

1 XAVIER BECERRA  
Attorney General of California  
2 JOSHUA A. ROOM  
Supervising Deputy Attorney General  
3 AMBER N. WIPFLER  
Deputy Attorney General  
4 State Bar No. 238484  
455 Golden Gate Avenue, Suite 11000  
5 San Francisco, CA 94102-7004  
Telephone: (415) 510-3550  
6 Facsimile: (415) 703-5480  
E-mail: Amber.Wipfler@doj.ca.gov  
7 *Attorneys for Complainant*

8 **BEFORE THE**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
9 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**  
**STATE OF CALIFORNIA**  
10

11 In the Matter of the Accusation Against:

12 **SILICON VALLEY UNIVERSITY**  
13 **2010 Fortune Drive**  
14 **San Jose, CA 95131**

15 **Accredited Institution Approval to Operate**  
**No. 4306571**

16 Respondent.

Case No. 1000650

OAH No. 2018020561

**FIRST AMENDED ACCUSATION**

17  
18 Complainant alleges:

19 PARTIES

20 1. Dr. Michael Marion, Jr. (Complainant) brings this First Amended Accusation solely  
21 in his official capacity as the Chief of the Bureau for Private Postsecondary Education,  
22 Department of Consumer Affairs.

23 2. On or about March 12, 1999, the Bureau for Private Postsecondary Education granted  
24 an Accredited Institution Approval to Operate to Silicon Valley University (Respondent). The  
25 Accredited Institution Approval to Operate was in full force and effect at all times relevant to the  
26 charges brought herein, with the exception of the first cause for discipline (failure to maintain  
27 accreditation.) The Accredited Institution Approval to Operate expired effective December 7,  
28

1 2017. Before it expired, Respondent's Accredited Institution Approval to Operate permitted it to  
2 teach the following programs:

- 3 - Bachelor of Business Administration and Management
- 4 - Bachelor of Computer Engineering
- 5 - Bachelor of Computer Science
- 6 - Doctor of Computer Engineering
- 7 - Master of Business Administration
- 8 - Master of Computer Engineering
- 9 - Master of Computer Science
- 10 - English as a Second Language

#### 11 JURISDICTION

12 3. This Accusation is brought before the Director of the Department of Consumer  
13 Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the  
14 following laws. All section references are to the Education Code unless otherwise indicated.

15 4. Section 118, subdivision (b), of the Business and Professions Code provides that the  
16 expiration of a license shall not deprive the Director of jurisdiction to proceed with a disciplinary  
17 action during the period within which the license may be renewed, restored, reissued or  
18 reinstated.

#### 19 STATUTORY & REGULATORY PROVISIONS

20 5. Section 94937, subdivision (a) of the Code states:

21 "(a) As a consequence of an investigation, which may incorporate any materials obtained or  
22 produced in connection with a compliance inspection, and upon a finding that an institution has  
23 committed a violation, the bureau may place an institution on probation or may suspend or revoke  
24 an institution's approval to operate for:

25 "(1) Obtaining an approval to operate by fraud.

26 "(2) A material violation or repeated violations of this chapter or regulations adopted  
27 pursuant to this chapter that have resulted in harm to students. For purposes of this paragraph,  
28 "material violation" includes, but is not limited to, misrepresentation, fraud in the inducement of a

1 contract, and false or misleading claims or advertising, upon which a student reasonably relied in  
2 executing an enrollment agreement and that resulted in harm to the student.”

3 6. Section 94885, subdivision (b) of the Code states:

4 “Except as provided in Section 94885.1, an institution offering a degree must satisfy one of  
5 the following requirements:

6 “(1) Accreditation by an accrediting agency recognized by the United States Department of  
7 Education, with the scope of that accreditation covering the offering of at least one degree  
8 program by the institution.

9 “(2) An accreditation plan, approved by the bureau, for the institution to become fully  
10 accredited within five years of the bureau’s issuance of a provisional approval to operate to the  
11 institution. The provisional approval to operate to an unaccredited degree-offering institution  
12 shall be in compliance with Section 94885.5.”

13 7. Section 94890 of the Code states:

14 “(a)(1) The bureau shall grant an institution that is accredited an approval to operate by  
15 means of its accreditation.

