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

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

Case No. 1002098

13 **FELLOWSHIP BIBLE INSTITUTE AND**  
14 **COLLEGE OF THEOLOGY AND URBAN**  
**STUDIES**

**STATEMENT OF ISSUES**

15 **Application for Renewal of Approval to**  
16 **Operate an Institution Non-Accredited**  
17 **Applicant**

18 **Institution No. 3803171**

19 Respondent.

20  
21 Complainant alleges:

22 **PARTIES**

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

26 2. On or about August 27, 2012, the Bureau for Private Postsecondary Education  
27 ("Bureau") received an application for Renewal of Approval to Operate an Institution Non-  
28 Accredited (application number 25301) from Fellowship Bible Institute and College of Theology

1 and Urban Studies (“Respondent”). On February 1, 2016, the Bureau issued a deficiency letter by  
2 mail and by email, explaining the deficiencies in Respondent’s application. On March 7, 2016,  
3 the Bureau emailed the deficiency letter to Respondent again. On March 24, 2016, the Bureau e-  
4 mailed the deficiency letter to Respondent again. On or about June 16, 2016, the Bureau issued  
5 Respondent a Notice of Denial of Application for Renewal of Approval to Operate. On or about  
6 August 7, 2016, Respondent sent the Bureau a letter requesting an administrative hearing.

### 7 JURISDICTION

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

### 12 STATUTORY AND REGULATORY PROVISIONS

13 4. Code section 94834 states:

14 “‘Distance education’ means transmission of instruction to students at a location separate  
15 from the institution.”

16 5. Code section 94838 states:

17 “‘Educational program approval’ means authorization by the bureau, another government  
18 agency of this state, or a federal government agency, to provide educational programs, and is an  
19 element of an approval to operate.”

20 6. Code section 94887 states:

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

26 7. Code section 94891, subdivision (b), states:

27 “(b) To be granted a renewal of an approval to operate, the institution shall demonstrate its  
28 continued capacity to meet the minimum operating standards.”

1           8. Code section 94909, states, in part:

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

5           “(1) The name, address, telephone number, and, if applicable, Internet Web site address of  
6 the institution.

7           “(2) Except as specified in Article 2 (commencing with Section 94802), a statement that the  
8 institution is a private institution and that it is approved to operate by the bureau.

9           “(3) The following statements:

10           “(A) “Any questions a student may have regarding this catalog that have not been  
11 satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary  
12 Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and  
13 fax numbers).”

14           “(B) “As a prospective student, you are encouraged to review this catalog prior to signing  
15 an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet,  
16 which must be provided to you prior to signing an enrollment agreement.”

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

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

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

27           ///

28           ///

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

4           “(7) Information regarding the faculty and their qualifications.

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

6           “(A) Admissions policies, including the institution's policies regarding the acceptance of  
7 credits earned at other institutions or through challenge examinations and achievement tests,  
8 admissions requirements for ability-to-benefit students, and a list describing any transfer or  
9 articulation agreements between the institution and any other college or university that provides  
10 for the transfer of credits earned in the program of instruction. If the institution has not entered  
11 into an articulation or transfer agreement with any other college or university, the institution shall  
12 disclose that fact.

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

19           “(C) Probation and dismissal policies.

20           “(D) Attendance policies.

21           “(E) Leave-of-absence policies.

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

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

27           “(11) A statement specifying that, if a student obtains a loan to pay for an educational  
28 program, the student will have the responsibility to repay the full amount of the loan plus interest,

1 less the amount of any refund, and that, if the student has received federal student financial aid  
2 funds, the student is entitled to a refund of the moneys not paid from federal student financial aid  
3 program funds.

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

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

11 “(14) A description of the student's rights and responsibilities with respect to the Student  
12 Tuition Recovery Fund. This statement shall specify that it is a state requirement that a student  
13 who pays his or her tuition is required to pay a state-imposed assessment for the Student Tuition  
14 Recovery Fund. This statement shall also describe the purpose and operation of the Student  
15 Tuition Recovery Fund and the requirements for filing a claim against the Student Tuition  
16 Recovery Fund.

17 “(15) The following statement:

18 “NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS  
19 EARNED AT OUR INSTITUTION

20 The transferability of credits you earn at (name of institution) is at the complete discretion  
21 of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or  
22 certificate) you earn in (name of educational program) is also at the complete discretion of the  
23 institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that  
24 you earn at this institution are not accepted at the institution to which you seek to transfer, you  
25 may be required to repeat some or all of your coursework at that institution. For this reason you  
26 should make certain that your attendance at this institution will meet your educational goals. This  
27 may include contacting an institution to which you may seek to transfer after attending (name of  
28 institution) to determine if your (credits or degree, diploma, or certificate) will transfer.

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

7           “(A) Whether a graduate of the degree program will be eligible to sit for the applicable  
8 licensure exam in California and other states or become certified or registered as required for the  
9 applicable profession, occupation, trade, or career field in California.

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

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

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

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

23           “(d) An accredited institution is not required to provide a School Performance Fact Sheet to  
24 a prospective student who is not a California resident, not residing in California at the time of his  
25 or her enrollment, and enrolling in an accredited distance learning degree program offered by the  
26 institution, if the institution complies with all federal laws, the applicable laws of the state where  
27 the student is located, and other appropriate laws, including, but not limited to, consumer  
28 protection and student disclosure requirements.”

