

1 XAVIER BECERRA
Attorney General of California
2 ANTOINETTE CINCOTTA
Supervising Deputy Attorney General
3 MARICHELLE S. TAHIMIC
Deputy Attorney General
4 State Bar No. 147392
600 West Broadway, Suite 1800
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-3154
7 Facsimile: (619) 645-2061
Attorneys for Complainant

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

11
12 In the Matter of the Statement of Issues
Against:

Case No. 1001325

13
14 **WESTERN CAMBRIDGE UNIVERSITY**

FIRST AMENDED

STATEMENT OF ISSUES

15
16 Respondent.

17
18 Complainant alleges:

19 **PARTIES**

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

23 2. On or about May 5, 2011, the Bureau received an Application for an Approval to
24 Operate a Non-Accredited Institution (Application Number 23453) from Western Cambridge
25 University (Respondent). On or about April 29, 2011, Julie Ludt certified under penalty of
26 perjury to the truthfulness of all statements, answers, and representations in the application. The
27 Bureau denied the application on November 13, 2015.

28 ///

1 **JURISDICTION**

2 3. This Statement of Issues is brought before the Director of the Department of
3 Consumer Affairs (Director) for the Bureau under the authority of the following laws.¹ All
4 section references are to the Education Code (Code) unless otherwise indicated.

5 4. Code section 94886 states:

6 Except as exempted in Article 4 (commencing with section 94874) or in
7 compliance with the transition provisions in Article 2 (commencing with
8 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.

9 5. Code section 94887 states:

10 An approval to operate shall be granted only after an applicant has presented
11 sufficient evidence to the bureau, and the bureau has independently verified the
12 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.

13
14 **STATUTORY AND REGULATORY PROVISIONS**

15 6. Title 5, California Code of Regulations (CCR), section 71100 states:

16 (a) An applicant seeking approval to operate pursuant to Section 94886 of the
17 Code, other than Approval to Operate by Accreditation pursuant to Section
18 94890(a)(1) of the Code, shall complete the "Application for Approval to
Operate for an Institution Not Accredited," Form Application 94886 (rev. 2/10).
An applicant seeking approval to operate by accreditation pursuant to Section
19 94890(a)(1) of the Code shall comply with section 71390.

20 (b) An applicant shall submit the completed form, the information or
documentation required by this Article, the appropriate application fee as
21 provided in Section 94930.5(a)(1) of the Code, and any appropriate annual fee
as required by Article 1 of Chapter 5 of this Division, to the Bureau.

22 (c) An application that fails to contain all of the information required by this
23 article shall render it incomplete.

24 ///

25 ¹ On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009 (SB
26 48 and hereinafter, "the Act") was signed into law. The Act, which became operative on January
27 1, 2010, established the Bureau for Private Postsecondary Education (hereinafter "Bureau"). The
California Private Postsecondary Education Act of 2009 was recently amended, effective January
28 1, 2015. See Senate Bill No. 1247. This Statement of Issues is based on amended version of the
Act.

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7. Code section 94885.5 states in part:

(a) If an institution that has not been accredited by an accrediting agency recognized by the United States Department of Education seeks to offer one or more degree programs, the institution shall satisfy the following requirements in order to be issued a provisional approval to operate from the bureau:

(1) The institution may not offer more than two degree programs during the term of its provisional approval to operate.

(2) The institution shall submit an accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of issuance of its provisional approval to operate. The plan shall include, at a minimum, identification of an accreditation agency recognized by the United States Department of Education, from which the institution plans to seek accreditation, and outline the process by which the institution will achieve accreditation candidacy or pre-accreditation within two years, and full accreditation within five years, of issuance of its provisional approval.

...

8. Code section 94897 states in 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.

(2) The institution is a public institution.

...

(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. Code section 94900 states:

(a) An institution shall maintain records of the name, address, e-mail address,

1 and telephone number of each student who is enrolled in an educational
2 program in that institution.

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

5 (1) The degree or certificate granted and the date on which that degree or
6 certificate was granted.

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

8 (3) The grades earned by the student in each of those courses.

9 10. Code section 94900.5 states:

11 An institution shall maintain, for a period of not less than five years, at its
12 principal place of business in this state, complete and accurate records of all of
13 the following information:

14 (a) The educational programs offered by the institution and the curriculum for
15 each.

16 (b) The names and addresses of the members of the institution's faculty and
17 records of the educational qualifications of each member of the faculty.

18 (c) Any other records required to be maintained by this chapter, including, but
19 not limited to, records maintained pursuant to Article 16 (commencing with
20 Section 94928).

21 11. Code section 94909 states in part:

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

25 (1) The name, address, telephone number, and, if applicable, Internet
26 Web site address of the institution.

27 ...

28 (3) The following statements:

(A) "Any questions a student may have regarding this catalog 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)."

...

(C) "A student or any member of the public may file a complaint
about this institution with the Bureau for Private Postsecondary Education
by calling (toll-free telephone number) or by completing a complaint
form, which can be obtained on the bureau's Internet Web site (Internet
Web site address)."

1 (4) The address or addresses where class sessions will be held.

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

8 (6) If the educational program is designed to lead to positions in a
9 profession, occupation, trade, or career field requiring licensure in this state, a
10 notice to that effect and a list of the requirements for eligibility for licensure.

