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BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **THE WORLD UNIVERSITY OF AMERICA, OJAI** Applicant/Respondent.	Case No. 1001648 **STATEMENT TO APPLICANT/RESPONDENT** [Gov. Code §§ 11504, 11505, subd. (b)]

TO RESPONDENT:

Enclosed is a copy of the Statement of Issues that has been filed with the Director of Consumer Affairs, Bureau for Private Postsecondary Education(Bureau), Respondent/Applicant's Notice of Designation of Counsel (2 copies); Respondent/Applicant's Notice of Withdrawal of Request for Hearing (2 copies); Request for Discovery; and Discovery Statutes, all of which are hereby served on you.

ADMINISTRATIVE HEARING

In accordance with Business and Professions Code section 485, subdivision (b), you filed a written request for a hearing after the Bureau notified you that your application for licensure was denied. A hearing will be held upon the charges made in the Statement of Issues at the time and place set forth in the Notice of Hearing unless you notify the Bureau that you do not want a

hearing on the denial of your Approval to Operate an Institution Non-Accredited, School Code application.

In accordance with Section 1014, subdivision (c) of Title 1 of the California Code of Regulations, a party withdrawing a request for hearing shall immediately notify the Office of Administrative Hearings and all parties. If a party withdraws a request for hearing, the agency shall decide whether to proceed with the Hearing as a default, withdraw the matter or take the matter off calendar and issue a default decision and order.

If you withdraw your request for a hearing, date and sign the enclosed "Respondent/Applicant's Notice of Withdrawal of Request for Hearing" and deliver or mail the form to:

Susan Melton Wilson
Deputy Attorney General
Ronald Reagan Building
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you will be represented by counsel, complete the "Respondent/Applicant's Notice of Designation of Counsel" and deliver or mail that form to the above named Deputy Attorney General.

CONTINUANCES

A hearing on the denial of your application may be postponed for good cause. If you have good cause, you are obliged to notify the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, CA 90013, within ten (10) working days after you discover the good cause. Failure to notify the Office of Administrative Hearings within ten (10) days will deprive you of a postponement.

DISCOVERY

A copy of sections 11507.5, 11507.6, and 11507.7 of the Government Code ["Discovery Statutes"] is enclosed.

If you desire the names and addresses of witnesses or an opportunity to inspect and copy the items mentioned in section 11507.6 of the Government Code in the possession, custody or control of the Bureau you may send a Request for Discovery to the above designated Deputy Attorney General.

STIPULATED SETTLEMENTS

It may be possible to avoid the time, expense and uncertainties involved in an administrative hearing by disposing of this matter through a stipulated settlement. A stipulated settlement is a binding written agreement between you and the government regarding the matters charged and the discipline to be imposed. Such a stipulation would have to be approved by the Director of Consumer Affairs, Bureau for Private Postsecondary Education but, once approved, it would be incorporated into a final order.

Any stipulation must be consistent with the Bureau's established disciplinary guidelines; however, all matters in mitigation or aggravation will be considered. A copy of the Bureau's Disciplinary Guidelines will be provided to you on your written request to the state agency bringing this action.

If you are interested in pursuing this alternative to a formal administrative hearing, or if you have any questions, you or your attorney should contact Deputy Attorney General Susan Melton Wilson at the earliest opportunity.

Dated: August 31, 2017

XAVIER BECERRA
Attorney General of California
SHAWN P. COOK
Supervising Deputy Attorney General

SUSAN MELTON WILSON
Deputy Attorney General
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BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **THE WORLD UNIVERSITY OF AMERICA, OJAI,** Application for Renewal of Approval to Operate an Institution Non-Accredited Application No. 23243 Institution Code No. 5600251 Applicant/Respondent.	Case No. 1001648 **STATEMENT OF ISSUES**

Complainant alleges:

PARTIES

1. Leeza Rifredi (Complainant) brings this Statement of Issues solely in her official capacity as the Deputy Bureau Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs.

2. On or about January 1, 1980, the former Bureau for Private Postsecondary and Vocational Education[1] issued Full Approval to Operate Institution Code Number 5600251 to The World University of America, Ojai. Said Full Approval to Operate expired on March 21, 2011.

[1] The former BPPVE sunsetted on July 1, 2007. On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009 ("Act") (AB 48) was signed into law. The Act, (continued...)

3. On March 14, 2011, the Bureau received an Application for Renewal of Approval to Operate an Institution Non-Accredited School Code (Application No. 23243) from Applicant/Respondent The World University of America, Ojai, Institution Code Number 5600251("Respondent"). The Bureau denied Respondent's application on or about March 25, 2016. Respondent appealed the denial on or about April 18, 2016.

JURISDICTION

4. This Statement of Issues is brought before the Director of the Department of Consumer Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the following laws. All section references are to the Education Code[2] unless otherwise indicated.

5. Section **94891** states:

"(a) The bureau shall adopt by regulation the process and procedures whereby an institution may obtain a renewal of an approval to operate.

(b) To be granted a renewal of an approval to operate, the institution shall demonstrate its continued capacity to meet the minimum operating standards.

(c)(1) An institution that is denied renewal of an approval to operate may file an appeal in accordance with the procedures established by the bureau pursuant to Section 94888.