16 ...

17 “(b) The term of approval to operate pursuant to this section shall be coterminous with the  
18 term of accreditation. Upon renewal of the institution’s accreditation, the institution shall submit  
19 verification to the bureau, on a form provided by the bureau, that the institution’s accreditation  
20 has been renewed.”

21 8. Section 94900 of the Code states:

22 “(a) An institution shall maintain records of the name, address, e-mail address, and  
23 telephone number of each student who is enrolled in an educational program in that institution.

24 “(b) An institution shall maintain, for each student granted a degree or certificate by that  
25 institution, permanent records of all of the following:

26 “(1) The degree or certificate granted and the date on which that degree or certificate was  
27 granted.

28 “(2) The courses and units on which the certificate or degree was based.



1           “(c) A student shall receive a copy of the signed enrollment agreement, in writing or  
2 electronically, regardless of whether total charges are paid by the student.”

3           12. California Code of Regulations, title 5, section 75100, subdivision (a) states, in part:

4           “The Bureau may suspend, revoke or place on probation with terms and conditions an  
5 approval to operate.”

6           13. California Code of Regulations, title 5, section 71710 states:

7           In order to meet its mission and objectives, the educational program defined in section  
8 94837 of the Code shall be comprised of a curriculum that includes:

9           “(a) those subject areas that are necessary for a student to achieve the educational objectives  
10 of the educational program in which the student is enrolled;

11           “(b) subject areas and courses or modules that are presented in a logically organized manner  
12 or sequence to students;

13           “(c) course or module materials that are designed or organized by duly qualified faculty.  
14 For each course or module, each student shall be provided with a syllabus or course outline that  
15 contains:

16           “(1) a short, descriptive title of the educational program;

17           “(2) a statement of educational objectives;

18           “(3) length of the educational program;

19           “(4) sequence and frequency of lessons or class sessions;

20           “(5) complete citations of textbooks and other required written materials;

21           “(6) sequential and detailed outline of subject matter to be addressed or a list of skills to be  
22 learned and how those skills are to be measured;

23           “(7) instructional mode or methods.

24           “(d) if degree granting, require research of an appropriate degree that utilizes a library and  
25 other learning resources;

26           “(e) specific learning outcomes tied to the sequence of the presentation of the material to  
27 measure the students' learning of the material; and

28           “(f) evaluation by duly qualified faculty of those learning outcomes.”

1 14. California Code of Regulations, title 5, section 71715 states, in part:

2 “(a) Instruction shall be the central focus of the resources and services of the institution.

3 “(b) The institution shall document that the instruction offered leads to the achievement of  
4 the learning objectives of each course.

5 “(c) Direct instruction requires the physical presence of one or more students and one or  
6 more faculty members at the same location. Direct instruction includes instruction presented in a  
7 classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning  
8 settings consistent with the mission, purposes, and objectives of the institution.

9 ...”

10 15. California Code of Regulations, title 5, section 71770 states:

11 “(a) The institution shall establish specific written standards for student admissions for each  
12 educational program. These standards shall be related to the particular educational program. An  
13 institution shall not admit any student who is obviously unqualified or who does not appear to  
14 have a reasonable prospect of completing the program. In addition to any specific standards for an  
15 educational program, the admissions standards must specify as applicable that:

16 “(1) Each student admitted to an undergraduate degree program, or a diploma program,  
17 shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the  
18 relevant examination as required by section 94904 of the Code.

19 “(2) Each student admitted into a post-baccalaureate degree program shall possess a  
20 bachelor's degree or its equivalent. If a graduate program leads to a profession or an occupation  
21 requiring state licensure and the licensing agency does not require that a member of the  
22 profession or occupation possess a Bachelor's degree or its equivalent, this subdivision does not  
23 apply.

24 “(b) The institution shall specify the maximum credit it will transfer from another  
25 institution for each educational program, and the basis upon which the transferred credit will be  
26 awarded.