1           9. Code section 94885.1, subdivision (b)(1), states:

2           “(b) The bureau shall identify institutions that are subject to subdivision (a) and notify those  
3 institutions by February 1, 2015, of the accreditation requirements pursuant to this section and  
4 that the institution is required to provide the following information to the bureau if the institution  
5 plans to continue to offer a degree program after July 1, 2015:

6           “(1) An accreditation plan that, at a minimum, identifies an accrediting agency recognized  
7 by the United States Department of Education from which the institution will seek accreditation,  
8 with the scope of that accreditation covering the offering of at least one degree program, and  
9 outlines the process by which the institution will achieve accreditation candidacy or pre-  
10 accreditation by July 1, 2017, and full accreditation by July 1, 2020.”

11          10. Code section 94930.5, subdivision (d), states, in part:

12          “(d)(1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c),  
13 inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of  
14 the following:

15          “(A) An annual fee for each campus designated by the institution as a main campus location  
16 in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from  
17 students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not  
18 to exceed sixty thousand dollars (\$60,000).”

19          11. Section 94911 of the Education Code states, in part:

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

21          “(a) The name of the institution and the name of the educational program, including the  
22 total number of credit hours, clock hours, or other increment required to complete the educational  
23 program.

24          ...

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

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“(f) A statement specifying that, if the 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.

...

“(i) (1) The following statement: 'Prior to signing this enrollment agreement, you must be given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to review prior to signing this agreement. These documents contain important policies and performance data for this institution. This institution is required to have you sign and date the information included in the School Performance Fact Sheet relating to completion rates, placement rates, license examination passage rates, and salaries or wages, and the most recent three-year cohort default rate, if applicable, prior to signing this agreement.'

“(2) Immediately following the statement required by paragraph (1), a line for the student to initial, including the following statement: 'I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, and salary or wage information and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet.'”

12. Section 94934 of the Education Code states:

“(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

- “(1) The total number of students enrolled by level of degree or for a diploma.
- “(2) The number of degrees, by level, and diplomas awarded.
- “(3) The degree levels and diplomas offered.
- “(4) The Student Performance Fact Sheet, as required pursuant to Section 94910.
- “(5) The school catalog, as required pursuant to Section 94909.



1           “(6) The total charges for each educational program by period of attendance.

2           “(7) A statement indicating whether the institution is, or is not, current in remitting Student  
3 Tuition Recovery Fund assessments.

4           “(8) A statement indicating whether an accrediting agency has taken any final disciplinary  
5 action against the institution.

6           “(9) Additional information deemed by the bureau to be reasonably required to ascertain  
7 compliance with this chapter.

8           “(b) The bureau, by January 1, 2011, shall prescribe the annual report's format and method  
9 of delivery.”

10          13. Code of Regulations, title 5, section 71700 states:

11           “The Bureau may request that an institution document compliance with the standards set  
12 forth in the Act and this Division to obtain and maintain an approval to operate.”

13          14. Code of Regulations, title 5, section 71475, states, in part:

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

16           ...

17           “(7) The name, title, address, email address, telephone number, nature of interest and  
18 percentage of ownership of each person, as defined in section 94855 of the Code, who owns or  
19 controls 25% or more of the stock or an interest in the institution and, to the extent applicable,  
20 each general partner, officer, corporate director, member of the board of directors, and any other  
21 person who exercises substantial control over the institution's management or policies. For the  
22 purpose of this paragraph, a person exercises “substantial control over the institution's  
23 management or policies” if the person has the authority to cause the institution to expend money  
24 or incur debt in the amount of five thousand dollars (\$5,000) or more in any year.

25           ...

26           “(i) The institution shall include in its application an organization chart that shows the  
27 governance and administrative structure of the institution and the relationship between faculty  
28 and administrative positions. If there have been no substantive changes since the last submission

1 of an organizational chart, the institution may so state and is not required to submit  
2 documentation.

3 ...

4 “(k) The institution shall identify in the application the chief executive officer, chief  
5 operating officer, and chief academic officer and describe their education, experience, and  
6 qualifications to perform their duties and responsibilities. If there have been no substantive  
7 changes since the last submission, the institution may so state and is not required to submit  
8 documentation.

9 ...

10 “(t) In addition, the institution shall list in the application, the following for each  
11 educational program offered unless there have been no substantive changes since the last  
12 submission. If there have been no substantive changes made the institution may so state and is not  
13 required to provide documentation.

14 “(1) The admissions requirements, including minimum levels of prior education,  
15 preparation, or training;

16 “(2) If applicable, information regarding the ability-to-benefit examination as required by  
17 section 94904 of the Code.

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

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

22 “(5) The mode of instruction;

23 “(6) The graduation requirements.

24 “(7) Whether the educational program is designed to fit or prepare students for employment  
25 in any occupation. If so, the application shall identify each occupation and job title to which the  
26 institution represents the educational program will lead.

27 ...

28

1           “(u) For each educational program that the institution offers or proposes to offer, the  
2 application shall contain a statement that the educational program meets the requirements of  
3 section 71710, as well as the following unless there have been no substantive changes since the  
4 last submission. If there have been no substantive changes made the institution may so state and is  
5 not required to provide documentation:

6           “(1) A description of the educational program.

7           “(2) A description of the equipment to be used during the educational program.

8           “(3) A description of the number and qualifications of the faculty needed to teach the  
9 educational program.

10           “(4) A projection, and the bases for the projection, of the number of students that the  
11 institution plans to enroll in the educational program during each of the three years following the  
12 date the application was submitted.