(2) An institution that has filed an appeal of a denial of a renewal application may continue to operate during the appeal process, but must disclose in a written statement, approved by the bureau, to all current and prospective students, that the institution's application for renewal of approval to operate was denied by the bureau because the bureau determined the application did not satisfy the requirements to operate in California, that the institution is appealing the bureau's decision, and that the loss of the appeal may result in the institution's closure.

(...continued)
became operative on January 1, 2010, and established the Bureau for Private Postsecondary Education ("Bureau").

[2] California Private Postsecondary Education Act of 2009, Ed. Code §§ 94800 et seq.

(3) If the bureau determines that the continued operation of the institution during the appeal process poses a significant risk of harm to students, the bureau shall make an emergency decision pursuant to its authority provided in Section 94938."

STATUTORY PROVISIONS

6. Section **94886** states:

"Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter."

7. Section **94887** states:

"An approval to operate shall be granted only after an applicant has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum operating standards. The bureau shall deny an application for an approval to operate if the application does not satisfy those standards."

8. Section **94897** of the Education Code states in pertinent part:

"An institution shall not do any of the following:

. . .

(i) Use a name in any manner improperly implying any of the following:

(1) The institution is affiliated with any government agency, public or private corporation, agency, or association if it is not, in fact, thus affiliated.

. . .

(l) Use the terms "approval," "approved," "approval to operate," or "approved to operate" without stating clearly and conspicuously that approval to operate means compliance with state standards as set forth in this chapter. If the bureau has granted an institution approval to operate, the institution may indicate that the institution is " licensed" or "licensed to operate," but may not state or imply either of the following:

(1) The institution or its educational programs are endorsed or recommended by the state or by the bureau.

(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

. . .

(p) Offer an associate, baccalaureate, master's, or doctoral degree without disclosing to prospective students prior to enrollment whether the institution or the degree program is unaccredited and any known limitation of the degree, including, but not limited to, all of the following:

(1) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states.

(2) A statement that reads: "A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California."

(3) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

. . .

9. Section **94909** of the Education Code states:

"(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog containing, at a minimum, all of the following:

. . .

(10) A statement reporting whether the institution participates in federal and state financial aid programs, and if so, all consumer information that is required to be disclosed to the student pursuant to the applicable federal and state financial aid programs.

. . .

(13) If the institution provides placement services, a description of the nature and extent of the placement services.

. . .

(16) A statement specifying whether the institution, or any of its degree programs, are accredited by an accrediting agency recognized by the United States Department of Education. If the institution is unaccredited and offers an associate, baccalaureate, master's, or doctoral degree, or is accredited and offers an unaccredited program for an associate, baccalaureate, master's, or doctoral degree, the statement shall disclose the known limitations of the degree program, including, but not limited to, all of the following:

(A) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states or become certified or registered as required for the applicable profession, occupation, trade, or career field in California.

(B) A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California.

(C) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

(b) If the institution has a general student brochure, the institution shall provide that brochure to the prospective student prior to enrollment. In addition, if the institution has a program-specific student brochure for the program in which the prospective student seeks to enroll, the institution shall provide the program-specific student brochure to the prospective student prior to enrollment.

(c) An institution shall provide the school catalog to any person upon request. In addition, if the institution has student brochures, the institution shall disclose the requested brochures to any interested person upon request.

(d) An accredited institution is not required to provide a School Performance Fact Sheet to a prospective student who is not a California resident, not residing in California at the time of his or her enrollment, and enrolling in an accredited distance learning degree program offered by the institution, if the institution complies with all federal laws, the applicable laws of the state where

the student is located, and other appropriate laws, including, but not limited to, consumer protection and student disclosure requirements.

10. Section **94910** of the Education Code states:

Except as provided in subdivision (d) of section 94909 and section 94910.5, "prior to enrollment, an institution shall provide a prospective student with a School Performance Fact Sheet containing, at a minimum, the following information, as it relates to the educational program:

"(a) Completion rates, as calculated pursuant to Article 16 (commencing with Section 94928).

"(b) Placement rates for each educational program, as calculated pursuant to Article 16 (commencing with Section 94928), if the educational program is designed to lead to, or the institution makes any express or implied claim related to preparing students for, a particular career, occupation, vocation, job, or job title.

"(c) License examination passage rates for programs leading to employment for which passage of a state licensing examination is required, as calculated pursuant to Article 16 (commencing with Section 94928).

. . .

"(e) If a program is too new to provide data for any of the categories listed in this subdivision, the institution shall state on its fact sheet: "This program is new. Therefore, the number of students who graduate, the number of students who are placed, or the starting salary you can earn after finishing the educational program are unknown at this time. Information regarding general salary and placement statistics may be available from government sources or from the institution, but is not equivalent to actual performance data."

"(f) All of the following:

"(1) A description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated or a statement informing the reader of where he or she may obtain a description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated.

"(2) A statement informing the reader of where he or she may obtain from the institution a list of the employment positions determined to be within the field for which a student received education and training for the calculation of job placement rates as required by subdivision (b).

"(3) A statement informing the reader of where he or she may obtain from the institution a list of the objective sources of information used to substantiate the salary disclosure as required by subdivision (d).

"(g) The following statements:

"(1) "This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion rates, placement rates, starting salaries, or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law."

"(2) "Any questions a student may have regarding this fact sheet that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers)."

(h) If the institution participates in federal financial aid programs, the most recent three-year cohort default rate reported by the United States Department of Education for the institution and the percentage of enrolled students receiving federal student loans.

