



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: American Liberty University, Owner
American Liberty University,
3101 W. Coast Highway, Suite 400
New Beach, CA 92663

INSTITUTION CODE: 3014471

CITATION NUMBER: 1819030

CITATION ISSUANCE/SERVICE DATE: September 6, 2018

DUE DATE: October 6, 2018

FINE AMOUNT: \$ 5,000.00

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 American Liberty University, Owner of American Liberty University (Institution) located at 3101 W. Coast Highway, Suite 400, New Beach, CA, 92663, 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 May 13, 2004, American Liberty University (Institution) received a temporary approval to operate pursuant to CEC section 94885.1 (b)(2) - Accreditation Required for Degree Granting Institution Approved prior to 1/1/15. On June 26, 2015, the Institution notified the Bureau that the Accrediting Council for Independent Colleges and Schools (ACICS) was their intended Accreditor. On Sept 15, 2016, the Bureau received a letter, and accompanying accreditation plan, for the Distant Education Accrediting Commission (DEAC). On May 4, 2017, the Bureau notified the Institution of the requirement to achieve accreditation candidacy or pre-accreditation by July 1, 2017. The Institution failed to submit the required evidence of compliance of accreditation candidacy or pre-accreditation by July 1, 2017. On June 28, 2017, the Institution provided another accreditation plan to the Bureau identifying Transnational Association of Christian Colleges and Schools (TRACS) as their intended accreditor. On July 21, 2017, pursuant to 5, CCR section 71410 and 5, CCR section 74250, the Bureau mailed the Order Suspending Approval to Operate Degree Granting Programs to the Institution, with an effective date of July 26, 2017. On August 28, 2017, the Bureau rescinded the order of suspension pending the decision regarding the Institution's request for an extension of

time to achieve accreditation candidacy or pre-accreditation. The Bureau denied the Institution's request for an extension, as the Institution had not demonstrated strong progress in applying to an accrediting agency. Effective September 2, 2017, the Bureau suspended the Institution's degree granting programs and directed the Institution to cease enrolling new students in the degree programs and to submit to the Bureau, within 30 days, a degree program closure plan. On October 2, 2017, the Institution timely filed an appeal of the suspension order. An informal conference was held on January 12, 2018, before the Department of Consumer Affairs Legal Director's designee. On March 30, 2018, the Institution's suspension to offer degree programs was upheld. The Bureau did not receive a written degree program closure plan, which would have included arrangements for a teach-out and arrangements for making refunds to the students. As of September 5, 2018, the Institution continues to advertise the degree programs on its website at <http://www.aluniversity.edu/business-administration>.

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>Violation: 5, CCR Section 74250. Unaccredited Degree-Granting Institutions That Are Automatically Suspended.</p> <p><i>(a) If an unaccredited institution that has a provisional approval from the Bureau to offer degree programs or an unaccredited degree-granting institution that has an approved accreditation plan pursuant to section 71205.5 fails to meet the requirements of either section 94885.1 or 94885.5 of the Code or section 71205 or 71205.5 and is notified by the Bureau that their approval to operate or their approval to offer degree programs has been automatically suspended, the institution must immediately cease enrolling students and within 30 days provide to the Bureau a degree program closure plan. The degree program closure plan shall include:</i></p> <p><i>(1) The exact date the institution stopped enrolling new students in its degree programs.</i></p> <p><i>(2) A list of contact information for all students currently enrolled in each degree program.</i></p> <p><i>(3) A teach-out plan that includes a plan for the disposition of student records and is compliant with the provisions of section 94927 of the Code.</i></p> <p><i>(4) A copy of the notification to be provided to students pursuant to subdivision (b) of this section.</i></p> <p><i>(b) The institution must notify, in writing, all currently enrolled students within five business days of the following:</i></p> <p><i>(1) That the institution has received a notice of suspension from the Bureau and may no longer offer degree programs.</i></p> <p><i>(2) A teach-out plan, which shall provide, at minimum, the following information:</i></p> <p><i>(A) The name and location of the institution(s) that is (are) providing the teach-out.</i></p> <p><i>(B) The date upon which instruction at the teach-out institution(s) will begin.</i></p> <p><i>(C) How and when payments will be made to the new institution and any relevant financial information.</i></p> <p><i>(D) Whom to contact at the new institution(s).</i></p> <p><i>(3) That the student has a right to choose not to participate in the teach-out, and instead seek a refund for any classes the student is currently enrolled in or has not yet completed.</i></p> <p>Article 15 Orderly Institutional Closure and Teach-Outs. CEC Section 94926(a)(b)- Procedures Prior to Closing, Teach-Outs <i>At least 30 days prior to closing, the institution shall notify the bureau in writing of its intentions to close. The notice shall be accompanied by a closure plan, which shall include but not necessarily be</i></p>

