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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: **GOLDENVILLE UNIVERSITY, SCHOOL OF MANAGEMENT AND LEADERSHIP** **Application for Approval to Operate Applicant** **Application Number 28287** Respondent.	Case No. 1002140 **STATEMENT OF ISSUES**

Complainant alleges:

PARTIES

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

2. On or about April 30, 2015, the Bureau received an Application for Approval to Operate for an Institution Non Accredited (Application) from Goldenville University, School of Management and Leadership (Respondent). On or about April 25, 2015, Mr. Bernard Kuh certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application. The Bureau denied the application on August 2, 2016.

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JURISDICTION

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

4. 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.

5. 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.

STATUTORY PROVISIONS[1]

6. Section 94885 states, in relevant part:

> (a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:
>
> (1) The content of each educational program can achieve its stated objective.
>
> (2) The institution maintains specific written standards for student admissions for each educational program and those standards are related to the particular educational program.
>
> (3) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program's goals.
>
> . . . .
>
> (5) The directors, administrators, and faculty are properly qualified.
>
> . . . .

[1] On October 11, 2009, the California Private Postsecondary Education Act (Act) of 2009 was signed into law. (Educ. Code, §§94800, et seq.) The Act was recently amended, effective January 1, 2015. (*See:* Senate Bill No. 1247.) This Statement of Issues is based on the post-amendment version of the Act.

(9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws.

7. Section 94897 provides, in relevant part:

An institution shall not do any of the following:

. . . .

(j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:

. . . .

(3) Any other record or document required by this chapter or by the bureau.

. . . .

(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:

. . . .

(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."

. . . .

8. Section 94909 states in part:

(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:

. . . .

(5) A description of the programs offered and a description of the instruction provided in each of the courses offered by the institution, the requirements for completion of each program, including required courses, any final tests or examinations, any required internships or externships, and the total number of credit hours, clock hours, or other increments required for completion.

. . . .

(8) A detailed description of institutional policies in the following areas:

(A) Admissions policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests, admissions requirements for ability-to-benefit students, and a

list describing any transfer or articulation agreements between the institution and any other college or university that provides for the transfer of credits earned in the program of instruction. If the institution has not entered into an articulation or transfer agreement with any other college or university, the institution shall disclose that fact.

. . . .

(9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program.

. . . .

(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:

. . . .

(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.

. . . .

9. Section 94910 states in part:

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:

. . . .

(f) All of the following:

. . . .

(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).

REGULATORY PROVISIONS

10. California Code of Regulations, title 5, section 71700 states that "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."

11. California Code of Regulations, title 5, section 71710, provides, in relevant part:

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

. . . .

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

. . . .

(2) a statement of educational objectives;

. . . .

(e) specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; . . .

12. California Code of Regulations, title 5, section 71720, states, in relevant part:

(a) An Educational Program Leading to a Degree.

(1) An institution offering an educational program that leads to a degree shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission and objectives, and for students to achieve the specific learning objectives of each course offered;

(2) Each institution shall develop and implement written policies and procedures providing for the participation by duly qualified faculty in the conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to the institution's mission and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials; . . .

13. California Code of Regulations, title 5, section 71735, states, in pertinent part:

(a) An institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which students are enrolled. If an institution represents that the educational service will fit or prepare a student for employment in a particular occupation or as described in particular job titles, either of the following conditions shall be met:

(1) The equipment used for instruction or provided to the student shall be comparable in model type or features to equipment generally used in those occupations or job titles at the time the instruction is offered.

(2) The institution shall establish that the equipment used for instruction or provided to a student is not obsolete and is sufficient for instructional purposes to reasonably assure that a student acquires the necessary level of education, training, skill, and experience to obtain employment in the field of training and to perform the tasks associated with the occupation or job title to which the educational program was represented to lead.

14. California Code of Regulations, title 5, section 71770, states, in pertinent part:

> (a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:
>
> (1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.
>
> (2) Each student admitted into a post-baccalaureate degree program shall possess a bachelor's degree or its equivalent. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that a member of the profession or occupation possess a Bachelor's degree or its equivalent, this subdivision does not apply.

FACTUAL BACKGROUND

15. On or about April 30, 2015, the Bureau received Respondent's Application, which included the following information:

- Institution Information
- Application Contact Person
- Business articles of Incorporation and approved bylaws
- Owner Information
- Agent for Service of Process
- Organization and Management
- Mission Statement and Educational Objectives
- Institution Representative
- Enrollment Agreement
- Financial Aid Policies
- Advertising and other public statements
- Instruction and Degrees Offered
- Description of Education Program
- Financial Statement
- Libraries and other learning resources

- Catalog
- Graduation/Completion Documents
- Custodian of Records

16. On or about May 6, 2015, the Bureau sent Respondent a letter that the Application was incomplete.

17. On or about March 15, 2016, the Bureau sent Respondent a letter requesting additional items and/or documents, in order for the Application to be deemed complete.