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

15           “(6) If licensure is a goal of an educational program, a copy of the approval from the  
16 appropriate licensing agency. A copy of the intent to approve conditioned solely upon  
17 institutional approval from the Bureau will also meet this requirement.

18           “(7) Upon request, the institution shall provide to the Bureau copies of the curriculum or  
19 syllabi required pursuant to section 71710.

20           ...

21           “(w)(1) The application shall contain a statement that the institution has and can maintain  
22 the financial resources required pursuant to section 71745.

23           “(2) The institution shall submit current, audited financial statements at the time it applies  
24 for approval to operate. Each set of financial statements shall comply with Section 74115 of this  
25 chapter.

26           ...

27           “(y)(1) For each program offered, the application shall contain a description of the facilities  
28 and the equipment which is available for use by students at the main, branch, and satellite

1 locations of the institution unless there have been no substantive changes since the last  
2 submission. If there have been no substantive changes made the institution may so state and is not  
3 required to provide documentation.

4 ...

5 “(4) The description in the application shall include specifications of significant equipment  
6 that demonstrate that the equipment meets the standards prescribed by the Code and this chapter  
7 and is sufficient to enable students to achieve the educational objectives of each education  
8 program unless there have been no substantive changes since the last submission. If there have  
9 been no substantive changes made the institution may so state and is not required to provide  
10 documentation.

11 “(5) For each item of significant equipment, the description in the application shall indicate  
12 whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by  
13 another and loaned to be used without charge unless there have been no substantive changes since  
14 the last submission. If there have been no substantive changes made the institution may so state  
15 and is not required to provide documentation.

16 “(6) The application shall contain a list of all permits, certifications, or other evidence of  
17 inspections or authorizations to operate required by the jurisdictions within which the institution  
18 operates that the institution has obtained, and/or an explanation as to why those permits,  
19 certifications, or inspections have not yet been obtained unless there have been no substantive  
20 changes since the last submission. If there have been no substantive changes made the institution  
21 may so state and is not required to provide documentation.

22 “(z) The application shall include a description of library holdings, services, and other  
23 learning resources, including policies and procedures for supplying them to students who do not  
24 receive classroom instruction. The description need not consist of a list of each holding. The  
25 description shall include an explanation of how the library and other learning resources are  
26 sufficient to support the instructional needs of students and, if no facilities exist at the institution,  
27 how and when students may obtain access to a library and other learning resources as required by  
28 the curriculum unless there have been no substantive changes since the last submission. If there

1 have been no substantive changes made the institution may so state and is not required to provide  
2 documentation.

3 ...

4 “(cc) The institution shall submit with the application, a copy of the document that is  
5 awarded to a graduating student upon successful completion of each educational program unless  
6 there have been no substantive changes since the last submission. If there have been no  
7 substantive changes made the institution may so state and is not required to provide  
8 documentation.

9 ...

10 “(dd)(1) The application shall contain a description of how records required by Article 9 of  
11 the Act or this chapter are or will be organized and maintained, the types of documents contained  
12 in student files, how the records are stored, and whether academic and financial records are  
13 maintained in separate files. The description shall include a statement of the institution's  
14 procedures for security and safekeeping of records unless there have been no substantive changes  
15 since the last submission. If there have been no substantive changes made the institution may so  
16 state and is not required to provide documentation.

17 ...

18 “(gg) The institution demonstrates its continued capacity to meet the minimum operating  
19 standards by submitting the renewal application signed and dated, and each fact stated therein and  
20 each attachment thereto declared to be true under penalty of perjury, as follows:

21 “(1) Signatories:

22 ...

23 “(C) Each member of the governing body of a nonprofit corporation.

24 ...

25 “(kk) An incomplete application filed under this section will render the institution ineligible  
26 for renewal.”

27 ///

28 ///

1           15.       Code of Regulations, title 5, section 71730, subdivision (e), states:

2           “(e) The chief academic officer shall possess a degree or equivalent acceptable experience  
3 at least equal to the highest qualifications required of the institution's faculty. Chief academic  
4 officers employed on the date of implementation of these regulations, who do not meet the  
5 qualifications for their positions, shall have three years to earn the necessary degrees or  
6 experience to qualify them for their position.”

7           16.       Code of Regulations, title 5, section 71800, states:

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

10          “(a) The name and address of the institution and the addresses where instruction will be  
11 provided.

12          “(b) Period covered by the enrollment agreement.

13          “(c) Program start date and scheduled completion date.

14          “(d) Date by which the student must exercise his or her right to cancel or withdraw, and the  
15 refund policy, including any alternative method of calculation if approved by the Bureau pursuant  
16 to section 94921 of the Code.

17          “(e) Itemization of all institutional charges and fees including, as applicable: (1) tuition; (2)  
18 registration fee (non-refundable); (3) equipment; (4) lab supplies or kits; (5) Textbooks, or other  
19 learning media; (6) uniforms or other special protective clothing; (7) in-resident housing; (8)  
20 tutoring; (9) assessment fees for transfer of credits; (10) fees to transfer credits; (11) Student  
21 Tuition Recovery Fund fee (non-refundable); (12) any other institutional charge or fee.

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

24           17.       Code of Regulations, title 5, section 71710 states, in part:

25           “In order to meet its mission and objectives, the educational program defined in section  
26 94837 of the Code shall be comprised of a curriculum that includes:

27           ...