27 ///

28 ///

1           “(1) Except as limited by subdivision (c) of this section, a maximum of 75 percent of the  
2 units or credit that may be applied toward the award of a bachelor's degree may be derived from a  
3 combination of any or both of the following:

4           “(A) Units earned at institutions approved by the Bureau, public or private institutions of  
5 higher learning accredited by an accrediting association recognized by the U. S. Department of  
6 Education, or any institution of higher learning, including foreign institutions, if the institution  
7 offering the undergraduate program documents that the institution of higher learning at which the  
8 units were earned offers degree programs equivalent to degree programs approved by the Bureau  
9 or accredited by an accrediting association recognized by the U.S. Department of Education;

10           “(B) Challenge examinations and standardized tests such as the College Level Placement  
11 Tests (CLEP) for specific academic disciplines.

12           “(2) No more than 20% of graduate semester units or the equivalent in other units awarded  
13 by another institution may be transferred for credit toward a Master's degree. An institution may  
14 accept transfer credits only from the institutions of higher learning described in subsection (1)(A).

15           “(3) No more than 30 graduate semester credits or its equivalent awarded by another  
16 institution may be credited toward a doctoral degree. This subdivision does not apply to graduate  
17 programs that lead to a profession or an occupation requiring state licensure where the licensing  
18 agency has a regulation permitting a different standard.

19           “(c) If credit for prior experiential learning is to be granted, the policy for granting such  
20 credit shall be included in the institution's catalog.

21           “(1) An institution may grant credit to a student for prior experiential learning only if:

22           “(A) The prior learning is equivalent to a college or university level of learning;

23           “(B) The learning experience demonstrates a balance between theory and practice and;

24           “(C) The credit awarded for the prior learning experience directly relates to the student's  
25 degree program and is applied in satisfaction of some of the degree requirements.

26           “(2) Each college or university level learning experience for which credit is sought shall be  
27 documented by the student in writing.

28       ///

1           “(3) Each college or university level learning experience shall be evaluated by faculty  
2 qualified in that specific subject area who shall ascertain (1) to what college or university level  
3 learning the student's prior experience is equivalent and (2) how many credits toward a degree  
4 may be granted for that experience.

5           “(4) The faculty evaluating the prior learning shall prepare a written report indicating all of  
6 the following:

7           “(A) The documents in the student's record on which the faculty member relied in  
8 determining the nature of the student's prior experience;

9           “(B) The bases for determining that the prior experience (i) is equivalent to college or  
10 university level learning and (ii) demonstrates a balance between theory and practice; and

11           “(C) The bases for determining (i) to what college or university level the experience is  
12 equivalent and (ii) the proper number of credits to be awarded toward the degree for that  
13 experience.

14           “(5)(A) The institution shall designate at least one administrator to be responsible for the  
15 review of faculty determinations regarding the award of credit for prior experiential learning.

16           “(B) The administrator shall document the institution's periodic review of faculty  
17 evaluations to assure that the faculty written evaluations and awards of credit comply with this  
18 section and the institution's policies and are consistent.

19           “(6) The amount of credit awarded for prior experiential learning shall not be related to the  
20 amount charged the student for the assessment process.

21           “(7)(A) Of the first 60 semester credits awarded a student in an undergraduate program, no  
22 more than 15 semester credits may be awarded for prior experiential learning.

23           “(B) Of the second 60 semester units (i.e., credits 61 to 120) awarded a student in an  
24 undergraduate program, no more than 15 semester credits may be awarded for prior experiential  
25 learning.

26           “(C) Of the first 30 semester credits awarded a student in a graduate program, no more than  
27 6 semester credits may be awarded for prior experiential learning.

28



1           “(D) Of the second 30 semester credits (i.e., credits 31 to 60) awarded a student in a  
2 graduate program, no more than 3 semester credits may be awarded for prior experiential  
3 learning.

4           “(E) No credit for experiential learning may be awarded after a student has obtained 60  
5 semester credits in a graduate program.”

6           16. California Code of Regulations, title 5, section 71810 states, in part:

7           “(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which  
8 shall be updated annually. Annual updates may be made by the use of supplements or inserts  
9 accompanying the catalog. If changes in educational programs, educational services, procedures,  
10 or policies required to be included in the catalog by statute or regulation are implemented before  
11 the issuance of the annually updated catalog, those changes shall be reflected at the time they are  
12 made in supplements or inserts accompanying the catalog.

