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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:

**AMERICAN CORNERSTONE
UNIVERSITY
42 Catalina Ave.
Pasadena, CA 91106**

**Approval to Operate an Institution Non-
Accredited**

Respondents.

Case No. 1002165

OAH No. 2017090194

DEFAULT DECISION AND ORDER

[Gov. Code, § 11520]

FINDINGS OF FACT

1. On or about June 21, 2017, Complainant Joanne Wenzel, in her former official capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of Consumer Affairs, filed Statement of Issues No. 1002165 against American Cornerstone University (Respondent) before the Director of the Department of Consumer Affairs (Director). This matter is now brought by Dr. Michael Marion, in his official capacity as the Chief of the Bureau.

2. On or about April 16, 2014, Respondent filed an application dated March 17, 2014, with the Bureau to obtain an Approval to Operate an Institution Non-Accredited.

1 3. On or about August 8, 2016, the Bureau issued a letter denying Respondent's
2 application for an Approval to Operate an Institution Non-Accredited. On or about October 11,
3 2016, Respondent appealed the Bureau's denial of their application and requested a hearing.

4 4. On or about June 26, 2017, an employee of the Department of Justice, served by
5 Certified and First Class Mail a copy of the Statement of Issues No. 1002165, Statement to
6 Respondent, Notice of Defense, Request for Discovery, and Government Code sections 11507.5,
7 11507.6, and 11507.7 to Respondent's address on the application form, which was and is 42
8 Catalina Ave, Pasadena, CA 91106. A copy of the Statement of Issues No. 1002165, Statement
9 to Respondent, Notice of Defense, Request for Discovery, and Government Code sections
10 11507.5, 11507.6, and 11507.7 was also sent to Tu Truong, Michelle Tsaur and Ryan Doan at
11 addresses provided on the application form. A copy of the Statement of Issues is attached as
12 Exhibit A, and is incorporated herein by reference.

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

15 6. On or about October 11, 2016, Respondent appealed the denial of their application
16 and requested a hearing in this action. A Notice of Hearing was served by mail at Respondent's
17 address on the application and it informed Respondent that an administrative hearing in this
18 matter was scheduled for January 10, 2018. The Notice of Hearing is attached as Exhibit B. On
19 or about January 9, 2018, the applicant withdrew their request for a hearing. The withdrawal of
20 request for a hearing is attached as Exhibit C.

21 7. Business and Professions Code section 118 states, in pertinent part:

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

27 8. The matter was called for hearing at the date, time and location set forth in the Notice
28 of Hearing. The assigned Administrative Law Judge found that the service of the Notice of
Hearing on Respondent was proper. There was no appearance by or on behalf of Respondent. A
default was declared and on motion of counsel for Complainant, the matter was remanded to the

1 Bureau under Government Code section 11520. The Findings and Declaration of Default and
2 Order of Remand is attached as Exhibit D.

3 9. California Government Code section 11520(a) states, in pertinent part:

4 (a) If the respondent either fails to file a notice of defense . . . or to appear at
5 the hearing, the agency may take action based upon the respondent's express
6 admissions or upon other evidence and affidavits may be used as evidence without
7 any notice to respondent

8 10. Pursuant to its authority under Government Code section 11520, the Bureau finds
9 Respondent is in default. The Bureau will take action without further hearing based upon the
10 allegation set forth in the Statement of Issues and Respondent's failure to establish entitlement to
11 issuance of a license.

12 DETERMINATION OF ISSUES

13 1. Based on the foregoing findings of fact, Respondent American Cornerstone
14 University has subjected its application for an Approval to Operate an Institution Non-Accredited
15 to denial.

16 2. Service of Statement of Issues No. 1002165 and related documents was proper and in
17 accordance with the law.