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1           “(c) course or module materials that are designed or organized by duly qualified faculty.  
2 For each course or module, each student shall be provided with a syllabus or course outline that  
3 contains: (1) a short, descriptive title of the educational program; (2) a statement of educational  
4 objectives; (3) length of the educational program; (4) sequence and frequency of lessons or class  
5 sessions; (5) complete citations of textbooks and other required written materials; (6) sequential  
6 and detailed outline of subject matter to be addressed or a list of skills to be learned and how  
7 those skills are to be measured; (7) instructional mode or methods.”

8           18.       Code of Regulations, title 5, section 74115 states, in part:

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

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

16           ...

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

19           “(d) ‘Current’ with respect to financial statements means completed no sooner than 120  
20 days prior to the time it is submitted to the Bureau, and covering no less than the most recent  
21 complete fiscal year. If more than 8 months will have elapsed between the close of the most  
22 recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no  
23 less than five months of that current fiscal year.”

24           19.       Code of Regulations, title 5, section 71745, subdivision (a) states:

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

27           “(1) Provide all of the educational programs that the institution represented it would  
28 provide.

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

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

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

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

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

15           20.       Code of Regulations, title 5, section 71720 states, in part:

16           “(a) An Educational Program Leading to a Degree.

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

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

27           ...



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

3 “(A) That the person possesses one of the following:

4 “1. a degree from: an institution approved by the Bureau or previously approved by a  
5 predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or  
6 other state approved institution that documents that the institution at which the faculty member  
7 earned his or her degree is equivalent to an institution that is approved by the Bureau; or an  
8 institution outside the United States or Canada and in addition provides a comprehensive  
9 evaluation of the degree performed by a foreign credential evaluation service that is a member of  
10 the National Association of Credential Evaluation Services (NACES).

11 “2. a credential generally recognized in the field of instruction.

12 ...

13 “(5) The institution’s faculty as a whole shall possess a diverse educational background  
14 which shall be demonstrated in part by earned degrees from a variety of colleges and universities  
15 or by credentials generally recognized in the field of instruction;

16 ...

17 “(8) Each institution shall have a written Academic Freedom Policy which describes the  
18 latitude the institution allows faculty in the classroom so faculty will not inadvertently violate the  
19 principles of academic freedom. These policies shall be made available to any person upon  
20 request. The institution shall not take adverse action based on a staff member's exercise of  
21 academic freedom consistent with the institution's policy; and

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

26 “(b) Instructors in an Educational Program Not Leading to a Degree.

27 ...

28

1           “(2) Each instructor shall maintain their knowledge by completing continuing education  
2 courses in his or her subject area, classroom management or other courses related to teaching.”

3           21.       Code of Regulations, title 5, section 71735, states:

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

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

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

17           “(b) An institution's facilities, including heating and cooling, ventilation, lighting,  
18 classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall  
19 maintain all valid permits required by any public agencies relating to the health and safety of the  
20 institution's facilities and equipment on file, and such permits shall be available to the Bureau  
21 upon request.”

22           22.       Code of Regulations, title 5, section 71740, subdivision (c), states:

23           “(c) An institution shall describe onsite library and other learning resources, if any, that  
24 enable students to pursue inquiries, searches for information and documentation, and assignments  
25 connected with their study programs.”

26           23.       Code of Regulations, title 5, section 71810, states, in part:

27           “(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which  
28 shall be updated annually. Annual updates may be made by the use of supplements or inserts

1 accompanying the catalog. If changes in educational programs, educational services, procedures,  
2 or policies required to be included in the catalog by statute or regulation are implemented before  
3 the issuance of the annually updated catalog, those changes shall be reflected at the time they are  
4 made in supplements or inserts accompanying the catalog.

5 “(b) The catalog shall contain the information prescribed by Section 94909 of the Code and  
6 all of the following:

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

9 ...

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

12 ...

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

15 ...

16 “(13) Housing information including all of the following:

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

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

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

23 ...

24 “(15) Policies on the retention of student records.”

25 24. Code of Regulations, title 5, section 71930, subdivision (d), states:

26 “(d) The institution shall maintain a second set of all academic and financial records  
27 required by the Act and this chapter at a different location unless the original records, including  
28 records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from

1 damage or loss. An acceptable manner of storage under this subsection would include fire  
2 resistant cabinets.”

3 25. Code of Regulations, title 5, section 71105.5, states:

4 “(a) The owner of an unaccredited institution that was approved to offer a degree program  
5 on or before January 1, 2015, shall by July 1, 2015, submit to the Bureau a plan for achieving  
6 institutional accreditation by an accrediting agency recognized by the United States Department  
7 of Education, with the scope of that accreditation covering the offering of at least one degree  
8 program.

9 “(b) The plan shall include:

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

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

13 “(3) Identification of the accrediting agency's minimum requirements for institutional  
14 accreditation covering at least one degree program offered by the institution with an outline of the  
15 process and timeline for complying, by July 1, 2017, with the accrediting agency's requirements  
16 for submission of a completed application for initial accreditation with the required fee; and

17 “(4) An outline of the process and timeline whereby the institution will achieve full  
18 accreditation by July 1, 2020 including all of the following, if applicable: (A) Attendance at the  
19 accrediting agency's required accreditation applicant workshop; (B) Submission of financial  
20 statements as required by the accrediting agency; (C) Submission of a self-evaluation report; and  
21 (D) Hosting of a site visit by the accrediting agency.”

22 26. Code of Regulations, title 5, section 74006, states:

23 “(a) An institution’s annual fee is due within 30 days of the date on which the institution  
24 originally receives its approval to operate and each year thereafter on the anniversary of the date  
25 of the original approval.