13           “(b) The catalog shall contain the information prescribed by Section 94909 of the Code and  
14 all of the following:

15                                       ...

16           “(10) A description of library and other learning resources and the procedures for student  
17 access to those resources;

18                                       ...”

19           17. California Code of Regulations, title 5, section 71920 states, in part:

20           “(a) The institution shall maintain a file for each student who enrolls in the institution  
21 whether or not the student completes the educational service.

22           “(b) In addition to the requirements of section 94900, the file shall contain all of the  
23 following pertinent student records:

24           “(1) Written records and transcripts of any formal education or training, testing, or  
25 experience that are relevant to the student's qualifications for admission to the institution or the  
26 institution's award of credit or acceptance of transfer credits including the following:

27           ///

28           ///

1 “(A) Verification of high school completion or equivalency or other documentation  
2 establishing the student's ability to do college level work, such as successful completion of an  
3 ability-to-benefit test;

4 ...

5 “(3) Copies of all documents signed by the student, including contracts, instruments of  
6 indebtedness, and documents relating to financial aid;

7 “(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution,  
8 leaves of absence, and graduation; and

9 “(5) In addition to the requirements of section 94900(b) of the Code, a transcript showing  
10 all of the following:

11 “(A) The courses or other educational programs that were completed, or were attempted but  
12 not completed, and the dates of completion or withdrawal;

13 ...

14 (E) The name, address, website address, and telephone number of the institution.

15 ...

16 “(8) A copy of documents relating to student financial aid that are required to be maintained  
17 by law or by a loan guarantee agency;

18 “(9) A document showing the total amount of money received from or on behalf of the  
19 student and the date or dates on which the money was received;

20 ...”

21 18. California Code of Regulations, title 5, section 71930 states:

22 “(a) An institution shall maintain all records required by the Act and this chapter. The  
23 records shall be maintained in this state.

24 “(b)(1) In addition to permanently retaining a transcript as required by section 94900(b) of  
25 the Code, the institution shall maintain for a period of 5 years the pertinent student records  
26 described in Section 71920 from the student's date of completion or withdrawal.

27 ...”

28 19. California Code of Regulations, title 5, section 74190 states:

1           “Each institution shall maintain the name, physical address, telephone number, and e-mail  
2 address for the agent for service of process in California as required by 94943.5 of the Code. The  
3 agent shall be at an address other than the address of the institution or any branch. The agent must  
4 confirm the information and acknowledge in writing that he or she is the designated agent for  
5 service of process. The institution shall inform the Bureau in writing of any change in the  
6 information for the agent for service of process, signed by the agent, within 7 days. Until the  
7 Bureau actually receives written notice of any change in the agent's name and/or address, service  
8 on the prior agent shall be valid. This information is considered public information.”

9           20. California Code of Regulations, title 5, section 76000 states, in part:

10           “For purposes of this chapter, the following definitions apply:

11   ... .

12           “(g) “Qualifying institution” is an approved institution that is subject to the provisions of  
13 Article 14, commencing with section 94923 of the Code, including out-of-state institutions  
14 registered with the Bureau pursuant to section 94801.5 of the Code.

15   ...”

16           21. California Code of Regulations, title 5, section 76120 states, in part:

17           “(a) Each qualifying institution shall collect an assessment of zero dollars (\$0) per one  
18 thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars, from  
19 each student in an educational program who is a California resident or is enrolled in a residency  
20 program. For institutional charges of one thousand dollars (\$1,000) or less, the assessment is zero  
21 dollars (\$0).

22   ...”

23           22. California Code of Regulations, title 5, section 76130 states, in part:

24           “(a)(1) A qualifying institution shall collect the assessment from each student in an  
25 educational program at the time it collects the first payment from or on behalf of the student at or  
26 after enrollment. The assessment shall be collected for the entire period of enrollment, regardless  
27 of whether the student pays the institutional charges in increments.

1 “(2) The assessment to be collected from a re-enrolling student shall be limited to any  
2 amount that is due after crediting any prior assessment amount paid by the student. The  
3 enrollment agreement shall clearly identify any prior STRF assessment paid by the student.

4 ...”