(i) Data and information disclosed pursuant to subdivisions (a) to (d), inclusive, is not required to include students who satisfy the qualifications specified in subdivision (d) of Section 94909, but an institution shall disclose whether the data, information, or both provided in its fact sheet excludes students pursuant to this subdivision. An institution shall not actively use data specific to the fact sheet in its recruitment materials or other recruitment efforts of students who are not California residents and do not reside in California at the time of their enrollment.

11. Section **94913** of the Education Code states:

(a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

(1) The school catalog.

(2) A School Performance Fact Sheet for each educational program offered by the institution.

(3) Student brochures offered by the institution.

(4) A link to the bureau's Internet Web site.

(5) The institution's most recent annual report submitted to the bureau.

(b) An institution shall include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau."

12. Section **94929.5** of the Education Code states:

(a) An institution shall annually report to the bureau, as part of the annual report, and shall publish in its School Performance Fact Sheet, all of the following:

(1) The job placement rate, calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for each program that is either (1) designed, or advertised, to lead to a particular career, or (2) advertised or promoted with any claim regarding job placement.

(2) The license examination passage rates for the immediately preceding two years for programs leading to employment for which passage of a state licensing examination is required, calculated by dividing the number of graduates who pass the examination by the number of graduates who take the licensing examination the first time that the examination is available after completion of the educational program. The institution shall use state agency licensing data to calculate license examination passage rates. If those data are unavailable, the institution shall calculate the license examination passage rate in a manner consistent with regulations adopted by the bureau.

(3) Salary and wage information, consisting of the total number of graduates employed in the field and the annual wages or salaries of those graduates stated in increments of five thousand dollars ($5,000).

(4) If applicable, the most recent official three-year cohort default rate reported by the United States Department of Education for the institution and the percentage of enrolled students receiving federal student loans.

(b) Nothing in this section shall limit the bureau's authority to collect information from an institution to comply with this section and ensure, by regulation and other lawful means, that the information required by this section, and the manner in which it is collected and reported, is all of the following:

(1) Useful to students.

(2) Useful to policymakers.

(3) Based upon the most credible and verifiable data available.

(4) Does not impose undue compliance burdens on an institution.

(c) Data and information disclosed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) is not required to include students who satisfy the qualifications specified in subdivision (d) of Section 94909, but an institution shall disclose on its fact sheet and to the bureau whether its data, information, or both, excludes any students pursuant to this subdivision.

13. Section **94930.5** of the Education Code states:

Subject to Section 94930, an institution shall remit to the bureau for deposit in the Private Postsecondary Education Administration Fund the following fees, in accordance with the following schedule:

(a) The following fees shall be remitted by an institution submitting an application for an approval to operate, if applicable:

(1) Application fee for an approval to operate: five thousand dollars ($5,000).

(2) Application fee for the approval to operate a new branch of the institution: three thousand dollars ($3,000).

(3) Application fee for an approval to operate by means of accreditation: seven hundred fifty dollars ($750).

(b) The following fees shall be remitted by an institution seeking a renewal of its approval to operate, if applicable:

(1) Renewal fee for the main campus of the institution: three thousand five hundred dollars ($3,500).

(2) Renewal fee for a branch of the institution: three thousand dollars ($3,000).

(3) Renewal fee for an institution that is approved to operate by means of accreditation: five hundred dollars ($500).

(c) The following fees shall apply to an institution seeking authorization of a substantive change to its approval to operate, if applicable:

(1) Processing fee for authorization of a substantive change to an approval to operate: five hundred dollars ($500).

(2) Processing fee in connection with a substantive change to an approval to operate by means of accreditation: two hundred fifty dollars ($250).

(d)(1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following:

(A) An annual fee for each campus designated by the institution as a main campus location in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars ($2,500) and not to exceed sixty thousand dollars ($60,000).

(B) An annual campus fee for each branch of the institution in an amount equal to 0.45 percent of the branch's total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars ($2,500) and not to exceed sixty thousand dollars ($60,000).

(2) The amount of the annual fees pursuant to paragraph (1) shall be proportional to the bureau's cost of regulating institutions under this chapter, but shall not exceed seven hundred fifty thousand dollars ($750,000) for any institution.

(e) The bureau may assess both of the following fees, if applicable:

(1) An out-of-state institution registration fee in an amount of one thousand five hundred dollars ($1,500).

(2) A request for inactive status fee in an amount of five hundred dollars ($500).

(f) It is the intent of the Legislature that the fees established pursuant to this section be evaluated during the 2017-18 state budget process and, if necessary, adjusted by subsequent legislation based upon information provided to the Legislature by the department and the bureau.

(g) Notwithstanding subdivision (d), effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars ($2,500) and not to exceed sixty thousand dollars ($60,000) for each campus.

14. Section **94934** of the Education Code states:

(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

(1) The total number of students enrolled by level of degree or for a diploma.

(2) The number of degrees, by level, and diplomas awarded.

(3) The degree levels and diplomas offered.

(4) The Student Performance Fact Sheet, as required pursuant to Section 94910.

(5) The school catalog, as required pursuant to Section 94909.

(6) The total charges for each educational program by period of attendance.

(7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.

(8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.

(9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

(b) The bureau, by January 1, 2011, shall prescribe the annual report's format and method of delivery.