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

19 4. The Director of the Department of Consumer Affairs is authorized to deny
20 Respondent's application for licensure based upon the following violations alleged in the
21 Statement of Issues:

22 a. violation of title 5, California Code of Regulations (CCR), section 71100(c), in
23 conjunction with title 5, CCR, section 71110(f) - failure to supply the Federal Employee
24 Identification Number required in Section 3.1 of Application Form 94886;

25 b. violation of Education Code (Code) sections 94887, 94911, and 94920, and title
26 5, CCR, section 71100, in conjunction with title 5, CCR, sections 71750 and 71800 - failure to
27 demonstrate capacity to satisfy minimum operating standards in that the enrollment agreement
28 contains deficiencies;

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1 c. violation of Code sections 94887, 94902(b)(3), 94910, 94912, in conjunction
2 with title 5, CCR, sections 71100 and 74112 - the institution's School Performance Fact Sheet
3 (SPFS) does not have a place for the student's initials and date under each item of information;

4 d. violation of Code section 94887 and title 5, CCR, sections 71100 and 71700, in
5 conjunction with Code section 94885.5(a)(2) - failure to provide the required accreditation plan;

6 e. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
7 with title 5, CCR, section 71210(c)(1), (3) and (6) and Code sections 94909(a)(5) and (a)(8)(A) --
8 failure to demonstrate capacity to satisfy minimum operating standards pertaining to admissions
9 and general education requirements for Bachelors of Business Administration;

10 f. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
11 with title 5, CCR, section 71710(c) - failure to demonstrate capacity to satisfy minimum operating
12 standards pertaining to the description of education programs;

13 g. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
14 with title 5, CCR, section 71715(d)(3) - failure to demonstrate its faculty are competent in
15 distance education techniques and familiar with the distance education learning management
16 system utilized by the institution;

17 h. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
18 with title 5, CCR, sections 71240, 74115 and 71745 - failure to demonstrate that Respondent has
19 at all times sufficient assets and financial resources to provide all of the educational programs that
20 it represented it would provide and to ensure that all students admitted to its educational programs
21 have a reasonable opportunity to complete the programs and obtain their degrees or diplomas;

22 i. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
23 with title 5, CCR, section 71720(a)(1), (a)(4), (a)(5) and (a)(9) - failure to demonstrate that it
24 employs duly qualified faculty in that Respondent failed to provide the curricula vitae and
25 transcripts requested by the Bureau for Respondent's faculty members;

26 j. violation of under Code section 94887 and title 5, CCR, section 71100 in
27 conjunction with title 5, CCR, section 71250 -- failure to provide a contract, or tentative contract,
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1 for the employment of M.K., who is identified as an instructor in the school's catalog and in the
2 proposed schedule of classes;

3 k. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
4 with title 5, CCR, section 71735(a) and 71260(b) - failure to demonstrate its capacity to have
5 sufficient facilities to support the educational objectives of the courses offered;

6 l. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
7 with title 5, CCR, sections 71740 – failure to demonstrate its capacity to provide, or make
8 available to students, a library and other learning resources;

9 m. violation of Code sections 94887 and 94920(d) and title 5, CCR, section 71100
10 in conjunction with title 5, CCR, sections 71810(b), 71750(c), 71140(a), 71775(c)(1) and Code
11 section 94909(a) - failure to demonstrate its capacity to satisfy minimum operating standards
12 regarding its catalog;

13 n. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
14 with title 5, CCR, section 71140 - failure to demonstrate its capacity to satisfy minimum
15 operating standards regarding its organizational chart; and,

16 o. violation of Code section 94887 and title 5, CCR, section 71100 in conjunction
17 with title 5, CCR, section 71720(a)(9) and Code section 94900.5 - failure to maintain records
18 documenting that each faculty member is duly qualified and was qualified to perform the duties to
19 which the faculty member was assigned for a period of not less than 5 years.

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1 ORDER

2 IT IS SO ORDERED that the application of Respondent American Cornerstone University
3 is hereby denied.

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

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9 This Decision shall become effective on April 8, 2018

10 It is so ORDERED March 2, 2018

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13 RYAN MARCROFT
14 DEPUTY DIRECTOR, LEGAL AFFAIRS
15 DEPARTMENT OF CONSUMER AFFAIRS

16 DOJ docket number:SD2016703101
17 81926165.docx

18 Attachments:

19 Exhibit A: Statement of Issues No. 1002165 packet

20 Exhibit B: Notice of Hearing

21 Exhibit C: Withdrawal of Request for Hearing

22 Exhibit D: Findings and Declaration of Default; Order of Remand
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