#### 5 COST RECOVERY

6 23. Business and Professions Code section 125.3 provides, in pertinent part, that the  
7 Board may request the administrative law judge to direct a licentiate found to have committed a  
8 violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the  
9 investigation and enforcement of the case, with failure of the licentiate to comply subjecting the  
10 license to not being renewed or reinstated. If a case settles, recovery of investigation and  
11 enforcement costs may be included in a stipulated settlement.

12 23. Section 94937, subdivision (c) of the Code provides that the Bureau may seek  
13 reimbursement pursuant to section 125.3 of the Business and Professions Code.

#### 14 FIRST CAUSE FOR DISCIPLINE 15 (Accreditation)

(Ed. Code, §§ 94885, subd. (b)(1), 94890, subd. (b))

16 24. Respondent has subjected its approval to operate to disciplinary action for failing to  
17 maintain accreditation from an accrediting agency recognized by the United States Department of  
18 Education. (Ed. Code, § 94885, subd. (b)(1).) In particular:

19 a. On or about December 7, 2017, the Accrediting Council for Independent Colleges  
20 and Schools revoked Respondent’s accreditation.

21 b. Despite its loss of accreditation, Respondent continued to operate until on or about  
22 April 10, 2018.

#### 23 SECOND CAUSE FOR DISCIPLINE 24 (Required Institutional Records) (Ed. Code, § 94900.5, subd. (c))

25 25. Respondent has subjected its approval to operate to disciplinary action for failing to  
26 maintain accurate records. (Ed. Code, § 94900.5, subd. (c).) In particular:

- 1 a. Respondent failed to maintain accurate records related to information contained on  
2 School Performance Fact Sheets (SPFS) supporting data and Student Tuition Recovery  
3 Fund (STRF) Assessment reporting forms.  
4 b. Respondent failed to maintain complete student files.  
5 c. Respondent submitted inaccurate 2016 STRF Assessment Reporting forms, in that it  
6 submitted forms indicating that 11,423 students had signed Enrollment Agreements in  
7 2016, when in fact, only 766 students had signed Enrollment Agreements in 2016,  
8 according to supporting data provided by Respondent.

9 THIRD CAUSE FOR DISCIPLINE  
10 (Requirements for Recruiters)  
(Ed. Code, § 94901, subd. (a))

- 11 26. Respondent has subjected its approval to operate to disciplinary action for hiring  
12 recruiters who were not employed by Respondent. (Ed. Code, § 94901, subd. (a).) In particular:  
13 a. Respondent used recruiters who were employed by a company located in Taiwan and  
14 not employed by Respondent.

15 FOURTH CAUSE FOR DISCIPLINE  
16 (General Enrollment Requirements)  
(Ed. Code, § 94902, subd. (a))

- 17 27. Respondent has subjected its approval to operate to disciplinary action for failing to  
18 properly execute an Enrollment Agreement. (Ed. Code, § 94902, subd. (a).) In particular:  
19 a. Respondent enrolled student V.P.<sup>1</sup> without executing an Enrollment Agreement signed  
20 by its authorized representative.

21 FIFTH CAUSE FOR DISCIPLINE  
22 (Educational Program)  
(Cal. Code Regs., tit. 5, § 71710, subd. (b))

- 23 28. Respondent has subjected its approval to operate to disciplinary action for failing to  
24 comprise a curriculum that includes subject areas and courses or modules that are presented in a  
25 logically organized manner or sequence to students. (Cal. Code Regs., tit. 5, § 71710, subd. (b).)  
26 In particular:

27 \_\_\_\_\_  
28 <sup>1</sup> Student initials are used herein to protect student privacy. Student names will be  
provided pursuant to a discovery request.

1 a. Respondent's Program Objectives and Curriculum for its Masters in Science in  
2 Computer Science (MSCS) Program listed 36 credit hours total. Of the 36 credit hours,  
3 18 credits were for Science Graduate Core courses, and 18 were for elective courses.  
4 None of the electives were listed for the Program Objectives and Curriculum, and  
5 Respondent therefore did not demonstrate that the program and its subject areas and  
6 courses were presented in a logically organized manner or sequence.