18. On or about June 16, 2016, the Bureau received a letter from Respondent responding to the March 15, 2016 deficiency letter.

19. On or about August 2, 2016, the Bureau sent a Notice of Denial letter to Respondent since it did not satisfy the minimum operating standards and certain deficiencies were not cured, as set forth in this Statement of Issues, below.

FIRST CAUSE FOR DENIAL OF APPLICATION

(Deficiencies in Instruction and Degrees Offered)

20. Respondent's Application is subject to denial under Section 94887, subdivision (b), in conjunction with California Code of Regulations, title 5, section 71710, subdivisions (c)(2) and (e), as follows:

a. Respondent did not provide the specific learning outcomes tied to the sequence of material presented in each course and the Bureau is unable to determine if the content in each educational program can achieve its stated objectives.

b. In its March 15, 2016 letter to the Respondent, the Bureau requested the exams to be used to evaluate student learning outcomes in each course, but the Institution did not provide any exams. As such, the Bureau is unable to determine if the content in each educational program can achieve its stated objective.

c. In its March 15, 2016 letter to the Respondent, the Bureau requested a syllabus for each course to be provided by the Institution that includes a statement of educational objectives. The Institution provided a syllabus for core course MCL03, Leaders' Human Relations, but the information provided in the syllabus under the heading "Learning Objectives" is a description of

course activities which fails to include learning objectives. Therefore, the Bureau is unable to determine if the content in each educational program can achieve its statement mission and objectives.

d. In its March 15, 2016 letter, the Bureau requested a projection and basis of the projection of the number of students that the Institution plans to enroll in the program during each of the three years following the date of the Application. The Institution provided a statement that "The institution has signed an MOU with other institutions for exchange of students, cooperation in course development, and collaboration in other academic related academics related works." The Institution did not state the specific institutions included in the MOU, the terms of the MOU, or provide a copy of the MOU. Therefore, the Bureau is unable to determine if the Institution is capable of fulfilling its commitments to students.

21. Respondent incorporates by reference herein Paragraphs 15-19, above.

SECOND CAUSE FOR DENIAL OF APPLICATION

(Deficiencies in Faculty)

22. Respondent's Application is subject to denial pursuant to Section 94887 and California Code of Regulations, title 5, section 71720 (a)(1) and (a)(2), in that Respondent failed to establish compliance with minimum operating standards, as follows:

a. In its March 15, 2016 letter to the Respondent, the Bureau requested the faculty handbook or policy and procedures that comply with California Code of Regulations, title 5, section 71720. Respondent did not provide a faculty handbook or policy and procedures that ensure the participation of duly qualified faculty in sufficient number to provide student advisement and to achieve its stated mission and objectives. This is a violation of California Code of Regulations, title 5, section 71720, subdivision (a)(1).

b. In its March 15, 2016 letter to the Respondent, the Bureau requested the faculty handbook or policy and procedures that comply with California Code of Regulations, title 5, section 71720. Respondent did not provide a faculty handbook or policy and procedures that include the participation of duly qualified faculty in the conducting of research. Moreover, in Respondent's letter received by the Bureau on June 16, 2016, Section 24, the Institution stated

that: "Goldenville University (GU) has agreed with S. H., school judicial, person to cooperate in faculty research, academic development, transfer of credits, and advertisement." Respondent did not provide a copy of the agreement or details about how the agreement would be implemented an explanation as to the agreement's content. This is a violation of California Code of Regulations, title 5, section 71720, subdivision (a)(2).

23. Respondent incorporates by reference herein Paragraphs 15-19, above.

THIRD CAUSE FOR DENIAL OF APPLICATION

(Deficiencies in School Catalog)

24. Respondent's Application is subject to denial under Sections 94887,, 94897, subdivisions (j)(3) and (p)(2), 94909, subdivisions (a)(5), (a)(8)(A), (a)(9) and (a)(16)(B), in conjunction with California Code of Regulations, title 5, section 71770, subdivision (a), in that the school catalog contains the following deficiencies:

a. In Respondent's school catalog received on June 16, 2016, the statement regarding the transfer of credits earned at other institutions on page 14 does not specify the type or the number of units or credits a student may transfer, and the catalog does not contain the required minimum transfer credits policy.

b. In Respondent's letter received by the Bureau on June 16, 2016, Section 24, the Institution indicated that Goldenville University had an agreement with S. H. to cooperate in the transfer of credits, among other matters, and the catalog thus does not contain the required minimum transfer credits policy.

c. In Respondent's letter received by the Bureau on June 16, 2016, Section 13, item 4, Respondent provided a statement that: "The institution has signed an MOU with other institutions for exchange of students, in cooperation in course development, and collaboration in other academic related works." Respondent failed to provide a catalog describing any transfer or articulation agreements between the Institution and any other college or university and failed to establish specific written standards for student admissions.

d. In Respondent's response letter dated June 16, 2016, the Institution provided a campus map on page 38 entitled Goldenville University, with the subtitle "Conference Rooms".