REGULATORY PROVISIONS

15. California Code of Regulations, title 5, section **71700** states:

"The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate."

16. California Code of Regulations, title 5, section **71745** states in pertinent part:

(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

(1) Provide all of the educational programs that the institution represented it would provide.

(2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees or diplomas.

(3) Maintain the minimum standards required by the Act and this chapter.

(4) Pay timely refunds as required by Article 13 of the Act.

(5) Pay all operating expenses due within 30 days.

(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.

(b) At an institution's request, the Bureau may consider the financial resources of a parent company if the parent company, as defined by section 94853 of the Code, meets and maintains all of the following provisions:

(1) consents in writing to be sued in California;

(2) consents in writing to be subject to the jurisdiction of the Bureau with respect to the institution's regulation under the Act and this Chapter;

(3) designates and maintains an agent for service of process, consistent with section 74190;

(4) agrees in writing to pay any refund, claim, penalty, or judgment that the institution is obligated to pay; and

(5) files financial reports, maintains financial records, and consents in writing to permit the inspection and copying of financial records to the same extent as is required of the institution.

(c) An institution shall provide to the Bureau its most current financial statements upon Request.

. . .

(e) The institution shall submit at the time it applies for renewal current financial statements that meet the requirements of section 74115 as follows: (1) for an institution with annual gross revenues of $500,000 and over, statements shall be audited; (2) for an institution with annual gross revenues less than $500,000, statements shall be reviewed.

. . .

17. California Code of Regulations, title 5, section **71485** states:

Failure of an institution to have made current payments of the assessments to the Student Tuition Recovery Fund as required by chapter 7 of this Division, and annual fees as required by chapter 5 of this Division shall render the institution ineligible for renewal.

18. California Code of Regulations, title 5, section **71720** states in pertinent part:

(a) An Educational Program Leading to a Degree.

. . .

(4) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis, demonstrated by, at a minimum:

(A) That the person possesses one of the following:

(1) A degree from: an institution approved by the Bureau or previously approved by a predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or other state approved institution that documents that the institution at which the faculty member earned his or her degree is equivalent to an institution that is approved by the Bureau; or an institution outside the United States or Canada and in addition provides a comprehensive

evaluation of the degree performed by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services (NACES).

(2) a credential generally recognized in the field of instruction.

(B) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated;

(5) The institution's faculty as a whole shall possess a diverse educational background which shall be demonstrated in part by earned degrees from a variety of colleges and universities or by credentials generally recognized in the field of instruction;

(6) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter.

(7) The institution shall not employ or continue to employ any faculty who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code;

(8) Each institution shall have a written Academic Freedom Policy which describes the latitude the institution allows faculty in the classroom so faculty will not inadvertently violate the principles of academic freedom. These policies shall be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy; and

(9) The institution shall maintain records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees.

19. California Code of Regulations, title 5, section **71810** states in pertinent part:

(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures,

or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

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

. . .

(9) A description of the facilities and of the types of equipment and materials that will be used for instruction;

. . .

(14) Policies on student rights, including the procedure for addressing student grievances.

. . .

20. California Code of Regulations, title 5, section **71850** states:

Graduation requirements for an undergraduate degree program shall meet minimum credit requirements and shall include provisions for general education appropriate to the level and type of degree. The institution shall specify the distribution of general education credit requirements by subject area for each undergraduate degree program.

(a) A Bachelor's degree may be awarded to a student whom the institution can document has achieved sequential learning equivalent in general education and equivalent in depth of achievement in a designated major field to that acquired in four years of study beyond high school, as measured by a minimum of 120 semester credits or its equivalent. At least 25 percent of the credit requirements for a Bachelor's degree shall be in general education.

21. California Code of Regulations, title 5, section **74110** states in pertinent part:

(a) The annual report required by Section 94934 of the Code shall include the information required by sections 94929.5 and 94934 for all educational programs offered in the prior calendar year, and all of the following for the prior calendar year:

. . .

(d) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the online form provided on the Bureau's website,

electronically attaching, as directed, the School Performance Fact Sheet, the enrollment agreement, and the school catalog.

22. California Code of Regulations, title 5, section **74112** states in pertinent part:

(a) Format. The format for the Performance Fact Sheet shall be in at least 12 pt. type, in an easily readable font, with 1.15 line spacing and all titles and column headings shall be in bold 14 pt. type, which shall also identify the program for which the Performance Fact Sheet pertains. The Performance Fact Sheet shall contain all and only the information required or specifically permitted by sections 94910 and 94929.5 of the Code or this chapter. A separate Performance Fact Sheet shall be prepared for each program.

23. California Code of Regulations, title 5, section **74006** states:

(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval.

(b) An institution shall pay its annual fee in addition to any other applicable fees.

(c) The annual institutional fee is based on the institution's annual revenue. For purposes of this article, annual revenue is annual gross revenue.

24. California Code of Regulations, title 5, section **74115** states:

(a) This section applies to every set of financial statements required to be prepared or filed by the Act or by this chapter.

(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income statement, and a cash flow statement, and the preparation of financial statements, shall comply with all of the following:

(1) Audited and reviewed financial statements shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent certified public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution.

(2) Financial statements prepared on an annual basis as required by section 74110(b) shall be prepared in accordance with the generally accepted accounting principles established by the

American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual financial statements as required under generally accepted accounting principles for nonprofit organizations.