26 “(b) An institution shall pay its annual fee in addition to any other applicable fees.

27 “(c) The annual institutional fee is based on the institution's annual revenue. For purposes  
28 of this article, annual revenue is annual gross revenue.”

1 27. Code of Regulations, title 5, section 71485, states:

2 "Failure of an institution to have made current payments of the assessments to the Student  
3 Tuition Recovery Fund as required by chapter 7 of this Division, and annual fees as required by  
4 chapter 5 of this Division shall render the institution ineligible for renewal."

5 28. Code of Regulations, title 5, section 74110, states, in part:

6 "(c) An institution shall file its annual report by December 1st. The Bureau may extend the  
7 period for filing if the institution demonstrates evidence of substantial need but in no case longer  
8 than 60 days. The institution shall not change the date of its filing its annual report because of a  
9 change in the fiscal year without the Bureau's approval.

10 "(d) The annual report shall be electronically filed by submitting the information required  
11 by section 94934 of the Code and this section via the online form provided on the Bureau's  
12 website, electronically attaching, as directed, the School Performance Fact Sheet, the enrollment  
13 agreement, and the school catalog."

14 29. Code of Regulations, title 5, section 76130, subdivision (b), states:

15 "(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev.  
16 2/10) and remit it with the STRF assessments collected from students to be received by the  
17 Bureau no later than the last day of the month following the close of the quarter as follows:

18 "(1) April 30 for the first quarter,

19 "(2) July 31 for the second quarter,

20 "(3) October 31 for the third quarter, and

21 "(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or  
22 federal holiday, the due date shall be extended to the next regular business day for the Bureau.

23 "If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall  
24 be extended to the next regular business day for the Bureau."

25 30. Code of Regulations, title 5, section 74112, set forth the format and other  
26 requirements for the Annual Report and Performance Fact Sheet.

27 ///

28 ///

1 31. Code of Regulations, title 5, section 74000, subdivision (d), states:

2 (d) The Bureau shall deny a renewal of an approval to operate if the institution fails to  
3 submit at the time it files its application for renewal of an approval to operate: all unpaid fees;  
4 penalty fees; penalties; orders for reimbursement of costs and expenses; and assessments for, and  
5 reimbursement of all payments made to students from, the Student Tuition Recovery Fund.

6 32. Code of Regulations, title 5, section 75050, states:

7 “(a) If a cited institution or person that or who has been issued an order of abatement is  
8 unable to complete the correction within the time set forth in the citation because of conditions  
9 beyond the institution's or person's control after the exercise of reasonable diligence, the  
10 institution or person may request an extension of time within which to complete the correction.  
11 Such a request shall be in writing and shall be made within the time set forth for abatement.

12 “(b) Failure of an applicant or institution issued an approval to operate to abate the violation  
13 or to pay the fine within the time allowed is a ground for denial or discipline of an approval to  
14 operate.

15 “(c) If an informal conference or hearing is not requested, payment of the fine and/or  
16 compliance with any order of abatement shall not constitute an admission of the violation charged  
17 and shall be represented as satisfactory resolution of the matter for purposes of public disclosure.”

18 **CAUSES FOR DENIAL OF APPLICATION**

19 **FIRST CAUSE FOR DENIAL OF APPLICATION**

(Owner Information)

(Cal. Code Regs, tit. 5 § 71475, subd. (c)(7))

21 33. Respondent’s application is subject to denial because in its application received by  
22 the Bureau on August 27, 2012, Respondent failed to include the name, signature, date, and title  
23 for Board member Dorothy White. (Cal. Code Regs, tit. 5 § 71475, subd. (c)(7).)

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25 ///  
26 ///  
27 ///

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1 SECOND CAUSE FOR DENIAL OF APPLICATION

2 (Organization and Management)

3 (Cal. Code Regs., tit. 5, §§ 71475; 71730, subd. (e))

4 34. Respondent's application is subject to denial because in its application received by  
5 the Bureau on August 27, 2012, Respondent failed to include the required information with  
6 respect to organization and management. The circumstances are set forth below.

7 a. The organizational chart did not show the governance and administrative structure of  
8 the institution. The chart did not include the positions of Chief Executive Officer, Chief  
9 Academic Officer, or Chief Operating Officer. The chart also failed to include the relationship  
10 between faculty and the administrative positions. (Cal. Code Regs., tit. 5, § 71475, subd. (i).)

11 b. Respondent failed to provide job duties and responsibilities for the administrative  
12 positions of CEO, COO, and faculty positions. (Cal. Code Regs., tit. 5, § 71475, subd. (j).)

13 c. Respondent failed to provide transcripts for its Chief Academic Officer, Gerald  
14 Mann, confirming the degree(s) awarded. (Cal. Code Regs., tit. 5, §§ 71475, subd. (k); 71730  
15 subd. (e).)

16 THIRD CAUSE FOR DENIAL OF APPLICATION

17 (Exemplars of Student Agreements)

18 (Educ. Code, § 94911; Cal. Code Regs., tit. 5, § 71800)

19 35. Respondent's application is subject to denial because the Enrollment Agreement  
20 received by the Bureau on August 27, 2012, failed to include certain required information. The  
21 circumstances are set forth below.

22 a. The Enrollment Agreement did not contain the correct names of each educational  
23 program and the total number of credit hours or clock hours. (Educ. Code, § 94911, subd. (a).)