The campus map shows 13 large buildings, and also includes a soccer field and two tennis courts within the campus. However, the Commercial Lease Agreement received by the Bureau on June 16, 2016 is only for two rooms, with a total square footage of only 440 square feet. This is a violation of Section 94897, subdivision (j)(3), for making a misleading statement in a document required by the Bureau.

e. The catalog received by the Bureau on June 16, 2016, states on page 37 that the Institution is located at 1550 E. Elizabeth St., 107, Pasadena, CA 91104 and occupies the first floor of the main building of William Carry International University. This statement conflicts with the Commercial Lease Agreement received by the Bureau June 16, 2016, that two rooms were leased for a total of 400 square footage.

f. The Course Syllabus for core course MLC 06, Advocacy Skills and Strategies, which was provided in Respondent's letter to the Bureau received on June 16, 2016, includes a class trip to Sacramento, but the course description on page 9 of the school catalog does not contain any information for a trip to Sacramento for this course. This violates the minimum requirements for a catalog.

g. The catalog received on June 16, 2016 does not contain the required verbatim disclosure to students regarding a known limitation of a degree earned from an unaccredited institution, which does not meet the minimum requirements for a catalog under Section 94909, subdivision (a)(16)(B) and also fails to disclose to prospective students any known limitation of the degree, in violation of Section 94897, subdivision (p)(2).

25. Respondent incorporates by reference herein Paragraphs 15-19, above.

FOURTH CAUSE FOR DENIAL OF APPLICATION

(Failed to Meet Minimum Operating Standards – Facilities and Equipment)

26. Respondent's application is subject to denial under Sections 94885, 94887 and 94897 and California Code of Regulations, title 5, section 71735, subdivision (a) (1) and (2), as follows:

a. In its March 15, 2016 deficiency letter, the Bureau requested the lease agreement indicating the exact location of Goldenville University School of Management and Leadership.

In response, the Bureau received from the Institution on June 16, 2016 a Commercial Lease Agreement for two rooms at 220 square feet each, for a total of approximately 440 square feet. This lease agreement does not include any classroom space and the Bureau is unable to determine if the Institution has adequate facilities to support the achievement of its educational objections. This is a violation of California Code of Regulations, title 5, section 71735, subdivision (a) for not meeting the minimum operating standards.

b. In its letter sent to the Institution on May 6, 2015, the Bureau stated that Respondent's Application is missing the list of all permits, certifications or other evidence of inspections or authorizations which are required by the jurisdictions in which the Institution operates. In the Respondent's response letter dated June 16, 2016, the Institution indicated that this information had previously been submitted. The Institution it failed to provide a copy of the business license, as required by the City of Pasadena. This is a violation of Section 94885, subdivision (a)(9), for not meeting the minimum operating standards.

c. In Respondent's response letter dated June 16, 2016, Respondent provided a campus map entitled Goldenville University, with the subtitle "Conference Rooms". The campus map shows 13 large buildings, and includes a soccer field and two tennis courts within the campus. However, the Commercial Lease Agreement received by the Bureau on June 16, 2016 is only for two rooms, with a total square footage of only 440 square feet. This is a violation of Section 94897, subdivision (j)(3), for making a misleading statement in a document required by the Bureau.

d. In its March 15, 2016 deficiency letter to Respondent, the Bureau requested a detailed explanation and supporting documentation for a William Carrey International University Agreement for Use of Facilities lease agreement for space rented as a conference room that was included in Respondent's Application. The Bureau is unable to determine if Respondent has adequate facilities to support the achievement of its educational objectives. This is a violation of California Code of Regulations, title 5, section 71735, subdivision (a) for not meeting the minimum operating standards.

27. Respondent incorporates by reference herein Paragraphs 15-19, above.

FIFTH CAUSE FOR DENIAL OF APPLICATION

(Deficiencies in School Performance Fact Sheet)

28. Respondent's Application is subject to denial under Section 94910, subdivision (f)(2), as follows:

a. In the Bureau's March 15, 2016 deficiency letter to Respondent, the Bureau requested a list identifying each occupation or job title the education degree program will lead, which Respondent did not provide. Respondent stated that: "The program offered is not designed to prepare students for employment in any occupation." This statement contradicts the response received by the Bureau from Respondent on June 16, 2016, which states in Section 7, Mission and Objectives, under the heading "Educational Objectives", bullet 2, that "Our students will be prepared for successful careers in the field of business as leaders, managers, and entrepreneurs in their communities and organizations." The Bureau is unable to determine if Respondent will provide a prospective student with a School Performance Fact Sheet, which violates the requirements of California Code of Regulation, title 5, section 94910, subdivision (f)(2).

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 Goldenville University, School of Management and Leadership for an Approval to Operate; and

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

DATED: 2/7/17

JOANNE WENZEL
Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

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