11 ...

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

13 ...

14 (B) Cancellation, withdrawal, and refund policies, including an
15 explanation that the student has the right to cancel the enrollment
16 agreement and obtain a refund of charges paid through attendance at the
17 first class session, or the seventh day after enrollment, whichever is later.
18 The text shall also include a description of the procedures that a student is
19 required to follow to cancel the enrollment agreement or withdraw from
20 the institution and obtain a refund consistent with the requirements of
21 Article 13 (commencing with Section 94919).

22 (C) Probation and dismissal policies.

23 ...

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

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

(11) A statement specifying that, if a student obtains a loan to pay for an
educational program, the student will have the responsibility to repay the full
amount of the loan plus interest, less the amount of any refund, and that, if the
student has received federal student financial aid funds, the student is entitled to
a refund of the moneys not paid from federal student financial aid program
funds.

(12) A statement specifying whether the institution has a pending petition
in bankruptcy, is operating as a debtor in possession, has filed a petition within
the preceding five years, or has had a petition in bankruptcy filed against it
within the preceding five years that resulted in reorganization under Chapter 11
of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

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

1 ...
2 (16) A statement specifying whether the institution, or any of its degree
3 programs, are accredited by an accrediting agency recognized by the United
4 States Department of Education. If the institution is unaccredited and offers an
5 associate, baccalaureate, master's, or doctoral degree, or is accredited and offers
6 an unaccredited program for an associate, baccalaureate, master's, or doctoral
7 degree, the statement shall disclose the known limitations of the degree
8 program, including, but not limited to, all of the following:

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

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

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

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

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

25 (d) An accredited institution is not required to provide a School
26 Performance Fact Sheet to a prospective student who is not a California
27 resident, not residing in California at the time of his or her enrollment, and
28 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.

12. Code section 94910 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 recognized career, occupation, vocation, job,
or job title.

///

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

4 (d) Salary or wage information, as calculated pursuant to Article 16
5 (commencing with Section 94928).

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

13 (f) All of the following:

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

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

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

25 (g) The following statements:

26 (1) "This fact sheet is filed with the Bureau for Private Postsecondary
27 Education. Regardless of any information you may have relating to completion
28 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.

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13. Code section 94911 states:

An enrollment agreement shall include, at a minimum, all of the following:

...

(c) In underlined capital letters on the same page of the enrollment agreement in which the student's signature is required, the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment.

...

14. Code section 94920 states:

An institution that does not participate in the federal student financial aid programs shall do all of the following:

...

(b) Institutions shall refund 100 percent of the amount paid for institutional charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars (\$250), if notice of cancellation is made through attendance at the first class session, or the seventh class day after enrollment, whichever is later.

...

15. Title 5, CCR, section 70000 states in part:

...

(u) "Provisional approval" means approval of a degree program or the institution for no more than a five-year period while the owner of a Bureau-approved institution seeks to satisfy the requirement for institutional accreditation by an accrediting agency recognized by the United States Department of Education pursuant to section 94885(b) of the Code.

...

16. Title 5, CCR, section 71105 states:

(a) For an application for approval to operate or a substantive change, the owner of an unaccredited institution also requesting provisional approval to offer a degree program shall submit to the Bureau, for its approval, a plan for achieving institutional accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program.

(b) The plan shall include:

(1) Identification of the accrediting agency from which the institution will seek accreditation;

(2) Identification of the accrediting agency's eligibility requirements;

1 (3) Identification of the accrediting agency's minimum requirements for
2 institutional accreditation covering at least one degree program offered by the
3 institution with an outline of the process and timeline for complying within two
4 years of provisional approval with the accrediting agency's requirements for
5 submission of a completed application for initial accreditation with the required
6 fee; and

7 (4) An outline of the process and timeline whereby the institution will
8 achieve full accreditation within five years of provisional approval, including
9 all of the following, if applicable:

10 (A) Attendance at the accrediting agency's required accreditation
11 applicant workshop;

12 (B) Submission of financial statements as required by the accrediting
13 agency;

14 (C) Submission of a self-evaluation report; and

15 (D) Hosting of a site visit by the accrediting agency.

16 17. Title 5, CCR, section 71110 states in part:

17 An institution shall provide the following information on the Form Application
18 94886:

19 ...

20 (e) The name, address, email address, fax number and phone number of an
21 individual who will function as the institution's contact person for the purposes
22 of the Form Application 94886. ...

23 18. Title 5, CCR, section 71120 states:

24 The institution shall specify the form of business organization of the institution
25 (e.g., sole proprietorship, general or limited partnership, for-profit corporation,
26 nonprofit corporation, or Limited Liability Corporation). If the institution is
27 incorporated, the institution shall also identify the state within which the
28 institution is incorporated and the date of incorporation, and provide copies of
the articles of incorporation and bylaws.

19. Title 5, CCR, section 71130 states:

(a)(1) The institution shall identify the name, address, email address, and
telephone number of each person, as defined in section 94855 of the Code, who
owns or controls 25% or more of the stock or an interest in the institution and,
to the extent applicable, each general partner, officer, corporate director,
member of the board of directors and any other person who exercises
substantial control over the institution's management or policies. For the
purpose of this paragraph, a person exercises "substantial control over the
institution's management or policies" if the person has the authority to cause the
institution to expend money or incur debt in the amount of five thousand dollars
(\$5,000) or more in any year.