(3) The financial statements shall establish that the institution meets the requirements for financial resources required by Section 71745.

(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial statements shall reflect the liability or potential liability.

(5) Any audits shall demonstrate that the accountant obtained an understanding of the institution's internal financial control structure, assessed any risks, and has reported any material deficiencies in the internal controls.

(c) Work papers for the financial statements shall be retained for five years from the date of the statements and shall be made available to the Bureau upon request.

(d) "Current" with respect to financial statements means completed no sooner than 120 days prior to the time it is submitted to the Bureau, and covering no less than the most recent complete fiscal year. If more than 8 months will have elapsed between the close of the most recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than five months of that current fiscal year.

25. California Code of Regulations, title 5, section **74117** states:

In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code.

26. California Code of Regulations, title 5, section **76130** states:

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

(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

(c) The STRF Assessment Reporting Form shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and

(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and

(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and

(4) The total number of students who signed their enrollment agreement in a previous reporting period, were eligible for STRF, and who made their first payment during the current reporting period; and

(5) Total amount of institutional charges after rounding each student's institutional charges to the nearest $1,000, for all eligible STRF students whose STRF assessment was collected in the reporting period; and

(6) Current contact telephone number of the person preparing the form; and

(7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.

(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.

(e) Submission of all prior reports and assessments required by this section is a condition of renewal.

FIRST CAUSE FOR DENIAL OF APPLICATION

(Incomplete Application)

27. The application of Respondent is subject to denial under Education Code sections 94887 and 94891, subdivision (b), and California Code of Regulations, title 5, section 71700, and 71475, in that on or about March 14, 2011, Respondent submitted an incomplete application to the Bureau, which the Bureau determined was legally deficient, and failed to show a continued capacity to meet minimum operating standards. The application was formally denied on or about March 25, 2016. Between March 14, 2011 and March 25, 2016, Respondent was given numerous opportunities to correct deficiencies of the application, but failed to do so.[3] Each deficiency referenced below represents a violation of applicable law, and is a separate and severable cause for denial of the subject application:

A. Instruction and Degrees Offered

Respondent failed to submit current general education requirements. In November 2015, Respondent submitted a document dated 1979-1980 - purporting to show general education requirements. The Bureau is not able to determine whether the educational program currently

[3] On or about March 14, 2011. The Bureau received Respondent's Application for Renewal of Approval to Operate an Institution Non-Accredited.

On April 23, 2012, the Bureau's **first** deficiency letter was sent to Respondent. An insufficient response was received on or about May 29, 2012.

On June 11, 2012, the Bureau's **second** deficiency letter was sent to Respondent. An insufficient response was received on or about July 9, 2012.

On August 6, 2012, the Bureau's **third** deficiency letter was sent to Respondent. An insufficient response was received on or about August 19, 2013.

On October 1, 2013, the Bureau's **fourth** deficiency letter was sent to Respondent. Additional information was received from Respondent on or about October 8, 2013. Insufficient responses were received on dates on or about November 8, 2013 and February 10, 2014.

On July 13, 2015, the Bureau's **fifth** deficiency letter was sent to Respondent. An insufficient response was received on or about August 17, 2015.

On October 29, 2015, the Bureau's **sixth** deficiency letter was sent to Respondent. An insufficient response was received on or about November 24, 2015.

On or about March 26, 2016, the Bureau formally denied the application.

meets minimum requirements based on outdated information. This is a violation of California Code of Regulations, title 5, section 71850(a).

B. Financial Resources and Statements

Respondent failed to provide comprehensive, financial statements which comply with applicable regulations. In August of 2015, Respondent submitted financial statements which were deficient in that: (1) the statements did not have a signed and dated cover letter from an independent certified public accountant stating whether the statements were current, audited or reviewed, *and* (2) did not include a cash flow statement.[4] This is a violation of California Code of Regulations, title 5, section 71475, subdivision (e) and 74115, subdivisions (b) and (d) and 71745.

C. Faculty

Respondent failed to provide evidence that instructor PH (identified as new faculty in November 2015) meets minimum qualifications for a duly qualified instructor. This is a violation of California Code of Regulations, title 5, section 71720, subdivision (a) (4), (A) and (B).

D. Catalog

The institution submitted a 2015-2016 revised catalog in November, 2015, which failed to show that Respondent was compliant with and/or met minimum operating standards as follows:

(1) The catalog did not contain description of facilities used for instruction, nor did it describe the types of equipment or materials that will be used for instruction. This is a violation of California Code of Regulations, title 5, sections 71810, subdivision (b)(9);

(2) The catalog did not contain a statement which indicated that a degree that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including but not limited to, positions with the State of California. This is a violation of section 94909, subdivision (a)(16);

[4] In response to a deficiency letter sent by the Bureau to Respondent on or about October 29, 2015 requesting submission of compliant documents, Respondent re-sent the exact same set of financial statements previously received, which did not have the requisite cover letter or cash flow statement.