24 b. The Enrollment Agreement did not contain the required language regarding total  
25 charges for the current period of attendance, estimated total charges for the entire educational  
26 program, and total charges the student is obligated to pay upon enrollment. (Educ. Code, §  
27 94911, subd. (c); Cal. Code Regs., tit. 5, § 71800.)

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1 c. The Enrollment Agreement did not contain the required statement in its entirety  
2 regarding the student's obligation to repay the full amount of the loan plus interest, less the  
3 amount of any interest. (Educ. Code, § 94911, subd. (f); Cal. Code Regs., tit. 5, § 71800.)

4 d. The Enrollment Agreement did not contain the specific statements required under the  
5 Code and regulations, nor a line for the student to initial. (Educ. Code, § 94911, subd. (i)(1)(2);  
6 Cal. Code Regs., tit. 5, § 71800.)

#### 7 FOURTH CAUSE FOR DENIAL OF APPLICATION

(Instruction and Degrees Offered)

(Cal. Code Regs., tit. 5, § 71475, subd. (t))

9 36. Respondent's application is subject to denial because it failed to provide the Bureau  
10 the following information for each of its educational programs: (1) the admissions requirements,  
11 including minimum levels of prior education, preparation or training; (2) if applicable,  
12 information on the ability to benefit test; (3) the types and amount of general education required;  
13 (4) the title of the educational programs and other components of instruction offered; (5) the  
14 mode of instruction; (6) the graduation requirements; and (7) if the educational program is  
15 designed to fit or prepare students for employment in any occupation, the application shall  
16 identify each occupation and job title to which each education program is represented to lead.  
17 (Cal. Code Regs., tit. 5, § 71475, subd. (t)(1-7).)

#### 18 FIFTH CAUSE FOR DENIAL OF APPLICATION

(Educational Programs)

(Cal. Code Regs., tit. 5, § 71475, subd. (u); 71710, subd. (c))

20 37. Respondent's application is subject to denial because it failed to provide the Bureau  
21 the required information for each of its educational programs, as well as the information  
22 requested by the Bureau in its deficiency letter. The circumstances are set forth below:

23 a. Specifically, Respondent's application failed to provide: (1) a description of each  
24 educational program; (2) a description of the equipment to be used during the educational  
25 program; (3) a description of the number and qualifications of the faculty needed to teach the  
26 educational program; (4) a projection, and the bases for the projection, of the number of students  
27 that the institution plans to enroll in the educational program during each of the three years  
28



1 following the date the application was submitted; (5) a description of the learning, skills, and  
2 other competencies to be acquired by students who complete the educational programs; and (6) if  
3 licensure is a goal of an educational program, a copy of the approval from the appropriate  
4 licensing agency. (Cal. Code Regs., tit. 5, §71475, subd. (u)(1-6).)

5 b. Following the Bureau's request, Respondent failed to submit to the Bureau copies of  
6 the curriculum or syllabi required pursuant to section 71710, subdivision (c)(1-7) and 71475,  
7 subdivisions (u)(7). The information Respondent failed to provide for each course syllabi for  
8 each program includes: (1) a short, descriptive title of the educational program; (2) a statement of  
9 educational objectives; (3) length of the educational program; (4) sequence and frequency of  
10 lessons or class sessions; (5) complete citations of textbooks and other required written materials;  
11 and (6) sequential and detailed outline of subject matter to be addressed or a list of skills to be  
12 learned and how those skills are to be measured.

13 SIXTH CAUSE FOR DENIAL OF APPLICATION  
14 (Financial Resources and Statements)  
(Cal. Code Regs., tit. 5, §§ 74115, 71475)

15 38. Respondent's application is subject to denial because the financial statements  
16 received by the Bureau on August 27, 2012, were not current, reviewed or audited, completed by  
17 a certified public accountant, and did not include several components required by regulation.  
18 (Cal. Code Regs., tit. 5, §§ 74115, subs. (b)(1),(3), (d); 71475, subd. (w)(1-2).) Respondent has  
19 failed to demonstrate that it has the required financials to operate a private postsecondary  
20 institution in accordance with Code of Regulations, title 5, section 71745, subdivision (a)(1-6).

21 SEVENTH CAUSE FOR DENIAL OF APPLICATION  
22 (Faculty)  
23 (Cal. Code Regs., tit. 5, §§ 71475; 71720)

24 39. Respondent's application is subject to denial because it failed to provide the Bureau  
25 required information regarding its faculty. The circumstances are set forth below.

26 a. Respondent failed to provide the Bureau a list of faculty teaching assignments by  
27 program, and the course for each program. (Cal. Code Regs., tit. 5, § 71475, subs. (j), (x).)

28 ///

1 b. Respondent failed to provide the Bureau the requested curriculum vitae, transcripts,  
2 and copies of any certifications or licenses for each faculty for each program. (Cal. Code Regs.,  
3 tit. 5, § 71720, subds. (a)(4)(A)(1-2), (a)(5)(9).)

4 c. Respondent failed to provide the Bureau copies of faculty contracts between the  
5 institution and each faculty member for each program. (Cal. Code Regs., tit. 5, § 71720, subd.  
6 (a)(1-2).)

7 d. Respondent failed to provide the Bureau the policies and procedures for the  
8 participation of the faculty conducting research, development of curricula, academic planning,  
9 enforcement of standards of academic quality, pursuit of academic matters related to the  
10 institutions mission and objectives. (Cal. Code Regs., tit. 5, § 71720, subd. (a)(2).)

11 e. Respondent failed to provide the Bureau the requested Academic Freedom Policy for  
12 faculty describing the latitude the institution allows faculty in the classroom. (Cal. Code Regs.,  
13 tit. 5, § 71720, subd. (a)(8).)

