Scrutiny by Accreditors and State Agencies**
 - Flood of Applications to Accreditors by ACICS schools
- **Numerous School Closings**
 - Abrupt ITT closing
 - Abrupt Regency Beauty Institute closing
 - Other Closings
- **Coordinated and targeted scrutiny by Inter-Agency Task Force, CFPB, FTC, VA, and State AGs**
- **False Claims Act and qui tam suits**
- **Constant negative publicity and media barrage**
 - Senators Elizabeth Warren (Ma.) and Dick Durbin (Ill.)
 - National Press
 - Local Press

WHO ARE THE PLAYERS?

- ED - Student Aid Enforcement Unit and Case Teams
- ED Office of Inspector General
- Federal Trade Commission
- Consumer Financial Protection Bureau
- Veterans Administration
- Department of Defense
- Department of Justice/U.S. Attorneys Office
- State Attorney Generals
- State Licensing Agencies
- City Attorney Generals/Consumer Protection
- Consumer Groups
- Student Action
- Legislation
- Media
- Interagency Task Force (ED, CFPB, SEC, FTC, IRS, VA, DOD, Treasury, Labor, and DOJ)
- Accrediting Agencies

CURRENT REGULATORY ISSUES

- **Accreditation**
- **Gainful Employment**
 - Tuition
 - Debt
- **Borrower Defense to Repayment**
 - Misrepresentation
 - Discharges
 - Letters of Credit
- **State Authorization**
 - Online
- **Placements**
 - Verification
 - Medtech
 - Third Party Servicing

OPERATIONAL CHALLENGES

- 90/10
- Default Rates
- Gainful Employment (access, affordability & achievement)
- Borrower Defenses to Repayment
- Accreditation
- Enrollment ↑↓
- Turnover of Staff
- School Closings/Teach Outs
- Managing Outcomes

UPCOMING

- November elections with student debt and for-profit schools as Presidential campaign issues and the future of the sector impacted
- Comprehensive HEA Reauthorization next Congress
 - “Skin in the game”
 - Possible change to 90/10 calculation

WHERE SHOULD THE FOCUS BE?

- How and Where to Manage Resources and Ensure Compliance
- Managing Access, Affordability and Achievement
- Seeking New Opportunities
- Careful Selection of Offerings including dropping and adding programs
- Improving Image with Public
- Staying Positive

PANELIST Q&A

PETER LEYTON



Peter is co-founder of the Washington, D.C. area law firm of Ritzert & Leyton, P.C. and head of the firm's education practice group. Since 1980, Peter has represented many institutions of higher education, publicly traded companies, private investment groups and others with respect to resolving regulatory/compliance matters as well as with respect to achieving desired transactional results through mergers, acquisitions and reorganizations. The firm has eight attorneys involved in work involving the postsecondary education sector and is regularly involved with the U.S. Department of Education (DOE), national, regional and programmatic accrediting agencies, state licensing and other regulatory agencies and other third parties. Peter has served three two-year terms on the Association of Private Sector Colleges and Universities and predecessor board of directors. He received his law degree from Catholic University School of Law in 1980, a master's degree in public administration from American University in 1974, and a bachelor's degree in political science from Antioch College in 1971.

Ritzert & Leyton, P.C., 11350 Random Hills Road, Suite 400, Fairfax, Virginia 22030; pleyton@ritzert-leyton.com; (703) 934-2660