(3) The catalog did not contain the required statement: "That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs." This is a violation of section 94909(a), (b) and (c);

(4) The catalog does not contain the required statement that reports whether the institution participates in federal and state financial aid programs and if so, all consumer information that is required to be disclosed to the student pursuant to federal and state programs is not documented in the catalogs. This is a violation of section 94909, subdivision (a)(10);

(5) The catalog does not contain the required statement regarding "policies on student rights, including the procedure for addressing student grievances." This is a violation of California Code of Regulations, title 5, section 71810 subdivision (b)(14);

(6) The catalog does not contain a statement about whether the institution provides placement services, or the requisite description of the nature and extent of any such services provided. This is a violation of section 94909, subdivision (a)(13);

(7) The catalog does not include housing information, and does not contain any statement indicating "the availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing. This is a violation of California Code of Regulations, title 5, section 71810 subdivision (b)(13)(B);

(8) The catalog contains a Student Performance Fact Sheet (SPFS) which is not formatted in accordance with California Code of Regulations, title 5, section 74112. Additionally, the SPFP includes personal student information, which should not to be listed on the document. The institution failed to complete the SPFS in accordance with section 94910 and section 94929.5.

E. Website

Respondent maintains an Internet website, which failed to show that Respondent was compliant with and/or met minimum operating standards as follows:

(1) Respondent fails to provide on the website "Homepage" clear and conspicuous links to all the items required in Section 94913(a) of the Code. This is a violation of section 94913, subdivision (a), sections (2) and (5).

(2) On its Welcome Page, Respondent posts the statement: "Our programs have been accepted by the Bureau of Private Postsecondary Education, State of California." There is no additional information informing visitors to the website how to access the Bureau's internet website. This is a violation of section 94913, subdivision (b).

F. Annually Filed Reports

Respondent failed to submit annual reports and/or requisite annual filings of documents as noted below, a violation of section 94934 of the Code and California Code of Regulations, title 5, section 74110:

(1) **2013 -** Respondent failed to submit the Annual Report for 2013, and failed to make the requisite annual filing of the following documents for 2013:

School Performance Fact Sheet,
Catalog,
Financial Statements

(2) **2014 -** Respondent submitted an Annual Report for 2014, but failed to comply with California Code of Regulations, title 5, section 74110, subdivision (d), which requires that said report be submitted electronically. Respondent further failed to make requisite annual filings of the following documents for 2014:

School Performance Fact Sheet
Financial Statements

(3) **2015 -** Respondent failed to submit the Annual Report for 2015, and failed to make the requisite annual filing of the following documents for 2015:

School Performance Fact Sheet
Enrollment Agreement
Financial Statements

G. Additional Omissions and Discrepancies

In addition to the discrepancies referenced above, the subject application is also legally deficient and incomplete due to Respondent's omission to provide each of the following items:

(1) **STRF Assessment Reporting Forms** - Respondent additionally failed to provide Student Tuition Recovery Fund (STRF) Assessment Reporting Forms as required for each time period noted below:

- 1st quarter 2015
- 2nd quarter 2015
- 3rd quarter 2015
- 4th quarter 2015
- 1st quarter 2016
- 4th quarter 2016

Failure to timely submit these forms renders the Institution ineligible for renewal and is a violation of California Code of Regulations, title 5, section 71485 and 76130.

(2) **Annual Fees** - Respondent additionally failed to pay annual fees due in February 2017. Failure to timely submit the 2017 annual fee is a violation of section 94930.5 of the Code and California Code of Regulations, title 5, section 74006.

SECOND CAUSE FOR DENIAL OF APPLICATION

(False or Misleading Statements)

28. The application of Respondent is subject to denial under Education Code sections 94887 and 94891, subdivision (b), and 94897(i)(1) and (j)(2) in that on or about April 13, 2017, Respondent published misleading and untrue statements and claims regarding veterans' benefits in the institution's catalog, as follows:

A. On or about April 13, 2017, Respondent published the Institution's September 30, 2015 - September 30, 2017 Catalog (Revised April 13, 2017).

(1) At page 46, the catalog states:" World University is authorized to verify enrollment information pertaining to veteran's benefits. Applicants should contact the Veterans Administration directly for benefit information."

(2) At page 49 the catalog states: "The University currently does not provide financial assistance in the way of grants, scholarships, or loans, except grants to U.S. armed forces veterans."

B. Statements printed in the catalog are misleading in that they suggest veterans may access benefits for the institution's programs. In fact, veterans benefits are not authorized, and Respondent was expressly notified of this by letter dated February 2, 2017 from the California State Approving Agency for Veterans Education (CSAAVE) to the effect that all courses offered at World University of America are disapproved for veteran's benefits, effective February 2, 2017.

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. Denying the application of The World University of America, Ojai for a renewal of an Approval to Operate an Institution Non-Accredited;

2. Taking such other and further action as deemed necessary and proper.

DATED: 8/22/2017

LEEZA RIFREDI
Deputy Bureau Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

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BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **THE WORLD UNIVERSITY OF AMERICA, OJAI** Respondent.	Case No. 1001648 **RESPONDENT / APPLICANT'S NOTICE OF DESIGNATION OF COUNSEL**

I, the undersigned Respondent in this proceeding, hereby acknowledge receipt of a copy of the Statement of Issues; the Statement to Respondent; Respondent/Applicant's Notice of Designation of Counsel (2 copies); Respondent/Applicant's Notice of Withdrawal of Request for Hearing (2 copies); Request for Discovery; and Discovery Statutes. I understand that a hearing will be held upon the charges made in the Statement of Issues unless I notify the Director of Consumer Affairs, Bureau for Private Postsecondary Education that I do not want the hearing previously requested on the denial of my Approval to Operate an Institution Non-Accredited, School Code application.