14 f. Respondent failed to provide the Bureau the requested policy and procedures for  
15 continuing education courses in subject areas, classroom management, or other courses related to  
16 teaching. (Cal. Code Regs., tit. 5, § 71720, subd. (b)(2).)

17 EIGHTH CAUSE FOR DENIAL OF APPLICATION

18 (Facilities and Equipment)

19 (Cal. Code Regs., tit. 5, §§ 71475; 71735)

20 40. Respondent's application is subject to denial because it failed to provide the Bureau  
21 the requested information regarding facilities and equipment. (Cal. Code Regs., tit. 5, §§ 71475,  
22 subd. (y)(1, 4-6); 71735, subds. (a)(1-2), (b).) Specifically, Respondent failed to provide the  
23 Bureau with a detailed list of the number of owned, leased, or rented equipment items that are  
24 available for use by students to support the achievement of the educational objectives of each  
25 educational program and copies of all valid permits required by any public agencies relating to  
26 the health and safety of the institution's facilities and equipment on file including the business  
license and fire permit.

27 ///

28

1    NINTH CAUSE FOR DENIAL OF APPLICATION

2    (Libraries and Other Learning Resources)  
3    (Cal. Code Regs., tit. 5, §§ 71475, subd. (z); 71740, subd. (c))

4             41.    Respondent's application is subject to denial because it failed to provide the Bureau  
5             the requested policies and procedures for student access to the library and other learning  
6             resources that enable students to pursue inquiries, searches for information, and documentation  
7             and assignments connected with their study programs, as well as a description of the resources  
8             available electronically. For resources obtained via a subscription service, Respondent failed to  
9             provide the name of the subscription services, the policies and procedures for the student access  
10            to these services, the login information for access to these resources, and a copy of the  
11            subscription agreement with the vendor(s). (Cal. Code Regs., tit. 5, §§ 71475, subd. (z); 71740,  
12            subd. (c).)

13    TENTH CAUSE FOR DENIAL OF APPLICATION

14    (Catalog)  
15    (Educ. Code, § 94909; Cal. Code Regs., tit. 5, § 71810)

16             42.    Respondent's application is subject to denial because the school catalog received by  
17             the Bureau on August 27, 2012, did not contain the information required by the Code and  
18             Regulations. On February 1, 2016, the Bureau requested a revised catalog with the missing  
19             information, but Respondent failed to submit a revised catalog. The circumstances are set forth in  
20             further detail, below.

21             a.    The school catalog did not contain the school's address on the cover. (Educ. Code, §  
22             94909; Cal. Code Regs., tit. 5, § 71810, subd. (a).)

23             b.    The school catalog did not contain the specific beginning and ending dates defining  
24             the time period covered by the catalog. (Educ. Code, § 94909; Cal. Code Regs., tit. 5, § 71810,  
25             subd. (b)(1).)

26             c.    The school catalog did not contain the procedures for student access to the library  
27             resources. (Educ. Code, § 94909; Cal. Code Regs., tit. 5, § 718.10, subd. (b)(10).)

28             d.    The school catalog did not include information regarding whether the institution  
admits students from other countries, and if so, did not specify whether visa services are provided

1 or whether the institution vouches for student status, and any associated charges. (Educ. Code, §  
2 94909; Cal. Code Regs., tit. 5, § 71810, subd. (b)(3).)

3 e. The school catalog did not include a statement specifying whether the institution or  
4 any of its degree programs are accredited by an accrediting agency recognized by the United  
5 States Department of Education. (Educ. Code, § 94909, subd. (a)(16); Cal. Code Regs., tit. 5, §  
6 71810.)

7 f. Respondent is an unaccredited institution and offers degree programs, however the  
8 school catalog does not include the known limitations on the degree program, such as: (1)  
9 whether a graduate of the degree program will be eligible to sit for the applicable licensure exam  
10 in California and other states or become certified or registered as required for the applicable  
11 profession, occupation, trade, or career field in California; (2) a degree program that is  
12 unaccredited or a degree from an unaccredited institution is not recognized for some employment  
13 positions, including, but not limited to, positions with the State of California; and (3) that a  
14 student enrolled in an unaccredited institution is not eligible for federal financial aid programs.  
15 (Educ. Code, § 94909, subd. (a)(16)(A-C); Cal. Code Regs., tit. 5, § 71810.)

16 g. The school catalog did not include a schedule of total charges for a period of  
17 attendance and an estimated schedule of total charges for the entire educational program. (Educ.  
18 Code, § 94909, subd. (a)(9); Cal. Code Regs., tit. 5, § 71810.)

19 h. The school catalog did not include the required language regarding the Student  
20 Tuition Recovery Fund. (Educ. Code, § 94909, subd. (a)(14); Cal. Code Regs., tit. 5, § 71810.)

21 i. The school catalog did not include the required statement specifying that, if a student  
22 obtains a loan to pay for an educational program, the student will have the responsibility to repay  
23 the full amount of the loan plus interest, less the amount of any refund, and that, if the student has  
24 received federal student financial aid funds, the student is entitled to a refund of the moneys not  
25 paid from federal student financial aid program funds. (Educ. Code, § 94909, subd. (a)(11); Cal.  
26 Code Regs., tit. 5, § 71810.)

27 j. The school catalog did not include probation and dismissal policies. (Educ. Code, §  
28 94909, subd. (a)(8)(C); Cal. Code Regs., tit. 5, § 71810.)

