

1 January 8, 2016, Respondent appealed the Bureau's denial of its application and requested a
2 hearing.

3 4. On or about August 25, 2016, an employee of the Department of Justice, served by
4 Certified and First Class Mail to Respondent Western Cambridge University a copy of the
5 Statement of Issues No. 1001325, Statement to Respondent, Notice of Defense, Request for
6 Discovery, Government Code sections 11507.5, 11507.6, and 11507.7, and Notice of Defense to
7 Respondent's address on the application form, which was 501 N. Brookhurst Street, Suite 100,
8 Anaheim, CA 92821, as well as other addresses for Respondent's owner, J.Lu. and other agent,
9 R.C. A copy of the Statement of Issues is attached as Exhibit A, and is incorporated herein by
10 reference. On or about September 7, 2016, Respondent filed a Notice of Defense requesting a
11 hearing.

12 5. Service of the Statement of Issues was effective as a matter of law under the
13 provisions of Government Code section 11505, subdivision (c).

14 6. On or about June 21, 2017, Respondent submitted an Acknowledgement of Change of
15 Ownership transferring ownership of Respondent from J.Lu. to A.K. (attached as Exhibit B.)

16 7. On or about July 21, 2017, Complainant filed a Second Amended Statement of Issues.
17 On or about July 21, 2017, an employee of the Department of Justice, served by Certified and
18 First Class Mail a copy of the Second Amended Statement of Issues No. 1001325 and
19 Supplemental Statement to Respondent, Western Cambridge University, and A.K. The Second
20 Amended Statement of Issues is pending against Respondent. A copy of the Second Amended
21 Statement of Issues is attached as Exhibit C, and is incorporated herein by reference.

22 8. On or about July 27, 2017, Respondent withdrew its request for a hearing. The
23 withdrawal of request for a hearing is attached as Exhibit D.

24 9. Business and Professions Code section 118 states, in pertinent part:

25 (a) The withdrawal of an application for a license after it has been filed with a
26 board in the department shall not, unless the board has consented in writing to such
27 withdrawal, deprive the board of its authority to institute or continue a proceeding
28 against the applicant for the denial of the license upon any ground provided by law or
to enter an order denying the license upon any such ground.

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1 10. Government Code section 11506(c) states, in pertinent part:

2 (c) The respondent shall be entitled to a hearing on the merits if the respondent
3 files a notice of defense . . . and the notice shall be deemed a specific denial of all
4 parts of the accusation . . . not expressly admitted. Failure to file a notice of defense
5 . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its
6 discretion may nevertheless grant a hearing.

7 11. Government Code section 11520(a) states, in pertinent part:

8 (a) If the respondent either fails to file a notice of defense, or, as applicable,
9 notice of participation, or to appear at the hearing, the agency may take action based
10 upon the respondent's express admissions or upon other evidence and affidavits may
11 be used as evidence without any notice to respondent; and where the burden of proof
12 is on the respondent to establish that the respondent is entitled to the agency action
13 sought, the agency may act without taking evidence
14

15 ...

16 12. Pursuant to its authority under Government Code section 11520, the Bureau finds
17 Respondent is in default. The Bureau will take action without further hearing based upon the
18 allegations set forth in the Second Amended Statement of Issues and Respondent's failure to
19 establish entitlement to issuance of a license.

20 DETERMINATION OF ISSUES

21 1. Based on the foregoing findings of fact, Respondent Western Cambridge University
22 has subjected its application for an approval to operate a postsecondary non-accredited institution
23 to denial.

24 2. Service of Statement of Issues No. 1001325 and related documents was proper and in
25 accordance with the law.

26 3. The agency has jurisdiction to adjudicate this case by default.

27 4. The Director of Consumer Affairs is authorized to deny Respondent's application for
28 licensure based upon the following violations alleged in the Second Amended Statement of
29 Issues:

30 a. Education Code (Code) section 94887 and title 5, California Code of Regulations
31 (CCR), sections 71100 and 71120, for failing to demonstrate its capacity to satisfy minimum
32 operating standards in that Respondent is a suspended corporation;

1 b. Code section 94887 and title 5, CCR, sections 71100 and 71130 for failing to
2 demonstrate its capacity to satisfy minimum operating standards by failing to identify the
3 institution's owners.;

4 c. Code section 94887 and title 5, CCR, sections 71710(c), 71220(a)(1) and (e),
5 71710(e), for failing to demonstrate its capacity to satisfy minimum operating standards by failing
6 to submit a description of the learning, skills, and other competencies to be acquired by students
7 who complete the educational program and by failing to provide the qualifications of the
8 curriculum developer;

9 d. Code section 94887 and title 5, CCR, sections 71100, 71240, 71745 and 74115 for
10 failing to demonstrate its capacity to satisfy minimum operating standards by failing to document
11 that it has at all times sufficient assets and financial resources to provide all of the educational
12 programs that the institution represented it would provide;

13 e. Code sections 94887 and 94900.5 and title 5, CCR, sections 71100, 71220(c), and
14 71720(a)(1), (a)(4)(A) and (a)(4)(B) for failing to demonstrate its capacity to satisfy minimum
15 operating standards by failing to demonstrate the qualifications of its faculty and by failing to
16 submit a complete list of faculty members and their proposed faculty contracts;

17 f. Code section 94887 and title 5, CCR, sections 71100 and 71260(f), for failing to
18 demonstrate its capacity to satisfy minimum operating standards by failing to submit
19 documentation regarding its facilities;

20 g. Code sections 94887 and title 5, CCR, sections 71100 and 71740(a) and (b), for
21 failing to demonstrate its capacity to satisfy minimum operating standards in that Respondent
22 failed to provide or make provisions for a library and other learning resources needed to support
23 each educational program it offers;

24 h. Code sections 94887 and title 5, CCR, section 71140, for failing to include an
25 organization chart that identifies its Chief Academic Officer (CAO) and failing to provide
26 documentation of the CAO's education, experience and qualifications to perform the CAO's
27 duties and responsibilities;

28

1 i. Code sections 94887, 94911(e)(3), and title 5, CCR, sections 71800(b) and (d), for
2 failing to demonstrate its capacity to satisfy minimum operating standards in that the enrollment
3 agreement failed to state the period covered by the enrollment agreement; and,

4 j. Code section 94887 and title 5, CCR, section 71810(b)(2) for failing to demonstrate
5 its capacity to satisfy minimum operating standards in that the catalog did not state the mission
6 and objectives of the MBA program.

7 ORDER

8 IT IS SO ORDERED that the application of Respondent Western Cambridge University is
9 hereby denied.

10 Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a
11 written motion requesting that the Decision be vacated and stating the grounds relied on within
12 seven (7) days after service of the Decision on Respondent. The agency in its discretion may
13 vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

14
15 This Decision shall become effective on DEC - 1 2017

16 It is so ORDERED October 27, 2017

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19 _____
20 RYAN MARCROFT
21 Deputy Director
22 Legal Affairs Division
23 Department of Consumer Affairs

24 DOJ docket number:SD2016100531
25 81764578.docx

26 Attachments:

- 27 Exhibit A: Statement of Issues No. 1001325
- 28 Exhibit B: Acknowledgment of Change of Ownership
- Exhibit B: Second Amended Statement of Issues No. 1001325
- Exhibit C: Withdrawal of Request for Hearing