limited to, all of the following:

- (a) A plan for providing teach-outs or educational programs, including any agreements with any other postsecondary educational institution to provide teach-outs.
- (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.

5, CCR Section 76240(a)(4)(A)(B)(6) Required Notices and Teach-Out Plan

"(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.

(4) If any student will not be provided complete educational services or the educational program, the institution shall provide.

(A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.

(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.

(6) A plan to notify students of their rights and options under the Act and this chapter.

CEC Section 94868 To Offer to the Public

"To offer to the public" means to advertise, publicize, solicit, or recruit.

On May 13, 2004, American Liberty University (Institution) received a temporary approval to operate pursuant to CEC section 94885.1 (b)(2) - Accreditation Required for Degree Granting Institution Approved prior to 1/1/15. On June 26, 2015, the Institution notified the Bureau that the Accrediting Council for Independent Colleges and Schools (ACICS) was their intended Accreditor. On Sept 15, 2016, the Bureau received a letter, and accompanying accreditation plan, for the Distant Education Accrediting Commission (DEAC). On May 4, 2017, the Bureau notified the Institution of the requirement to achieve accreditation candidacy or pre-accreditation by July 1, 2017. The Institution failed to submit the required evidence of compliance of accreditation candidacy or pre-accreditation by July 1, 2017. On June 28, 2017, the Institution provided another accreditation plan to the Bureau identifying Transnational Association of Christian Colleges and Schools (TRACS) as their intended accreditor. On July 21, 2017, pursuant to 5, CCR section 71410 and 5, CCR section 74250, the Bureau mailed the Order Suspending Approval to Operate Degree Granting Programs to the Institution, with an effective date of July 26, 2017. On August 28, 2017, the Bureau rescinded the order of suspension pending the decision regarding the Institution's request for an extension of time to achieve accreditation candidacy or pre-accreditation. The Bureau denied the Institution's request for an extension, as the Institution had not demonstrated strong progress in applying to an accrediting agency. Effective September 2, 2017, the Bureau suspended the Institution's degree granting programs and directed the Institution to cease enrolling new students in the degree programs and to submit to the Bureau, within 30 days, a degree program closure plan. On October 2, 2017, the Institution timely filed an appeal of the suspension order. An informal conference was held on January 12, 2018, before the Department of Consumer Affairs Legal Director's designee. On March 30, 2018, the Institution's suspension to offer degree programs was upheld. The Bureau did not receive a written degree program closure plan, which would have included arrangements for a teach-out and arrangements for making refunds to the students. As of September 5, 2018, the Institution continues to advertise the degree programs on its website at <http://www.aluniversity.edu/business-administration>.

Order of Abatement:

The Bureau orders that the Institution submit a completed school closure plan for the degree programs to the Bureau as required by CEC section 94926 (a)(b)(d), and 5, CCR section 76240(a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2). The Institution must discontinue recruiting or enrolling students into degree programs and cease all instructional services and advertising in any form or type of media including the Internet website, <http://www.aluniversity.edu/business-administration>, until such time as accreditation candidacy is achieved for degree programs. The Institution must provide a roster of each student currently enrolled in the Institution's degree programs. The roster must include the names of the students, their contact information (including phone number, email address and physical address), the programs in which they are enrolled, the dates of enrollment, the amounts paid for the programs, and the amount the student were refunded.

Assessment of Fine

The fine for this violation is \$5000.00

TOTAL ADMINISTRATIVE FINE DUE: \$5,000.00

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 **\$5,000.00** 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 **October 6, 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 **September 6, 2018**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **October 6, 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