7 SIXTH CAUSE FOR DISCIPLINE

8 (Educational Program)  
9 (Cal. Code Regs., tit. 5, § 71710, subd. (c)(7))

10 29. Respondent has subjected its approval to operate to disciplinary action for failing to  
11 provide each student with a syllabus or course outline that contains the course's instructional  
12 mode or methods. (Cal. Code Regs., tit. 5, § 71710, subd. (c)(7).) In particular:

13 a. The syllabi for Respondent's MSCS program did not include the program's  
14 instructional mode or method.

15 SEVENTH CAUSE FOR DISCIPLINE

16 (Educational Program)  
17 (Cal. Code Regs., tit. 5, § 71710, subd. (e)-(f))

18 30. Respondent has subjected its approval to operate to disciplinary action for failing to  
19 comprise a curriculum that includes specific learning outcomes tied to the sequence of the  
20 presentation of the material to measure the students' learning of the material, and evaluation by  
21 duly qualified faculty of those learning outcomes. (Cal. Code Regs., tit. 5, § 71710(e)-(f).) In  
22 particular:

23 a. Respondent's "Program Objectives and Curriculum" lacked specific learning outcomes  
24 tied to the sequence of the presentation of the material and how those learning outcomes  
25 would be evaluated by duly qualified faculty.

26 EIGHTH CAUSE FOR DISCIPLINE

27 (Admission Standards)  
28 (Cal. Code Regs., tit. 5, § 71770, subd. (a))

31. Respondent has subjected its approval to operate to disciplinary action for failing to  
establish and/or adhere to specific written standards for student admissions for each educational  
program, and for admitting students who are obviously unqualified or who do not appear to have

1 a reasonable prospect of completing the program. (Cal. Code Regs., tit. 5, § 71770, subd. (a).) In  
2 particular:

- 3 a. Respondent had an admission requirement that all international students must  
4 demonstrate that they are English proficient by taking either a Test of English as a  
5 Foreign Language (TOEFL) or an English placement test. Respondent also had a policy  
6 which permitted students who were not English proficient to enroll in English as a  
7 Second Language (ESL) courses simultaneous to taking coursework related to a degree.  
8 However, Respondent permitted students who were not English proficient to take  
9 degree related coursework taught solely in English, without concurrently taking ESL  
10 classes.

11 NINTH CAUSE FOR DISCIPLINE

12 (Admission Standards and Transferred Credits Policy)  
13 (Cal. Code Regs., tit. 5, § 71770, subd. (b)(2))

14 32. Respondent has subjected its approval to operate to disciplinary action for failing to  
15 comprise a curriculum that limited transfer credits from other institutions to 20% of total degree  
16 credits. (Cal. Code Regs., tit. 5, § 71770, subd. (b)(2).) In particular:

- 17 a. Respondent permitted at least one student to apply nine transfer credits to his MSCS,  
18 which required 36 credits. 20% of 36 credits would have been a maximum of 7.2  
19 credits. Additionally, Respondent's 2017 Catalog listed the transfer credit policy as  
20 permitting the transfer of nine credits for a 36 credit Master's Program, which is in  
21 excess of 20%.

22 TENTH CAUSE FOR DISCIPLINE

23 (Catalog)  
24 (Cal. Code Regs., tit. 5, § 71810, subd. (b)(10))

25 33. Respondent has subjected its approval to operate to disciplinary action for having a  
26 catalog that failed to describe a library and other learning resources, and the procedures for  
27 students to access those resources. (Cal. Code Regs., tit. 5, § 71810 (b)(10).) In particular:

- 28 a. Respondent's 2017 Catalog did not contain the procedures for students to follow in  
order to access the library and other learning resources.

ELEVENTH CAUSE FOR DISCIPLINE

(Student Records)  
(Cal. Code Regs., tit. 5, § 71920, subd. (b)(1)(A))

1  
2 34. Respondent has subjected its approval to operate to disciplinary action for failing to  
3 maintain the following pertinent student records: written records and transcripts of any formal  
4 education or training, testing, or experience that are relevant to the student's qualifications for  
5 admission to the institution or the institution's award of credit or acceptance of transfer credits  
6 including verification of high school completion or equivalency or other documentation  
7 establishing the student's ability to do college level work, such as successful completion of an  
8 ability-to-benefit test. (Cal. Code Regs., tit. 5, § 71920, subd. (b)(1)(A).) In particular:

- 9 a. At least one student file did not contain documentation that the student had met an  
10 English proficiency requirement such as TOEFL or International English Language  
11 Testing System (IELTS) score or English Placement Test.