Check appropriate box:

☐ I am represented by counsel, whose name, address and telephone number appear below:
Counsel's Name _____
Counsel's Mailing Address _____
City, State and Zip Code _____
Counsel's Telephone Number _____
Counsel's Fax Number: _____
Counsel's E-mail: _____

☐ I am not now represented by counsel. If and when counsel is retained, immediate notification of the attorney's name, address and telephone number will be filed with the Office of Administrative Hearing and a copy sent to counsel for Complainant so that counsel will be on record to receive legal notices, pleadings and other papers.

Respondent /Applicant's Name: _____
Respondent /Applicant's Signature: _____
Respondent /Applicant's Mailing Address: _____
City, State and Zip Code: _____
Respondent /Applicant's Telephone: _____
Respondent /Applicant's Fax: _____
Respondent /Applicant's E-mail: _____

RETURN THIS FORM TO:

Susan Melton Wilson
Deputy Attorney General
Ronald Reagan Building
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

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BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **THE WORLD UNIVERSITY OF AMERICA, OJAI** Respondent.	Case No. 1001648 **RESPONDENT / APPLICANT'S NOTICE OF DESIGNATION OF COUNSEL**

I, the undersigned Respondent in this proceeding, hereby acknowledge receipt of a copy of the Statement of Issues; the Statement to Respondent; Respondent/Applicant's Notice of Designation of Counsel (2 copies); Respondent/Applicant's Notice of Withdrawal of Request for Hearing (2 copies); Request for Discovery; and Discovery Statutes. I understand that a hearing will be held upon the charges made in the Statement of Issues unless I notify the Director of Consumer Affairs, Bureau for Private Postsecondary Education that I do not want the hearing previously requested on the denial of my Approval to Operate an Institution Non-Accredited, School Code application.

Check appropriate box:

☐ I am represented by counsel, whose name, address and telephone number appear below:
Counsel's Name _____
Counsel's Mailing Address _____
City, State and Zip Code _____
Counsel's Telephone Number _____
Counsel's Fax Number: _____
Counsel's E-mail: _____

☐ I am not now represented by counsel. If and when counsel is retained, immediate notification of the attorney's name, address and telephone number will be filed with the Office of Administrative Hearing and a copy sent to counsel for Complainant so that counsel will be on record to receive legal notices, pleadings and other papers.

Respondent /Applicant's Name: _____
Respondent /Applicant's Signature: _____
Respondent /Applicant's Mailing Address: _____
City, State and Zip Code: _____
Respondent /Applicant's Telephone: _____
Respondent /Applicant's Fax: _____
Respondent /Applicant's E-mail: _____

RETURN THIS FORM TO:

Susan Melton Wilson
Deputy Attorney General
Ronald Reagan Building
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

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BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **THE WORLD UNIVERSITY OF AMERICA, OJAI** Respondent.	Case No. 1001648 **RESPONDENT / APPLICANT'S NOTICE OF WITHDRAWAL OF REQUEST FOR HEARING**

In accordance with California Code of Regulation, title 1, section 1014(c), a party withdrawing a request for hearing, shall immediately notify the Office of Administrative Hearings and all parties. I understand that a hearing will be held upon the charges made in the Statement of Issues unless I notify the Director of Consumer Affairs, Bureau for Private Postsecondary Education that I do not want the hearing previously requested on the denial of my Approval to Operate an Institution Non-Accredited, School Code application.

IF YOU WISH TO WITHDRAW YOUR NOTICE OF DEFENSE OR REQUEST FOR A HEARING, PLEASE DO SO BY DATING AND SIGNING BELOW AND DELIVERING OR MAILING THIS FORM TO:

Susan Melton Wilson
Deputy Attorney General
Ronald Reagan Building
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

TO THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION:

I, the undersigned Respondent in this proceeding, hereby acknowledge receipt of a copy of the Statement of Issues; the Statement to Respondent; Respondent/Applicant's Notice of Designation of Counsel (2 copies); Respondent/Applicant's Notice of Withdrawal of Request for Hearing (2 copies); Request for Discovery; and Discovery Statutes.

I withdraw my Notice of Defense.

_____ Date

_____ Signature

_____ Print Name

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BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **THE WORLD UNIVERSITY OF AMERICA, OJAI** Respondent.	Case No. 1001648 **RESPONDENT / APPLICANT'S NOTICE OF WITHDRAWAL OF REQUEST FOR HEARING**

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IF YOU WISH TO WITHDRAW YOUR NOTICE OF DEFENSE OR REQUEST FOR A HEARING, PLEASE DO SO BY DATING AND SIGNING BELOW AND DELIVERING OR MAILING THIS FORM TO:

Susan Melton Wilson
Deputy Attorney General
Ronald Reagan Building
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

TO THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION:

I, the undersigned Respondent in this proceeding, hereby acknowledge receipt of a copy of the Statement of Issues; the Statement to Respondent; Respondent/Applicant's Notice of Designation of Counsel (2 copies); Respondent/Applicant's Notice of Withdrawal of Request for Hearing (2 copies); Request for Discovery; and Discovery Statutes.

I withdraw my Notice of Defense.

