



Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Herguan University, Inc.
Herguan University
595 Lawrence Expressway
Sunnyvale, CA 94085

INSTITUTION CODE: 88680649
CITATION NUMBER: 1718057
CITATION ISSUANCE/SERVICE DATE: July 27, 2018
DUE DATE: August 26, 2018
FINE AMOUNT: \$15,000.00

ORDER OF ABATEMENT INCLUDED: Yes

Christina Villanueva issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Herguan University Inc., Owner of Herguan University (Institution) located at 595 Lawrence Expressway, Sunnyvale, CA, 94085, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

On April 20, 2017, the Institution submitted an Application for Approval to Operate an Institution Non-Accredited number 30133.

On April 11, 2018, the Bureau mailed a Notice of Denial of Application for Approval to Operate, application number 30133, to the Institution at 595 Lawrence Expressway, Sunnyvale, CA 94085.

According to Bureau's records, the Institution was issued an approval by means of accreditation pursuant to California Education Code (CEC) section 94890 on May 13, 2016. On April 11, 2018, the Bureau mailed a Notice of Expiration of Approval to Operate to the Institution at 595 Lawrence Expressway, Sunnyvale, CA, 94085. The letter informed the Institution that the Bureau has received notice from ACICS that the Institutions ACICS accreditation has been revoked, effective September 12, 2017.

On May 15, 2018, the Bureau's Closed School Unit sent a school closure letter and school closure form to the Institution at 595 Lawrence Expressway, Sunnyvale, CA 94085. The letter described the information that must be provided to students and submitted to the Bureau to ensure an orderly closure. The Bureau requested and advised the Institution to complete the form and return it to the Bureau 30 days prior to the closure of the Institution. To date, the Institution has not submitted the required school closure form to the Bureau.

VIOLATION

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5 CCR code) section(s) of law you are charged with violating.
1.	<p><u>Violation:</u> CEC 94926 (a)(b)(c)(d) - Procedures Prior to Closing, Teach-Out Plans <i>"At least 30 days prior to closing, the institution shall notify the bureau in writing of its intention to close. The notice shall be accompanied by a closure plan, which shall include, but not necessarily be limited to, all of the following:</i> <i>(a) A plan for providing teach-outs of educational programs, including any agreements with any other postsecondary educational institutions to provide teach-outs.</i> <i>(b) If no teach-out plan is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.</i> <i>(c) If the institution is a participant in federal student aid programs, it shall provide students information concerning these programs and institutional closures.</i> <i>(d) A plan for the disposition of student records."</i></p> <p>5, CCR 76240 (a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2) - Required Notices and Teach-Out Plan. <i>"All institutions, including those exempt from Bureau regulation pursuant to the Code, shall do the following prior to closing:</i> <i>(a) At least 30 days prior to closing, the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. The closure plan shall include:</i> <i>(1) The exact date and reason for the closure.</i> <i>(2) The last date of instruction for each educational service or program.</i> <i>(3) A list of students who were enrolled at any time during the 60 days prior to closure.</i> <i>(4) If any student will not be provided complete educational services or the educational program, the institution shall provide:</i> <i>(A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.</i> <i>(B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.</i> <i>(5) A plan for the disposition of student records.</i> <i>(6) A plan to notify students of their rights and options under the Act and this chapter.</i> <i>(b) The institution shall notify the students of the following:</i> <i>(1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.</i> <i>(2) If any student will not be provided complete educational services or the educational program,</i></p>

information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses."

On April 20, 2017, Institution submitted an Application for Approval to Operate an Institution Non-Accredited, application number 30133.

On April 11, 2018, the Bureau mailed a Notice of Denial of Application for Approval to Operate, for application number 30133, to the Institution at 595 Lawrence Expressway, Sunnyvale, CA 94085.

According to Bureau's records, Institution was issued an approval by means of accreditation pursuant to California Education Code (CEC) section 94890 on May 13, 2016. On April 11, 2018, the Bureau mailed a Notice of Expiration of Approval to Operate to the Institution at 595 Lawrence Expressway, Sunnyvale, CA, 94085. The letter informed the Institution that the Bureau has received notice from ACICS that the Institutions ACICS accreditation has been revoked, effective September 12, 2017.

On May 15, 2018, the Bureau's Closed School Unit sent a school closure letter and school closure form to the Institution at 595 Lawrence Expressway, Sunnyvale, CA 94085. The letter described the information that must be provided to students and submitted to the Bureau by the Institution to ensure an orderly closure. The Bureau requested and advised the Institution to complete the form and return it to the Bureau 30 days prior to the closure of the Institution.

As of July 26, 2018, the Institution failed to submit the school closure form to the Bureau. The Closed Schools Unit tried to reach out to the Institution on various occasions via telephone (408-481-9988), but the Institution's phone is disconnected, and the Bureau has not received the required school closure form from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit a completed school closure plan to the Bureau as required by CEC section 94926 (a)(b)(c)(d) and 5, CCR 76240 (a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2).

Assessment of Fine

The fine for this violation is \$5,000.00

2. **Violation:**
5, CCR 74200 - Cessation of Educational Program

"Every institution shall notify the Bureau in writing at least 30 days before the institution ceases to offer to the public any educational program."

The Institution did not notify the Bureau, in writing, of their intention to close at least 30 days prior to ceasing to offer programs in Master of Business Administration, Master of Science in Computer Science, and Master of Science in Electronics Engineering program, in violation of 5, CCR section 74200.

Assessment of Fine

The fine for this violation is \$5,000.00

3.	<p><u>Violation:</u> CEC 94927.5 (a)(1)(2) - Provision of Records to Bureau Prior to Closing <i>"(a) Prior to closing, an institution shall provide the bureau with the following:</i> <i>(1) Pertinent student records, including transcripts, as determined by the bureau, pursuant to regulations adopted by the bureau.</i> <i>(2) If the institution is an accredited institution, a plan for the retention of records and transcripts, approved by the institution's accrediting agency, that provides information as to how a student may obtain a transcript or any other information about the student's coursework and degrees completed."</i></p> <p style="color: red;">The Institution failed to provide a plan for the retention of records and transcripts, approved by the accrediting agency, ACICS, prior to closing, as required by CEC section 94927.5 (a)(1)(2).</p> <p><u>Order of Abatement:</u> The Bureau orders that the owner of the Institution provide the Bureau with the plan of retention of student records, and information on how students may obtain their records as required by CEC section 94927.5 (a)(1)(2).</p> <p><u>Assessment of Fine</u> The fine for this violation is <u>\$5,000.00</u></p>
TOTAL ADMINISTRATIVE FINE DUE: \$15,000.00	

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$15,000.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC section 94936 and 5, CCR section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by **August 26, 2018**, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **July 27, 2018**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **August 26, 2018**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

Payment of the administrative fine and/or written request for appeal must be mailed to:

Gurinder Sandhu, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this Citation, or desire further information, please contact Gurinder Sandhu, Citation Analyst, at 916-431-6940 or Gurinder.Sandhu@dca.ca.gov.



Christina Villanueva
Discipline Manager



Date

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First- Class Mail