

1 XAVIER BECERRA
Attorney General of California
2 JAMES M. LEDAKIS
Supervising Deputy Attorney General
3 NICOLE R. TRAMA
Deputy Attorney General
4 State Bar No. 263607
600 West Broadway, Suite 1800
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 738-9441
7 Facsimile: (619) 645-2061
Attorneys for Complainant
8

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

13
14 In the Matter of the Statement of Issues
Against:

Case No. 1003602

15 **FREDERICK W. TAYLOR UNIVERSITY**

STATEMENT OF ISSUES

16
17 **Renewal of Approval to Operate and Offer**
18 **Educational Programs for Non-Accredited**
19 **Institutions Applicant**

20 **Institution Code: 0702241**

Respondent.

21
22 Complainant alleges:

23 PARTIES

24 1. Dr. Michael Marion, Jr. (Complainant) brings this Statement of Issues solely in his
25 official capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
26 Consumer Affairs.

27 2. On or about October 5, 2016, the Bureau for Private Postsecondary Education
28 received an application for an Application for Renewal of Approval to Operate and Offer

1 Educational Programs for Non-Accredited Institutions from Frederick W. Taylor University
2 (Respondent). On or about September 26, 2016, Mansour Saki and Zhilla Nayeri certified under
3 penalty of perjury to the truthfulness of all statements, answers, and representations in the
4 application. The Bureau denied the application on May 21, 2018.

5 JURISDICTION

6 3. The former Bureau for Private Postsecondary and Vocational Education sunsetted on
7 July 1, 2007. On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009
8 (SB 48 and hereinafter, "the Act") was signed into law. The Act, which became operative on
9 January 1, 2010, established the Bureau for Private Postsecondary Education (hereinafter
10 "Bureau").

11 4. California Education Code Section 94886 states:

12 Except as exempted in Article 4 (commencing with section 94874) or in
13 compliance with the transition provisions in Article 2 (commencing with Section
14 94802), a person shall not open, conduct, or do business as a private
15 postsecondary educational institution in this state without obtaining an approval
16 to operate under this chapter.

17 5. California Education Code Section 94887 states:

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

24 STATUTORY AND REGULATORY PROVISIONS

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

26 (a) An applicant seeking approval to operate pursuant to Section 94886 of
27 the Code, other than Approval to Operate by Accreditation pursuant to Section
28 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
94890(a)(1) of the Code shall comply with section 71390.

(b) An applicant shall submit the completed form, the information or
documentation required by this Article, the appropriate application fee as
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.

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

7. California Education Code section 94837 states:

‘Educational program’ means a planned sequence composed of a single course or module, or set of related courses or modules, that provides education, training, skills, or experience, or a combination of these.

8. 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.

9. Title 5, CCR, section 71720 states in part:

(a) An Educational Program Leading to a Degree.

....

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

....

10. Title 5, CCR, section 71715 states in part:

...

(d) Distance education as defined in section 94834 of the Code, does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as telecommunication, correspondence, electronic and computer augmented educational services, postal service, and facsimile transmission. In addition to the other requirements of this chapter and the Act, an institution offering distance education shall:

....

(3) ensure that the materials and programs are current, well organized, designed by faculty competent in distance education techniques and delivered using readily available, reliable technology;

(4) provide for meaningful interaction with faculty who are qualified to teach using distance education methods;

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11. Title 5, CCR, section 71735 states in 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:

....

12. Title 5, CCR, section 71475 states in part:

....

(c) The application for renewal of approval to operate and offer educational programs for non-accredited institutions shall include all of the following:

....

(4) The physical address, phone number and fax number of each campus and branch at which the educational programs will be offered, including the identification of the institution's main location and branch locations.

....

FACTUAL ALLEGATIONS

13. On or about October 5, 2016, the Bureau received an Application for Renewal of Approval to Operate an Institution Non-Accredited from Respondent, which was signed by Mansour Saki and Zhilla Nayeri. On March 6, 2017, the Bureau received a new Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions from Respondent with updated ownership information, which was signed under penalty of perjury by Tu Truong on March 1, 2017.