_____ Date

_____ Signature

_____ Print Name

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XAVIER BECERRA
Attorney General of California
SHAWN P. COOK
Supervising Deputy Attorney General
SUSAN MELTON WILSON
Deputy Attorney General
State Bar No. 106902
300 So. Spring Street, Suite 1702
Los Angeles, CA 90013
Telephone: (213) 897-4942
Facsimile: (213) 897-2804
Attorneys for Complainant

BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: THE WORLD UNIVERSITY OF AMERICA, OJAI Applicant/Respondent.	Case No. 1001648 **REQUEST FOR DISCOVERY**

TO RESPONDENT:

Under section 11507.6 of the Government Code of the State of California, parties to an administrative hearing, including the Complainant, are entitled to certain information concerning the opposing party's case. A copy of the provisions of section 11507.6 of the Government Code concerning such rights is included among the papers served.

PURSUANT TO SECTION 11507.6 OF THE GOVERNMENT CODE, YOU ARE HEREBY REQUESTED TO:

1. Provide the names and addresses of witnesses to the extent known to the Respondent, including, but not limited to, those intended to be called to testify at the hearing, and

2. Provide an opportunity for the Complainant to inspect and make a copy of any of the following in the possession or custody or under control of the Respondent:

a. A statement of a person, other than the Respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that

the act or omission of the Respondent as to this person is the basis for the administrative proceeding;

b. A statement pertaining to the subject matter of the proceeding made by any party to another party or persons;

c. Statements of witnesses then proposed to be called by the Respondent and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

d. All writings, including but not limited to reports of mental, physical and blood examinations and things which the Respondent now proposes to offer in evidence;

e. Any other writing or thing which is relevant and which would be admissible in evidence, including but not limited to, any patient or hospital records pertaining to the persons named in the pleading;

f. Investigative reports made by or on behalf of the Respondent pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

IN ADDITION, if cost recovery is requested in the pleading prayer, provide all writings which will support any objection which may be made by the Respondent, to Respondent's payment of investigation and enforcement costs to the Board.

For the purpose of this Request for Discovery, "statements" include written statements by the person, signed, or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

YOU ARE HEREBY FURTHER NOTIFIED that nothing in this Request for Discovery should be deemed to authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as attorney's work product.

Your response to this Request for Discovery should be directed to the undersigned attorney for the Complainant at the address on the first page of this Request for Discovery within 30 days after service of the Statement of Issues.

Failure without substantial justification to comply with this Request for Discovery may subject the Respondent to sanctions pursuant to sections 11507.7 and 11455.10 to 11455.30 of the Government Code.

Dated: August 31, 2017

XAVIER BECERRA
Attorney General of California
SHAWN P. COOK
Supervising Deputy Attorney General

SUSAN MELTON WILSON
Deputy Attorney General
Attorneys for Complainant

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COPY OF GOVERNMENT CODE SECTIONS 11507.5, 11507.6 AND 11507.7
PROVIDED PURSUANT TO GOVERNMENT CODE SECTIONS 11504 AND 11505

SECTION 11507.5: Exclusivity of discovery provisions

The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

SECTION 11507.6: Request for discovery

After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

(c) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

(f) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

SECTION 11507.7: Petition to compel discovery; Order; Sanctions

(a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed or refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer or other response to the motion before or at the time of the hearing.

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of Section 915 of the Evidence Code and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matters examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become effective until 10 days after the date the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

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DECLARATION OF SERVICE BY CERTIFIED MAIL AND FIRST CLASS MAIL
(Separate Mailings)

Case Name: **In the Matter of the Statement of Issues Against: The World University of America, Ojai**

No.: 1001648

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On September 1, 2017, I served the attached **STATEMENT TO RESPONDENT, STATEMENT OF ISSUES, RESPONDENT/APPLICANT'S NOTICE OF DESIGNATION OF COUNSEL (2 COPIES), RESPONDENT/APPLICANT'S NOTICE OF WITHDRAWAL OF REQUEST FOR HEARING (2 COPIES), REQUEST FOR DISCOVERY, GOVERNMENT CODE SECTIONS 11507.5, 11507.6 11507.7]** by placing a true copy thereof enclosed in a sealed envelope as certified mail with return receipt requested, and another true copy of the **STATEMENT TO RESPONDENT, STATEMENT OF ISSUES, RESPONDENT/APPLICANT'S NOTICE OF DESIGNATION OF COUNSEL (2 COPIES), RESPONDENT/APPLICANT'S NOTICE OF WITHDRAWAL OF REQUEST FOR HEARING (2 COPIES), REQUEST FOR DISCOVERY, GOVERNMENT CODE SECTIONS 11507.5, 11507.6 11507.7** was enclosed in a second sealed envelope as first class mail in the internal mail collection system at the Office of the Attorney General at 300 South Spring Street, Suite 1702, Los Angeles, CA 90013, addressed as follows:

The World University of America, Ojai
107 N. Ventura Street
Ojai, CA 93023
Respondent

The World University of America, Ojai
c/o Alcor Mizar L. Reyes
215 Gridley Road
Ojai, CA 93023
Respondent

Thor Alcyone L. Reyes
Chief Executive Officers
The World University of America, Ojai, CA
Post Office Box 1567
Ojai, CA 93023

Via Electronic Mail Only
Bureau of Private Postsecondary Education

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on September 1, 2017, at Los Angeles, California.

G. R. Sanchez
Declarant

Signature

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