12 TWELFTH CAUSE FOR DISCIPLINE

(Required Institutional Records)

13 (Ed. Code, § 94900.5, subd. (c); Cal. Code Regs., tit. 5, §§ 71920, subd. (b)(3), 71930, subd. (a)-  
14 (b)(1))

15 35. Respondent has subjected its approval to operate to disciplinary action for failing to  
16 maintain, at its principle place of business for at least five years, student files containing all  
17 documents signed by the student, including contracts, instruments of indebtedness, and  
18 documents related to financial aid. (Ed. Code, § 94900.5, subd. (c); Cal. Code Regs., tit. 5, §§  
19 71920, subd. (b)(3), 91730, subd. (a)-(b)(1).) In particular:

- 20 a. Several student files maintained by Respondent did not contain Enrollment Agreements.

21 THIRTEENTH CAUSE FOR DISCIPLINE

(Student Records)

22 (Ed. Code, § 94900.5, subd. (c); Cal. Code Regs., tit. 5, § 71920, subd. (b)(5)(E))

23 36. Respondent has subjected its approval to operate to disciplinary action for failing to  
24 maintain student transcripts containing Respondent's name, address, website address, or  
25 telephone number. (Ed. Code, § 94900.5, subd. (c); Cal. Code Regs., tit. 5, § 71920 (b)(5)(E).)

26 In particular:

- 27 a. Several student files maintained by Respondent in 2016 did not contain transcripts with  
28 Respondent's name, address, website address, or telephone number.



1 FOURTEENTH CAUSE FOR DISCIPLINE

2 (Agents for Service of Process; Changes)  
3 (Cal. Code Regs., tit. 5, § 74190)

4 37. Respondent has subjected its approval to operate to disciplinary action for failing to  
5 notify the Bureau of its current agent for service of process. (Cal. Code Regs., tit. 5, § 74190). In  
6 particular:

- 7 a. Respondent's agent for service of process, J.S., left Respondent in January, 2017. As  
8 of March 8, 2017, Respondent had not notified the Bureau of a new agent for service of  
9 process, and J.S. was still listed in the Bureau's records as the agent for service of  
10 process.

11 FIFTEENTH CAUSE FOR DISCIPLINE

12 (Amount of STRF Assessment)  
13 (Cal. Code Regs., tit. 5, § 76215)

14 38. Respondent has subjected its approval to operate to disciplinary action for failing in  
15 its Enrollment Agreements to indicate that non-resident students of California are eligible for  
16 protection under and recovery from the Student Tuition Recovery Fund (STRF) (Cal. Code Regs.,  
17 tit. 5, § 76125). In particular:

- 18 a. Between 2010 and 2017, Respondent's Enrollment Agreements incorrectly provided  
19 that only U.S. Citizens and U.S. Permanent Residents were eligible for protection under  
20 and recovery from the STRF.

21 SIXTEENTH CAUSE FOR DISCIPLINE

22 (Collection and Submission of Assessments)  
23 (Cal. Code Regs., tit. 5, §§ 76120, subd. (a), 76130, subd. (a)(1))

24 39. Respondent has subjected its approval to operate to disciplinary action for failing to  
25 collect STRF assessments from non-resident students between 2010 and 2017. (Cal. Code Regs.,  
26 tit. 5, §§ 76120, subd. (a), 76130, subd. (a)(1).) In particular:

- 27 a. Between 2010 and 2017, Respondent's Enrollment Agreements incorrectly provided  
28 that only U.S. Citizens and U.S. Permanent Residents were eligible for protection under  
and recovery from the STRF.

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

1. Revoking or suspending or otherwise imposing discipline upon Accredited Institution Approval to Operate No. 4306571;
2. Ordering Respondent to pay the Bureau the reasonable costs of the investigation and enforcement of this case; and
3. Taking such other and further action as deemed necessary and proper.

DATED: 4/26/18



DR. MICHAEL MARION, JR.  
Chief  
Bureau for Private Postsecondary Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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