1 (2) For each address required, the institution shall provide a physical home
2 address, and may request that the address, email address, and telephone
3 number, of each person described in paragraph (1) be maintained as personal
4 information.

5 (b) The institution shall describe the nature and percentage of the ownership
6 interest and any other financial involvement in the institution of any person
7 identified in subdivision (a) of this section.

8 (c) The institution shall provide a statement from any person identified in
9 subdivision (a) of this section who -

10 (1) Was found in any judicial or administrative proceeding to have
11 violated the Act or the law of any other state related to untrue or misleading
12 advertising, the solicitation of prospective students for enrollment in an
13 educational service, or the operation of a postsecondary school;

14 (2) Was denied any type of license on grounds set forth in Section 480 of
15 the Business and Professions Code;

16 (3) Was adjudicated as responsible for the closure of an institution in
17 which there were unpaid liabilities to the state or federal government or any
18 uncompensated pecuniary losses suffered by students;

19 (4) Has stipulated to a judgment or administrative order or entered a
20 consent decree involving any of the matters described in this section.

21 (5) Was convicted of any misdemeanor or felony as provided in Section
22 480(a)(1) of the Business and Professions Code;

23 (d) The institution shall furnish an explanation of any legal action pending
24 against the institution or ownership or any of the institution's owners, officers,
25 corporate directors, administrators, or instructors by any federal, state, or local
26 law enforcement agency involving alleged acts of fraud, dishonesty, financial
27 mismanagement, unpaid liabilities to any governmental agency or claims for
28 pecuniary loss suffered by any student.

20. Title 5, CCR, section 71150 states, "If the institution has a governing board, the Form Application 94886 shall include the name, work address, email address, and telephone number of each member of the governing board."

21. Title 5, CCR, section 71160 states, "The Form Application 94886 shall contain the name, work address, email address, fax number and telephone number of the person with whom the Bureau will correspond and conduct legal transactions on behalf of the institution."

22. Title 5, CCR, section 71210 states:

(a) The institution shall identify and describe the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded.

1 (b) In addition to the general title, such as "Bachelor of Arts" or "Master of
2 Science," each degree title shall include the name of a specific major field of
3 learning involved.

4 (c) In addition, the institution shall list the following for each educational
5 program offered:

6 (1) The admissions requirements, including minimum levels of prior
7 education, preparation, or training;

8 (2) If applicable, information regarding the ability-to-benefit examination
9 as required by section 94904 of the Code;

10 (3) The types and amount of general education required;

11 (4) The title of the educational programs and other components of
12 instruction offered, including a description of the level of the courses (e.g.,
13 below college level, undergraduate level, graduate level);

14 (5) The method of instruction;

15 (6) The graduation requirements; and

16 (7) Whether the educational program is designed to fit or prepare students
17 for employment in any occupation. If so, the Form Application 94886 shall
18 identify each occupation and job title to which the institution represents the
19 educational program will lead.

20 23. Title 5, CCR, section 71220 states in part:

21 For each educational program that the institution offers or proposes to offer, the
22 Form Application 94886 shall contain a statement that the educational program
23 meets the requirements of section 71710, as well as the following:

24 (a) A description of the educational program.

25 (b) A description of the equipment to be used during the educational program.

26 (c) A description of the number and qualifications of the faculty needed to teach
27 the educational program.

28 (d) A projection, and the bases for the projection, of the number of students that
the institution plans to enroll in the educational program during each of the
three years following the date the Form Application 94886 was submitted.

(e) A description of the learning, skills, and other competencies to be acquired
by students who complete the educational program.

...

24. Title 5, CCR, section 71240 states

(a) The Form Application 94886 shall contain a statement that the institution
has and can maintain the financial resources required pursuant to section 71745.

1 (b) The institution shall submit current, reviewed financial statements at the
2 time it applies for approval to operate. Each set of financial statements shall
3 comply with Section 74115 of this chapter.

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8 25. Title 5, CCR, section 71260 states in part:

9 ...

10 (f) The Form Application 94886 shall contain a list of all permits, certifications,
11 or other evidence of inspections or authorizations to operate required by the
12 jurisdictions within which the institution operates that the institution has
13 obtained, and/or an explanation as to why those permits, certifications, or
14 inspections have not yet been obtained.

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18 26. Title 5, CCR, section 71310 states in part:

19 (a) The Form Application 94886 shall contain a description of how records
20 required by Article 9 of the Act or this chapter are or will be organized and
21 maintained, the types of documents contained in student files, how the records
22 are stored, and whether academic and financial records are maintained in
23 separate files. The description shall include a statement of the institution's
24 procedures for security and safekeeping of records.

25 ...

26
27 27. Title 5, CCR, section 71400 states in part:

28 ...

(d) Pursuant to section 94887 of the Code, the Bureau will either grant or deny
an application.

...

(2) For an applicant that seeks to offer degree programs only, the Bureau will
grant a provisional approval to operate the institution if the application
demonstrates, in addition to all other requirements for approval to operate, that
the institution meets the requirements of section 94885.5 of the Code, and the
plan is approved pursuant to section 71105.