1 k. The school catalog did not include the required housing information as follows:  
2 (1) whether the institution has dormitory facilities under its control; (2) the availability of housing  
3 located reasonably near the institution's facilities and an estimation of the approximate cost or  
4 range of cost of the housing; and (3) if the institution has no responsibility to find or assist a  
5 student in finding housing, a clear and conspicuous statement so indicating. (Educ. Code, §  
6 94909; Cal. Code Regs., tit. 5, § 71810, subd. (a)(13)(A-C).)

7 l. The school catalog did not include the policy for the retention of student records.  
8 (Educ. Code, § 94909; Cal. Code Regs., tit. 5, § 71810, subd. (a)(15).)

9 ELEVENTH CAUSE FOR DENIAL OF APPLICATION

10 (Graduation or Completion Documents)  
11 (Cal. Code Regs., tit. 5, § 71475, subd. (cc))

12 43. Respondent's application is subject to denial because the diploma/completion  
13 document received by the Bureau on August 27, 2012, for the Bachelor of Arts Degree, does not  
14 show the approved degree title for the Bachelor of Arts Degree in Bible and Ministry. (Cal. Code  
15 Regs., tit. 5, §71475, subd. (cc).)

16 TWELFTH CAUSE FOR DENIAL OF APPLICATION

17 (Recordkeeping: Custodian of Records)  
18 (Cal. Code Regs., tit. 5, §§ 71475, subd. (dd)(1); 71930, subd. (d))

19 44. Respondent's application is subject to denial because it failed to provide the Bureau  
20 with the requested detailed description of the procedures for security and safekeeping of its  
21 academic and financial records, making the Bureau unable to determine Respondent's compliance  
22 with the applicable regulations. (Cal. Code Regs., tit. 5, §§ 71475, subd. (dd)(1); 71930, subd.  
23 (d).)

24 THIRTEENTH CAUSE FOR DENIAL OF APPLICATION

25 (Declaration Under Penalty of Perjury)  
26 (Cal. Code Regs., tit. 5, § 71475, subd. (gg)(1)(C))

27 45. Respondent's application is subject to denial because in its application received by  
28 the Bureau on August 27, 2012, the signatures of several of its Board members are not original  
signatures, as required. (Cal. Code Regs., tit. 5, § 71475, subd. (gg)(1)(C).)

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1                                    FOURTEENTH CAUSE FOR DENIAL OF APPLICATION

2                                    (Accreditation for Degree Granting Institutions)

3                                    (Educ. Code, § 94885.1, subd. (b)(1); Cal. Code Regs., tit. 5, § 71105.5, subds. (a), (b))

4                                    46. Respondent’s application is subject to denial because in has failed to provide the  
5 Bureau an accreditation plan that, at a minimum, identifies an accrediting agency recognized by  
6 the United States Department of Education from which the institution will seek accreditation,  
7 with the scope of that accreditation covering the offering of at least one degree program, and  
8 outlines the process by which the institution will achieve accreditation candidacy or pre-  
9 accreditation by July 1, 2017, and full accreditation by July 1, 2020. (Educ. Code, § 94885.1,  
10 subd. (b)(1); Cal. Code Regs., tit. 5, § 71105.5, subds. (a), (b)(1-4).)

11                                    FIFTEENTH CAUSE FOR DENIAL OF APPLICATION

12                                    (Outstanding Fees)

13                                    (Educ. Code, § 94930.5, subd. (d)(1)(A); Cal. Code Regs., tit. 5, §§ 74006; 71485;  
14 74000, subd. (d); 75050)

15                                    47. Respondent’s application is subject to denial because it has failed to pay the Bureau  
16 the following fees: \$5,000 citation, annual fees for 2012, 2013, and 2014, and associated  
17 delinquent fees, making it ineligible for renewal under Code of Regulations, title 5, section  
18 71485. (Educ. Code, § 94930.5, subd. (d)(1)(A); Cal. Code Regs., tit. 5 §§ 74006; 71485; 74000,  
19 subd. (d); 75050.)

20                                    SIXTEENTH CAUSE FOR DENIAL OF APPLICATION

21                                    (Reports and Forms)

22                                    (Educ. Code, § 94934; Cal. Code Regs., tit. 5, §§ 74110, 76130, 74112)

23                                    48. Respondent’s application is subject to denial because it has failed to submit to the  
24 Bureau several of its required reports and forms. The circumstances are set forth below.

25                                    a. Respondent has failed to provide the Bureau with its Institution’s Annual Reports for  
26 2012, 2013, and 2014. (Educ. Code, § 94934; Cal. Code Regs., tit. 5, § 74110, subds. (c), (d).)

27                                    b. Respondent has failed to provide the Bureau with its STRF Assessment Forms for the  
28 3<sup>rd</sup> quarter of 2013, the 3<sup>rd</sup> quarter of 2014, and the 4<sup>th</sup> quarter of 2014. (Cal. Code Regs., tit. 5, §  
§ 76130, subd. (b); 71485.)

                                  c. Respondent has failed to provide the Bureau with its 2010 and 2011 School  
Performance Fact Sheets in the correct format. (Cal. Code Regs., tit. 5, § 74112.)


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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this Statement of Issues, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

1. Denying the application for renewal of Fellowship Bible Institute and College of Theology and Urban Studies for a Renewal of Approval to Operate an Institution Non-Accredited; and
2. Taking such other and further action as deemed necessary and proper.

DATED: July 7, 2017

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

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