KAMALA D. HARRIS
Attorney General of California
KENT D. HARRIS
Supervising Deputy Attorney General
STEPHANIE ALAMO-LATIF
Deputy Attorney General
State Bar No. 283580
1300 I Street, Suite 125
P.O. Box 944255
Sacramento, CA 94244-2550
Telephone: (916) 327-6819
Facsimile: (916) 327-8643
E-mail: Stephanie.AlamoLatif@doj.ca.gov
*Attorneys for Complainant*

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

| | |
|---|---|
| In the Matter of the Statement of Issues Against:<br><br>**VETERINARY ALLIED STAFF EDUCATION, LLC; ALEX HENDERSON, 50% Owner, AND ALDRETE ENTERPRISES, 50% Owner;**<br><br>**Application for Approval to Operate an Institution Non-Accredited**<br><br>Respondent. | Case No. 1000951<br><br>**STATEMENT OF ISSUES** |

Joanne Wenzel ("Complainant") alleges:

PARTIES

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

2. On or about October 21, 2011, the Bureau received an application for an Approval to Operate an Institution Non-Accredited from Veterinary Allied Staff Education, LLC; Alex Henderson, 50% owner; and Aldrete Enterprises, 50% owner ("Respondent"). On or about

October 12, 2011, Alberto V. Aldrete, DVM, and Alex Henderson, RVT, certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application.

3. On or about February 28, 2012, the Bureau issued a deficiency letter to Respondent explaining that the Bureau was unable to grant the Application at that time, and outlined the identified deficiencies pursuant to sections of the California Education Code and Title 5 of the California Code of Regulations.

4. On or about March 30, 2012, the Bureau received from Respondent a response with attachments to the Bureau's February 28, 2012, deficiency letter.

5. On or about April 3, 2014, the Bureau issued a deficiency letter to Respondent explaining that the Bureau was unable to grant the Application at that time, and outlined the identified deficiencies pursuant to sections of the California Education Code and Title 5 of the California Code of Regulations.

6. On or about June 17, 2014, the Bureau received from Respondent a response with attachments to the Bureau's April 3, 2014, deficiency letter.

7. On or about October 28, 2014, the Bureau issued a deficiency letter to Respondent explaining that the Bureau was unable to grant the Application at that time, and outlined the identified deficiencies pursuant to sections of the California Education Code and Title 5 of the California Code of Regulations.

8. On or about June 29, 2015, the Bureau issued to Respondent a Notice of Denial of Approval to Operate an Institution Non-Accredited. On or about August 18, 2015, the Bureau received a letter from Respondent requesting an administrative hearing.

## JURISDICTION AND STATUTORY PROVISIONS

9. This Statement of Issues is brought before the Director of the Department of Consumer Affairs ("Director") for the Bureau for Private Postsecondary Education, under the authority of the following laws. All section references are to the California Education Code[1] ("Code") unless otherwise indicated.

[1] Effective January 1, 2015, in accordance with SB1247, the California Private Postsecondary Education Act ("Act") of 2009 was amended. As the denial was issued on June (continued...)

10. Code section 94834 states:

"Distance education" means transmission of instruction to students at a location separate from the institution.

11. Code section 94838 states:

"Educational program approval" means authorization by the bureau, another government agency of this state, or a federal government agency, to provide educational programs, and is an element of an approval to operate."

12. Code section 94887 states:

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

13. Code section 94906 states:

"(a) An enrollment agreement shall be written in language that is easily understood. If English is not the student's primary language, and the student is unable to understand the terms and conditions of the enrollment agreement, the student shall have the right to obtain a clear explanation of the terms and conditions and all cancellation and refund policies in his or her primary language."
(b) If the recruitment leading to enrollment was conducted in a language other than English, the enrollment agreement, disclosures, and statements shall be in that language."

14. Code section 94900 states:

"(a) An institution shall maintain records of the name, address, e-mail address, and telephone number of each student who is enrolled in an educational program in that institution.
(b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:
(1) The degree or certificate granted and the date on which that degree or certificate was granted.
(2) The courses and units on which the certificate or degree was based.
(3) The grades earned by the student in each of those courses."

15. Code section 94909 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:

---

(...continued)
29, 2015, all citations are to the current version of the California Private Postsecondary Education Act of 2009.