(3) For an applicant that seeks to offer both degree and non-degree programs,
in addition to any action taken by the Bureau pursuant to this section in
granting an approval to operate an institution and any non-degree programs, the
Bureau may grant a provisional approval to offer no more than two degree
programs if the application demonstrates that the institution meets the
requirements of section 94885.5 of the Code, and the plan is approved pursuant
to section 71105, in addition to all other requirements for approval to operate.

28 28. Title 5, CCR, 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."

1 29. Title 5, CCR, section 71710 states in part:

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

4 ...

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

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

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

11 (2) a statement of educational objectives;

12 (3) length of the educational program;

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

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

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

17 (7) instructional mode or methods.

18 ...

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

21 (f) evaluation by duly qualified faculty of those learning outcomes.

22 30. Title 5, CCR, section 71715, subdivision (b) states, "The institution shall document
23 that the instruction offered leads to the achievement of the learning objectives of each course."

24 31. Title 5, CCR, section 71716 states:

25 (a) An institution offering a distance educational program where the instruction
26 is not offered in real time shall transmit the first lesson and any materials to any
27 student within seven days after the institution accepts the student for admission.

28 (b) The student shall have the right to cancel the agreement and receive a full
refund pursuant to section 71750 before the first lesson and materials are
received. Cancellation is effective on the date written notice of cancellation is
sent. The institution shall make the refund pursuant to section 71750. If the
institution sent the first lesson and materials before an effective cancellation
notice was received, the institution shall make a refund within 45 days after the
student's return of the materials.

(c) (1) An institution shall transmit all of the lessons and other materials to

1 the student if the student: (A) has fully paid for the educational program; and
2 (B) after having received the first lesson and initial materials, requests in
writing that all of the material be sent.

3 (2) If an institution transmits the balance of the material as the student
4 requests, the institution shall remain obligated to provide the other educational
5 services it agreed to provide, such as responses to student inquiries, student and
6 faculty interaction, and evaluation and comment on lessons submitted by the
7 student, but shall not be obligated to pay any refund after all of the lessons and
8 material are transmitted.

9 (d) The enrollment agreement shall disclose the institution's and student's rights
10 and duties under this section.

11 32. Title 5, CCR, section 71720 states in part:

12 (a) An Educational Program Leading to a Degree.

13 (1) An institution offering an educational program that leads to a degree
14 shall employ duly qualified faculty sufficient in number to provide the
15 instruction, student advisement, and learning outcomes evaluation necessary for
16 the institution to document its achievement of its stated mission and objectives,

17 and for students to achieve the specific learning objectives of each course
18 offered;

19 ...

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

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

24 1. a degree from: an institution approved by the Bureau or
25 previously approved by a predecessor agency of the Bureau; or an
26 accredited institution in the United States or Canada; or other state
27 approved institution that documents that the institution at which the
28 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;

...

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1 33. Title 5, CCR, section 71745 states in part:

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

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

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

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

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

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

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

23 ...

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

26 34. Title 5, CCR, section 71775 states:

27 (a) An unaccredited institution enrolling a student in a degree program that has
28 received provisional approval shall, prior to execution of an enrollment
agreement, provide the student with the following notice, which shall be in at
least 12-point type in the same font as the enrollment agreement:

“Notice to Prospective Degree Program Students

This institution is provisionally approved by the Bureau for Private
Postsecondary Education to offer degree programs. To continue to offer
this degree program, this institution must meet the following
requirements:

- Become institutionally accredited by an accrediting agency
recognized by the United States Department of Education, with the scope
of the accreditation covering at least one degree program.

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1 • Achieve accreditation candidacy or pre-accreditation, as defined
2 in regulations, by (date two years from date of provisional approval), and
3 full accreditation by (date five years from date of provisional approval).

4 If this institution stops pursuing accreditation, it must:

- 5 • Stop all enrollment in its degree programs, and
- 6 • Provide a teach-out to finish the educational program or provide a
7 refund.

8 An institution that fails to comply with accreditation requirements by the
9 required dates shall have its approval to offer degree programs
10 automatically suspended.

11 Institutional Representative Initials: _____ Student Initials: _____

12 Date: _____ Date: _____

13 (b) The student and an institutional representative shall initial and date the
14 notice prior to executing an enrollment agreement. An initialed copy of the
15 notice shall be given to the student and the original shall be retained in the
16 enrolled student's records.

17 (c) The notice shall also be posted immediately preceding or following as to
18 clearly pertain to the description of the degree program, including, but not
19 limited to, one or more of the following; admissions requirements, length of
20 program, courses offered or areas of focus. Such notice shall be included, at a
21 minimum, in the following locations:

- 22 (1) The institution's catalog where each degree program is described.
- 23 (2) The institution's website where each degree program is described.
- 24 (3) The institution's degree program brochures.

25 35. Title 5, CCR, section 71800 states in part:

26 In addition to the requirements of section 94911 of the Code, an institution shall
27 provide to each student an enrollment agreement that contains at the least the
28 following information:

...

(e) Itemization of all institutional charges and fees including, as applicable:

(1) tuition;

...

