

1 KAMALA D. HARRIS
Attorney General of California
2 DIANN SOKOLOFF
Supervising Deputy Attorney General
3 SUSANA A. GONZALES
Deputy Attorney General
4 State Bar No. 253027
1515 Clay Street, 20th Floor
5 P.O. Box 70550
Oakland, CA 94612-0550
6 Telephone: (510) 622-2221
Facsimile: (510) 622-2270
7 *Attorneys for Complainant*

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

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

Case No. 1000738

13 **HAYWARD UNIVERSITY; HOOI HOON**
14 **YEAP, OWNER**

STATEMENT OF ISSUES

15 Respondent.

16 Complainant alleges:

17 PARTIES

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

21 2. On or about July 12, 2010, the Bureau for Private Postsecondary Education received
22 an Application for Approval to Operate (Application Number 22547) from Hayward University;
23 Hooi Hoon Yeap, Owner ("Respondent"). On or about March 17, 2011, the Bureau issued a
24 deficiency letter to Respondent. On or about April 12, 2011, the Bureau received a response to its
25 March 17, 2011 deficiency letter. On or about May 2 2012, the Bureau issued a second
26 deficiency letter to Respondent. On or about May 7, 2012, the Bureau received a response to its
27 May 2, 2012 deficiency letter. On or about April 29, 2013, the Bureau issued a third deficiency
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1 letter to Respondent. On or about May 29, 2013, the Bureau received a response to its April 29,
2 2013 deficiency letter. On or about June 6, 2013, the Bureau issued a fourth deficiency letter to
3 Respondent. On or about August 16, 2013, the Bureau received a response to its June 6, 2013
4 deficiency letter. On or about April 8, 2014, the Bureau issued a fifth deficiency letter to
5 Respondent. On or about June 6, 2014, the Bureau received a response to its April 8, 2014
6 deficiency letter. On or about June 24, 2014, the Bureau issued a sixth deficiency letter to
7 Respondent. On or about August 13, 2014, the Bureau received a response to its June 24, 2014
8 deficiency letter. On or about August 25, 2014, the Bureau issued a seventh deficiency letter to
9 Respondent. On or about September 8, 2014, the Bureau received a response to its August 25,
10 2014 deficiency letter. On or about April 10, 2015, the Bureau issued a Notice of Denial of
11 Application for Approval to Operate to Respondent. On or about May 15, 2015, the Bureau
12 received further correspondence from Respondent. On or about May 30, 2015, Respondent
13 submitted to the Bureau an appeal of the Notice of Denial.

14 JURISDICTION

15 3. This Statement of Issues is brought before the Director of the Department of
16 Consumer Affairs (“Director”) for the Bureau for Private Postsecondary Education, under the
17 authority of the following laws. All section references are to the Business and Professions Code
18 unless otherwise indicated.

19 4. Section 94887 of the Education Code states:

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

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STATUTORY AND REGULATORY PROVISIONS

5. Section 94911 of the Education Code states, in pertinent part:

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

...

“(d) A clear and conspicuous statement that the enrollment agreement is legally binding when signed by the student and accepted by the institution.

...

“(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, prior to signing this agreement.’

“(2) The disclosure shall contain the institution’s refund policy and a statement that, if the student has received federal student financial aid funds, the student is entitled to a refund of moneys not paid from federal student financial aid program funds.”

6. Section 94909 of the Education Code states, in pertinent part:

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

...

“(3) The following statements:

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

1 “(B) ‘As a prospective student, you are encouraged to review this catalog prior to signing
2 an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet,
3 which must be provided to you prior to signing an enrollment agreement.’

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

8 7. Section 94925 of the Education Code states:

9 “(a) The amount in the Student Tuition Recovery Fund shall not exceed twenty-five million
10 dollars (\$25,000,000) at any time.

11 “(b) If the bureau has temporarily stopped collecting the Student Tuition Recovery Fund
12 assessments because the fund has approached the twenty-five million dollar limit in subdivision
13 (a), the bureau shall resume collecting Student Tuition Recovery Fund assessments when the fund
14 falls below twenty million dollars (\$20,000,000).

15 “(c) An otherwise eligible student who enrolled during a period when institutions were not
16 required to collect Student Tuition Recovery Fund assessments is eligible for Student Tuition
17 Recovery Fund payments despite not having paid any Student Tuition Recovery Fund
18 assessment.”

19 8. California Code of Regulations, title 5, section 71710, states, in pertinent part:

20 “‘In order to meet its mission and objectives, the educational program defined in section
21 94837 of the Code shall be comprised of a curriculum that includes:

22 “(a) those subject areas that are necessary for a student to achieve the educational objectives
23 of the educational program in which the student is enrolled;

24 ...

25 “(c) course or module materials that are designed or organized by duly qualified faculty.
26 For each course or module, each student shall be provided with a syllabus or course outline that
27 contains:

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- 1 “(1) a short, descriptive title of the educational program;
2 “(2) a statement of educational objectives;
3 “(3) length of the educational program;
4 “(4) sequence and frequency of lessons or class sessions;
5 ~~“(5) complete citations of textbooks and other required written materials;~~
6 “(6) sequential and detailed outline of subject matter to be addressed or a list of skills to be
7 learned and how those skills are to be measured;
8 “(7) instructional mode or methods.

9 ...

10 “(f) evaluation by duly qualified faculty of those learning outcomes.”

11 9. California Code of Regulations, title 5, section 71720, states, in pertinent part:

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

13 ...

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

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

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

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

25 ...

26 “(9) The institution shall maintain records documenting that each faculty member is duly
27 qualified and was qualified to perform the duties to which the faculty member was assigned,
28

1 including providing instruction, evaluating learning outcomes, evaluating graduate dissertations,
2 theses, and student projects, and participating on doctoral committees.”