14. On July 25, 2017, the Bureau sent a deficiency letter to Respondent advising Respondent that the Bureau could not grant Respondent an approval to operate due to deficiencies in the application.

15. On August 23, 2017, the Bureau received a response to the deficiency letter, which included additional documentation for the Bureau to review.

16. On October 4, 2017, the Bureau sent another deficiency letter advising Respondent of the deficiencies that remained with Respondent's application. On November 1, 2017, the

1 Bureau received a response to the deficiency letter, which included additional documentation for
2 the Bureau to review.

3 17. On or about, March 8, 2018, a visit was conducted by the Bureau. During the
4 visit, the Bureau met with one of Respondent's instructors, M.Y. At the time of the visit, M.Y.
5 was listed as one of Respondent's instructors for online courses. The Bureau asked M.Y. to give
6 a demonstration of the online platform; however, M.Y. was not familiar with the platform and
7 commented that he did not have much working knowledge of the system. When asked if he had
8 received any training on the use of the platform, M.Y. reported that he had not.

9 18. In addition, when the Bureau toured the facilities during the visit on March 8,
10 2018, they discovered that the library and resource materials were housed next door in suite 104.
11 Bureau records showed that Respondent's institution was located at 2050 W. Chapman Avenue,
12 Suite 108, Orange, California, 92868. The additional suite (104) was not identified in Bureau
13 records as part of Respondent's school.

14 19. On May 21, 2018, the Bureau denied Respondent's Renewal of Approval to
15 Operate a Non-Accredited Institution and sent Respondent a "Notice of Denial." The denial
16 advised Respondent that the Bureau was unable to determine if faculty members are competent in
17 distance education techniques and trained on the functions of the current platform and that Suite
18 104 was not identified in Bureau records as being part of Respondent's institution.

19 20. On or about June 26, 2018, Respondent requested an administrative hearing and
20 provided a response to the Notice of Denial, along with additional information and documents.
21 With regard to training faculty, Respondent stated that instructor M.Y. had undergone online
22 training. However, Respondent did not submit any documentation (training log/sign-in sheet,
23 certification, etc.) that demonstrated that M.Y. and other faculty members had been trained on the
24 current platform. With regard to Suite 104, Respondent provided a site map which included the
25 suite that was subleased by Respondent; however, they did not submit an updated Section 1 of
26 Form Application 94891 (rev. 7/10) to reflect the current physical address and all suite numbers
27 that belonged to the institution.

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FIRST CAUSE FOR DENIAL OF APPLICATION

(Failure to Meet Requirements for Distance Education)

21. Respondent's application is subject to denial under California Education Code section 94887 and title 5, CCR, sections 71100 and 71700, in conjunction with title 5, CCR, sections 71720, subdivision (a)(9) and 71715, subdivisions (d)(3) and (d)(4), for failure to show that Respondent could meet the minimum operating standards for distance education in that Respondent was unable to demonstrate that faculty members were competent in distance education techniques and trained on the functions of the current platform, as set forth in paragraphs 13 through 20, above.

SECOND CAUSE FOR DENIAL OF APPLICATION

(Failure to Meet Minimum Operating Standards - Library)

22. Respondent's application is subject to denial under California Education Code section 94887 and title 5, CCR, section 71100, in conjunction with title 5, CCR, sections 71735, subdivision (a) and 71475, subdivision (c)(4), in that Respondent failed to meet minimum operating standards in that Respondent's library and resource materials were housed in a suite which was not identified in Bureau records as being part of Respondent's institution, as set forth in paragraphs 13 through 20, above.

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 Frederick W. Taylor University for Renewal of Approval to Operate and Offer Educational Programs for a Non-Accredited Institution;

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

DATED: 3/1/19



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

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