(3) equipment;

(4) lab supplies or kits;

(5) Textbooks, or other learning media;

- (6) uniforms or other special protective clothing;
- (7) in-resident housing;
- (8) tutoring;
- (9) assessment fees for transfer of credits;
- (10) fees to transfer credits;
- (11) Student Tuition Recovery Fund fee (non-refundable);

...

(f) Charges paid to an entity other than an institution that is specifically required for participation in the educational program.

36. Title 5, CCR, section 71810 states in 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:

(1) The specific beginning and ending dates defining the time period covered by the catalog;

...

(3) If the institution admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges;

...

(6) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program;

...

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

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

...

(12) A description of all student services;

1 (13) Housing information including all of the following:

2 (A) Whether the institution has dormitory facilities under its control;

3 (B) The availability of housing located reasonably near the
4 institution's facilities and an estimation of the approximate cost or range of cost of the housing; and

5 (C) If the institution has no responsibility to find or assist a student
6 in finding housing, a clear and conspicuous statement so indicating.
7 A statement that the program is "non-residential" does not satisfy this subparagraph.

8 (14) Policies on student rights, including the procedure for addressing student grievances; and,

9 (15) Policies on the retention of student records.

10 37. Title 5, CCR, section 71850 states in part:

11 Graduation requirements for an undergraduate degree program shall meet
12 minimum credit requirements and shall include provisions for general education
13 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.

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

18 ...

19 38. Title 5, CCR, section 71865 states in part:

20 (a) A Master's degree may only be awarded to a student who demonstrates at
21 least the achievement of learning in a designated major field that is equivalent
22 in depth to that normally acquired in a minimum of 30 semester credits or its
23 equivalent or one year of study beyond the Bachelor's degree.

24 (b) A professional Doctoral degree may only be awarded to a student who has
25 completed a prescribed level of study normally requiring a minimum of three
26 academic years of full-time graduate study or the equivalent in part-time study;
27 or, if the program leads to a profession or occupation requiring state licensure,
28 which satisfies the requirements of the state agency. The degree shall include
the name of the field in which it is offered (e.g., Juris Doctor or Doctor of Music).

27 ...

28 ///

1 39. Title 5, CCR, section 74115 states:

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

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

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

12 (2) Financial statements prepared on an annual basis as required by
13 section 74110(b) shall be prepared in accordance with the generally accepted
14 accounting principles established by the American Institute of Certified Public
15 Accountants. Nonprofit institutions shall provide annual financial statements as
16 required under generally accepted accounting principles for nonprofit
17 organizations.

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

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

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

28 (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.

40. Title 5, CCR, section 76215 states:

(a) A qualifying institution shall include the following statement on both its
enrollment agreement for an educational program and its current schedule of
student charges:

"You must pay the state-imposed assessment for the Student Tuition
Recovery Fund (STRF) if all of the following applies to you:

1 46. On December 5, 2012, March 18, 2013, October 11, 2013, and October 29, 2014, the
2 Bureau received Respondent's additional responses to the November 6, 2012 deficiency letter.

3 47. On March 18, 2013, the Bureau received a letter from the institution notifying the
4 Bureau of the institution's name change from American University of California to Western
5 Cambridge University.

6 48. On October 11, 2013, the Bureau received financial statements as of June 30, 2013.

7 49. On March 17, 2014, the Bureau received financial statements as of February 28,
8 2014.

9 50. On July 10, 2015, the Bureau sent Respondent a second letter advising that the
10 Bureau could not grant Respondent an approval to operate because of deficiencies that remained
11 in the application and supporting documents.

12 51. The Bureau denied Respondent's Application for Approval to Operate a Non-
13 Accredited Institution and sent Respondent a "Notice of Denial" on November 13, 2015.

14 52. On January 5, 2017, Respondent submitted additional documents to cure the
15 deficiencies in the application and supporting documents. However, deficiencies remain.

16 **FIRST CAUSE FOR DENIAL OF APPLICATION**

17 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**

18 **- Failure to Provide Institution's Contact Person)**

19 53. Respondent's application is subject to denial under Education Code section 94887
20 and title 5, CCR, sections 71100 and 71110(e) for failing to demonstrate its capacity to satisfy
21 minimum operating standards by failing to provide the name, address and telephone number of
22 the institution's contact person. The circumstances are as follows.

23 54. Respondent's Form Application, received by the Bureau on May 5, 2011, identified
24 A.K. as the institution's contact person. Respondent's revised Application received by the
25 Bureau on December 5, 2012, identified R.C. as the institution's contact person. On May 16,
26 2014, the Bureau received an e-mail from R.C. stating that he was no longer associated with the
27 institution. However, the Bureau has not received any notification from Respondent that the
28

1 contact person has changed. Therefore, the Bureau is unable to determine who the current contact
2 person is.

3 **SECOND CAUSE FOR DENIAL OF APPLICATION**

4 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**
5 **- Form of Business Organization)**

6 55. Respondent's application is subject to denial under Education Code section 94887
7 and title 5, CCR, sections 71100 and 71120 for failing to demonstrate its capacity to satisfy
8 minimum operating standards in that on Respondent's Form Application, Respondent indicated it
9 is structured as a "For Profit Corporation." As a corporation, Respondent is required to provide
10 copy of its bylaws and Articles of Incorporation. Respondent failed to provide a copy of Articles
11 of Incorporation.