3 10. California Code of Regulations, title 5, section 71800, states, in pertinent part:

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

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

8 “(b) Period covered by the enrollment agreement.”

9 FIRST CAUSE FOR DENIAL OF APPLICATION

10 (Failure to Provide Evidence of Duly Qualified Faculty & Transcripts of Educational Program)
(Cal. Code of Regs, tit. 5, § 71720, subd. (a)(4)(A), (9))

11 11. Respondent’s application is subject to denial because Respondent failed to submit
12 sufficient evidence that the faculty members are duly qualified to teach the courses that they are
13 assigned. (Cal. Code Regs, tit. 5, § 71720, subd. (a)(9).) Furthermore, Respondent failed to
14 provide transcripts related to the proposed educational program which establish that the faculty
15 have sufficient expertise to support the institution’s awarding of a degree identifying a specialty
16 or major field of emphasis. (Cal. Code Regs, tit. 5, § 71720, subd. (a)(4)(A).) Respondent did
17 not provide information regarding the faculty’s educational history or background, and also failed
18 to provide a transcript for a course in the proposed educational program. The Bureau is unable to
19 determine whether the faculty are duly qualified to instruct Business degrees.

20 SECOND CAUSE FOR DENIAL OF APPLICATION

21 (Failure to Submit Evidence of Who Will be Instructing Courses)
22 (Cal. Code Regs., tit. 5, § 71710, subds. (c) and (f))

23 12. Respondent’s application is subject to denial because Respondent failed to submit
24 sufficient evidence of a curriculum that includes course or module materials designed or
25 organized by duly qualified faculty. (Cal. Code Regs., tit. 5, § 71710, subd. (c).) Respondent
26 also failed to submit sufficient evidence establishing that the proposed curriculum would include
27 evaluation by duly qualified faculty of students’ learning outcomes. (Cal. Code Regs., tit. 5, §
28 71710, subd. (f).) Based upon the information submitted by Respondent, the Bureau was unable

1 to determine who would be instructing some of the courses. Respondent provided syllabi for the
2 courses offered, but on the following syllabi, two instructors were identified along with "other
3 faculty": BUS 420; BUS 421; BUS 499; BUS 509; HB 405; HB 407; HB 409; HB 499; HB 502;
4 HB 410; HB 504; HB 505; HB 506; HB 508; HB 509; HB 598; HB 601; HB 602; and HB 603.

5 THIRD CAUSE FOR DENIAL OF APPLICATION

6 (Failure to Provide Curriculum that Includes Subject Areas that Achieve Educational Objective)
7 (Cal. Code Regs., tit. 5, § 71710, subd. (a))

8 13. Respondent's application is subject to denial because Respondent failed to provide
9 evidence of curriculum that includes those subject areas that are necessary for a student to achieve
10 the educational objectives of the educational program in which the student is enrolled. (Cal. Code
11 Regs., tit. 5, § 71710, subd. (a).) The Bureau is unable to determine the level of rigor offered for
12 the Master of Business Administration and the Master of Human Behavior programs. The course
13 syllabi for several of the courses offered for the above degrees mostly focus on understanding,
14 familiarizing, determining relevance of information, introduction to, study, examine, explore,
15 investigate, and grasping of basic ideas, concepts, theories and principles of a subject matter.
16 Rather, at the master level, students are normally required to apply, analyze, and solve in-depth
17 theoretical or existing business problems.

18 FOURTH CAUSE FOR DENIAL OF APPLICATION

19 (Failure to Include Period Covered by Enrollment Agreement)
20 (Cal. Code Regs., tit. 5, § 71800, subd. (b))

21 14. Respondent's application is subject to denial because Respondent failed to include in
22 the enrollment agreement the period covered by such enrollment agreement. (Cal. Code Regs.,
23 tit. 5, § 71800, subd. (b).)

24 FIFTH CAUSE FOR DENIAL OF APPLICATION

25 (Failure to Include Required Language in Enrollment Agreement)
26 (Educ. Code, § 94911, subds. (d), (i)(1),(2))

27 15. Respondent's application is subject to denial because Respondent failed to include in
28 the enrollment agreement the following required statement: "the enrollment agreement is legally
binding when signed by the student and accepted by the institution." (Educ. Code, § 94911, subd.
(d).) Respondent's application is also subject to denial because Respondent failed to include in

1 both the disclosure statements of the enrollment agreement the following required phrase: "the
2 most recent three-year cohorts default rate." (Educ. Code, § 94911, subd. (i)(1),(2).)

3 SIXTH CAUSE FOR DENIAL OF APPLICATION

4 (Omission of Required Statement from Catalog)

(Educ. Code, § 94909, subd. (a)(3)(C))

5 16. Respondent's application is subject to denial because Respondent omitted the
6 following required verbatim statement from its catalog: "A student or any member of the public
7 may file a complaint about this institution with the Bureau for Private Postsecondary Education
8 by calling (toll-free number) or by completing complaint form, which can be obtained on the
9 Bureau's internet Web site (Internet Web site address)." (Educ. Code, § 94909, subd. (a)(3)(C).)

10 SEVENTH CAUSE FOR DENIAL OF APPLICATION

11 (Incorrect STRF Fees)

(Educ. Code, § 94925)

12 17. Respondent's application is subject to denial because Respondent included the
13 incorrect STRF fees in its application. (Educ. Code, § 94925.)

14 PRAYER

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

18 1. Denying Hayward University's; Hooi Hoon Yeap (Owner), Application for Approval
19 to Operate an Institution Non-Accredited;

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

21
22 DATED: 10/19/15


23 JOANNE WENZEL

Chief

Bureau for Private Postsecondary Education

Department of Consumer Affairs

State of California

Complainant

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