12 **THIRD CAUSE FOR DENIAL OF APPLICATION**

13 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**
14 **- Owners)**

15 56. Respondent's application is subject to denial under Education Code section 94887
16 and title 5, CCR, sections 71100 and 71130 for failing to demonstrate its capacity to satisfy
17 minimum operating standards by failing to identify the institution's owners. The circumstances
18 are as follows.

19 57. Respondent's Form Application indicates that Ludt holds 100 percent ownership of
20 the institution. According to the City of Anaheim Business Tax Certification status, the owners
21 are reflected as R.C., K.K. and Ludt. In addition, the Bureau received an e-mail from R.C.
22 advising that the institution had been sold to another party. The Bureau has not received any
23 communication or documentation from Ludt that there has been a change in ownership. As such,
24 the Bureau is unable to ascertain the institution's ownership.

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1 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

2 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**
3 **- Governing Board)**

4 58. Respondent's application is subject to denial under Education Code section 94887
5 and title 5, CCR, sections 71100 and 71150 for failing to demonstrate its capacity to satisfy
6 minimum operating standards by failing to provide sufficient information regarding the
7 institution's governing board members. The institution submitted a list of governing board
8 members that included W.C. and X.G. however, no e-mail addresses were provided as to these
9 members as required, and no explanation was provided about the failure to include their e-mail
10 addresses.

11 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

12 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**
13 **- Institution Representative)**

14 59. Respondent's application is subject to denial under Education Code section 94887
15 and title 5, CCR, sections 71100 and 71160 for failing to demonstrate its capacity to satisfy
16 minimum operating standards by failing to identify the person with whom the Bureau will
17 correspond and conduct legal transactions on behalf of the institution. Respondent's Form
18 Application identified R.C. as the institution's representative however, on May 16, 2014, the
19 Bureau received an e-mail from R.C. advising that he was no longer associated with the
20 institution. The Bureau has not received any notification that the institution's representative has
21 changed. The Bureau is unable to determine who is currently occupying this position.

22 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

23 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**
24 **- Enrollment Agreement)**

25 60. Respondent's application is subject to denial under Education Code sections 94887,
26 94909 and 94911, and title 5, CCR, sections 71100 and 71800, for failing to demonstrate its
27 capacity to satisfy minimum operating standards in that the enrollment agreement failed to
28

1 include an itemization of all institutional charges and fees, as required by title 5, CCR, section
2 71800(e)(1), (e)(3) through (e)(11) and (f).

3 **SEVENTH CAUSE FOR DENIAL OF APPLICATION**

4 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**

5 **- Description of Educational Programs)**

6 61. Respondent's application is subject to denial under Education Code section 94887
7 and section 71100, for failing to demonstrate its capacity to satisfy minimum operating standards
8 as follows:

9 a. Respondent failed to submit the following information for any of the proposed
10 educational programs, in violation of title 5, CCR, sections 71220(a) – (e), 71710(b), (c)(1-7), (e)
11 and (f):

12 i) a description of each program;

13 ii) a description of the equipment to be used during the educational program;

14 iii) a description of the number and qualifications of the faculty needed to teach the
15 educational program;

16 iv) a projection, and the bases for the projection, of the number of students that the
17 institution plans to enroll in the educational programs during each of the three years
18 following the date the application is submitted; and,

19 v) a description of the learning, skills, and other competencies to be acquired by
20 students who complete the educational program.

21 b. Respondent failed to submit a syllabus for all courses provided by the institution; a
22 clear, sequential outline of each program; a list of faculty teaching assignment(s) first by program
23 and then by course; and, a list identifying the curriculum developer(s) and their qualifications,
24 including a resume or curriculum vitae, in violation of title 5, CCR, sections 71710(c)(1-7),
25 71720(a)(1) and 71715(b), and Section 94897(i)(2).

26 c. The institution submitted the following statement regarding the proposed Bachelor of
27 Arts program:

28 ///

1 ...course requirements for completion of the Bachelor of Arts in Business
2 Administration are based on the General Education Requirements of the
California State University System FRC certification pattern...

3 This statement may be interpreted by students as an endorsement of the institution by the
4 California State University system and as such is in violation of Code section 94897(i)(2).

5 **EIGHTH CAUSE FOR DENIAL OF APPLICATION**

6 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**
7 **- Financial Resources and Statements)**

8 62. Respondent's application is subject to denial under Education Code section 94887
9 and title 5, CCR, sections 71100, 71240, 71745 and 74115 for failing to demonstrate its capacity
10 to satisfy minimum operating standards by failing to document that it has at all times sufficient
11 assets and financial resources to provide all of the educational programs that the institution
12 represented it would provide. The financial statements provided were neither audited nor
13 reviewed financial statements and only covered a three-month period.

14 **NINTH CAUSE FOR DENIAL OF APPLICATION**

15 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**
16 **- Faculty)**

17 63. Respondent's application is subject to denial under Education Code sections 94887
18 and 94900.5 and title 5, CCR, sections 71100 and 71720(a)(1), (a)(4)(A) and (a)(4)(B) for failing
19 to demonstrate its capacity to satisfy minimum operating standards as follows:

20 a. The institution failed to demonstrate the qualifications of its faculty. The institution
21 did not submit academic transcripts for any of its faculty members, as requested by the Bureau in
22 its deficiency letter dated July 10, 2015.

23 b. The institution did not submit a complete list of faculty members and their proposed
24 faculty contracts as indicated in Paragraph 16 of the Form Application and as requested by the
25 Bureau in its deficiency letter dated July 10, 2015.

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TENTH CAUSE FOR DENIAL OF APPLICATION

**(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards
- Facilities and Equipment)**

64. Respondent’s application is subject to denial under Education Code section 94887 and title 5, CCR, sections 71100 and 71260(f), for failing to demonstrate its capacity to satisfy minimum operating standards as follows. The Business Tax Certificate submitted by Respondent indicated that the location was to be used only as an administrative office for “Law School & University.” It also stated that business name as “American University of California.” A current certificate and any other permits or licenses to operate were requested by the Bureau in its deficiency letter of July 10, 2015, but have not been submitted.

ELEVENTH CAUSE FOR DENIAL OF APPLICATION

**(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards
- Catalog)**

65. Respondent’s application is subject to denial under Education Code sections 94887, 94897, 94900, 94900.5, 94909, 94920, and title 5, CCR, sections 71100, 71140, 71775, 71810, and 76215 for failing to demonstrate its capacity to satisfy minimum operating standards as follows:

a. The Bureau requested that the institution submit a statement indicating how often the catalog is updated pursuant to title 5, CCR, section 71810, however, this information was not received.

b. The institution did not submit a statement indicating how the school catalog is provided to a prospective student or to the general public when requested, as required by Code section 94909(a).

c. The institution’s catalog contained the website address of a different institution and did not provide an updated website address for the institution upon the Bureau’s request, as required by Code section 94909(a)(1).

d. The institution’s catalog did not contain the address where class sessions will be held, as required by Code section 94909(a)(4).

1 e. The institution's catalog did not contain the specific beginning and end dates for the
2 period covered by the catalog by specifying the month, day and year as required by title 5, CCR,
3 section 71810(b)(1).

4 f. The institution's catalog did not contain statement specifying whether the institution
5 has a pending petition in bankruptcy, is operating as a debtor in possession, has filed a petition
6 within the preceding five years, or has had a petition in bankruptcy filed against it within the
7 preceding five years that resulted in reorganization under Chapter 11 of the United States
8 Bankruptcy Code, as required by Code section 94909 (a)(12).

9 g. The institution's catalog failed to accurately describe the institution's facilities as
10 required by title 5, CCR, section 71810(b)(9) in that the catalog described the facilities as
11 encompassing 25,000 square feet on the first and second floors of the facility for classrooms, a
12 resource center and faculty workspace. The lease agreement states the institution leased
13 approximately 1,720 square feet on the first floor and the facility map submitted by Respondent
14 does not show a resource center or faculty workspace.

15 h. The institution's catalog failed to accurately describe the library and other learning
16 resources as required by title 5, CCR, section 71810(b)(10) in that the catalog described the
17 institution as having "library facilities for over 20,000 books and other print media" whereas the
18 catalog stated the institution had "an extensive library of over 2,000 books" which are located on-
19 site. ..." In addition, the catalog fails to include procedures for student access to other learning
20 resources.

21 i. The institution's catalog did not contain the correct Website address for the Bureau in
22 the specific language that directs students to the Bureau for unanswered questions, as required by
23 Code section 94909(a)(3)(A).

24 j. The institution's catalog did not contain the following disclosure, as required by Code
25 section 94909(a)(3)(C):

26 A student or any member of the public may file a complaint about this
27 institution with the Bureau for Private Postsecondary Education by calling (toll-
28 free telephone number) or by completing a complaint form, which can be
obtained on the bureau's Internet Web site (Internet Web site address).

1 k. The institution's catalog did not contain the "NOTICE CONCERNING
2 TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR
3 INSTITUTION," as required by Code section 94909(a)(15).

4 l. The institution's catalog did not contain the "Notice to Prospective Degree Program
5 Students," as required by title 5, CCR, section 71775.

6 m. The institution's catalog contains a section regarding International Student
7 Admissions. However, Respondent was unable to document compliance with title 5, CCR,
8 section 71810(b)(3).

9 n. The description of the programs and instruction offered in the institution's catalog did
10 not include the required final tests or examinations; any required internships or externships; the
11 total number of credit hours, clock hours or other increments required for completion; as required
12 by Code section 94909(a)(5).

13 o. The institution's catalog contains numerous references to a law school and the
14 qualifications of the institution's graduates to sit for the California Bar examination, however
15 Respondent's application does not include a Juris Doctor program. Respondent was unable to
16 document compliance with Code section 94909(a)(6).

17 p. The institution's catalog did not contain the required statement specifying whether the
18 institution, or any of its degree programs, are accredited by an accrediting agency recognized by
19 the United States Department of Education and did not include the following disclosures, as
20 required by Code sections 94909(a)(16) and 94897(p):

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

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

26 iii) That a student enrolled in an unaccredited institution is not eligible for federal
27 financial aid programs.

28 ///

1 q. Some of the fees listed on page 19 of the institution's catalog are different from the
2 fees listed in the enrollment agreement. In addition, the "Explanation of Fees" on pages 22 and
3 23 of the catalog contain fees that are not listed on the schedule of charges on page 19 of the
4 catalog or in the itemized list of fees and charges in the enrollment agreement. Therefore, the
5 catalog does not accurately set forth the schedule of total charges for a period of attendance and
6 an estimated schedule of total charges for the entire educational program, as required by Code
7 section 94909(a)(9).

8 r. The institution's catalog did not contain the specific required language concerning the
9 Student Tuition Recovery Fund, as required by title 5, CCR, section 76215(a) and (b).

10 s. The refund policy included in the catalog does not include an explanation that the
11 student has the right to cancel the enrollment agreement and obtain a refund of charges paid
12 through attendance at the first class session, or the seventh day after enrollment, whichever is
13 later, as required by Code sections 94909(a)(8)(B) and 94920(b).

14 t. The refund policy included in the catalog does not include a statement reporting
15 whether the institution participates in federal and state financial aid programs, as required by
16 Code section 94909(a)(10).

17 u. The institution's catalog did not contain a statement specifying that, if a student
18 obtains a loan to pay for an educational program, the student will have the responsibility to repay
19 the full amount of the loan plus interest, less the amount of any refund, and that, if the student has
20 received federal student financial aid funds, the student is entitled to a refund of the moneys not
21 paid from federal student financial aid program funds, as required by Code section 94909(a)(11).

22 v. The institution's policies regarding payment plans and employer-sponsored financing
23 as set forth in the catalog did not contain any specific details, including the disclosures required
24 by title 5, CCR, section 71810(b)(6).

25 x. The institution's catalog states that students on academic probation will be monitored
26 by the "Dean of Law Studies," however, the application submitted does not include this position
27 and the Bureau has not received a response to its request for clarification. The institution was
28

1 unable to document compliance with Code section 94909(a)(8)(C) and title 5, CCR, section
2 71140(b).

3 y. The institution's policies on student rights, including the procedure for addressing
4 student grievances state that grievances will be brought before the "Law School Grade Review
5 Committee" for review, which conflicts with Respondent's application for approval to offer
6 educational programs in Business Administration. The institution was unable to document
7 compliance with title 5, CCR, section 71810(b)(14).

8 z. The institution's catalog did not contain any descriptions of student services as
9 required by title 5, CCR, section 71810(b)(12).

10 aa. The institution's catalog did not contain any description of the nature or extent of
11 placement services provided by the institution, as required by Code section 94909(a)(13).

12 bb. The institution's catalog did not contain any of the following housing information, as
13 required by title 5, CCR, section 71810(b)(13)(A), (B) and (C):

14 i) Whether the institution has dormitory facilities under its control;

15 ii) The availability of housing located reasonably near the institution's facilities
16 and an estimation of the approximate cost or range of cost of the housing; and,

17 iii) If the institution has no responsibility to find or assist a student in finding
18 housing, a clear and conspicuous statement so indicating. A statement that the program is
19 "non-residential" does not satisfy this subparagraph.

20 cc. The policy on retention of student records in the institution's catalog did not contain a
21 detailed description of what records will be kept and how long they will be stored, as required by
22 Code section 94900 and title 5, CCR, section 71810(b)(15).

23 **TWELFTH CAUSE FOR DENIAL OF APPLICATION**

24 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**

25 **- Recordkeeping)**

26 66. Respondent's application is subject to denial under Education Code sections 94887,
27 94900, 94900.5 and title 5, CCR, sections 71100 and 71310 for failing to sufficiently describe
28 how the institution's records are, or will be, organized and maintained, the types of documents

1 contained in student files, how the records are stored, whether academic and financial records are
2 maintained in separate files and the institution's procedures for security and safekeeping of
3 records.

4 **THIRTEENTH CAUSE FOR DENIAL OF APPLICATION**

5 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**

6 **- Failure to Submit Accreditation Plan)**

7 67. Respondent's application is subject to denial under Education Code sections 94887
8 and 94885.5 and title 5, CCR, sections 71210, 71710, 71715, 71716, 71850 and 71865, for failing
9 to submit an accreditation plan that is in compliance with title 5, CCR, section 71105, in order to
10 achieve accreditation within five years of being granted provisional approval.

11 **FOURTEENTH CAUSE FOR DENIAL OF APPLICATION**

12 **(Failure to Demonstrate Capacity to Satisfy Minimum Operating Standards**

13 **- Failure to Provide Notice to Prospective Degree Program Students)**

14 68. Respondent's application is subject to denial under Education Code sections 94887
15 and 94885.5 and title 5, CCR, section 71775, for failing to provide the *requisite Notice to*
16 *Prospective Degree Program Students* if the institution has received provisional approval and is
17 offering an unaccredited degree program.

18 **PRAYER**

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

22 1. Denying the application of Western Cambridge University for an Approval to
23 Operate an Institution Non-Accredited; and,

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

25 DATED: 4/7/17

26 
JOANNE WENZEL

27 Chief

Bureau for Private Postsecondary Education

Department of Consumer Affairs

State of California

28 *Complainant*

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