(1) The name, address, telephone number, and, if applicable, Internet Web site address of the institution.
(2) Except as specified in Article 2 (commencing with Section 94802), a statement that the institution is a private institution and that it is approved to operate by the bureau.
(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)."
(B) "As a prospective student, you are encouraged to review this catalog prior to signing an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet, which must be provided to you prior to signing an enrollment agreement."
(C) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)."
(4) The address or addresses where class sessions will be held.
(5) A description of the programs offered and a description of the instruction provided in each of the courses offered by the institution, the requirements for completion of each program, including required courses, any final tests or examinations, any required internships or externships, and the total number of credit hours, clock hours, or other increments required for completion.
(6) If the educational program is designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in this state, a notice to that effect and a list of the requirements for eligibility for licensure.
(7) Information regarding the faculty and their qualifications.
(8) A detailed description of institutional policies in the following areas:
(A) Admissions policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests, admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements between the institution and any other college or university that provides for the transfer of credits earned in the program of instruction. If the institution has not entered into an articulation or transfer agreement with any other college or university, the institution shall disclose that fact.
(B) Cancellation, withdrawal, and refund policies, including an explanation that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later. The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund consistent with the requirements of Article 13 (commencing with Section 94919).
(C) Probation and dismissal policies.
(D) Attendance policies.
(E) Leave-of-absence policies.

(9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program.
(10) A statement reporting whether the institution participates in federal and state financial aid programs, and if so, all consumer information that is required to be disclosed to the student pursuant to the applicable federal and state financial aid programs.
(11) A statement specifying that, if a 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, and that, if the student has received federal student financial aid funds, the student is entitled to a refund of the moneys not paid from federal student financial aid program funds.
(12) A statement specifying whether the institution has a pending petition in bankruptcy, is operating as a debtor in possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy filed against it within the preceding five years that resulted in reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).
(13) If the institution provides placement services, a description of the nature and extent of the placement services.
(14) A description of the student's rights and responsibilities with respect to the Student Tuition Recovery Fund. This statement shall specify that it is a state requirement that a student who pays his or her tuition is required to pay a state-imposed assessment for the Student Tuition Recovery Fund. This statement shall also describe the purpose and operation of the Student Tuition Recovery Fund and the requirements for filing a claim against the Student Tuition Recovery Fund.
(15) The following statement:
"NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION
The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer."
(16) A statement specifying whether the institution, or any of its degree programs, are accredited by an accrediting agency recognized by the United States Department of Education. If the institution is unaccredited and offers an associate, baccalaureate, master's, or doctoral degree, or is accredited and offers an unaccredited program for an associate, baccalaureate, master's, or doctoral degree, the statement shall disclose the known limitations of the degree program, including, but not limited to, all of the following:
(A) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states.

(B) A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California.
(C) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.
(b) If the institution has a general student brochure, the institution shall provide that brochure to the prospective student prior to enrollment. In addition, if the institution has a program-specific student brochure for the program in which the prospective student seeks to enroll, the institution shall provide the program-specific student brochure to the prospective student prior to enrollment.
(c) An institution shall provide the school catalog to any person upon request. In addition, if the institution has student brochures, the institution shall disclose the requested brochures to any interested person upon request.
(d) An accredited institution is not required to provide a School Performance Fact Sheet to a prospective student who is not a California resident, not residing in California at the time of his or her enrollment, and enrolling in an accredited distance learning degree program offered by the institution, if the institution complies with all federal laws, the applicable laws of the state where the student is located, and other appropriate laws, including, but not limited to, consumer protection and student disclosure requirements."

16. Code section 94911 states, in pertinent part:
"An enrollment agreement shall include, at a minimum, all of the following:
...
(c) In underlined capital letters on the same page of the enrollment agreement in which the student's signature is required, the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment.
...
(g) A statement specifying that, if the student is eligible for a loan guaranteed by the federal or state government and the student defaults on the loan, both of the following may occur:
...
(2) The student may not be eligible for any other federal student financial aid at another institution or other government assistance until the loan is repaid.
...
(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, 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, 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."
(j) The following statements:
(1) "Any questions a student may have regarding this enrollment agreement 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)."
(2) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)."
...

**REGULATORY PROVISIONS**

17. California Code of Regulations, title 5, section 71135 states:
"The institution shall include in its Form Application 94886 the name, physical address, telephone number, fax number, and e-mail address for the agent for service of process in California as required by section 94943.5 of the Code. The agent shall be at an address other than the address of the institution or any branch. The agent must confirm the information and acknowledge in writing that he or she is the designated agent for service of process. The information shall be kept current pursuant to section 74190."

18. California Code of Regulations, title 5, section 71140 states:
"(a) The institution shall include in its Form Application 94886 an organization chart that shows the governance and administrative structure of the institution and the relationship between faculty and administrative positions.
(b) The institution shall provide a description of the job duties and responsibilities of each administrative and faculty position.
(c) The institution shall identify the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities."

19. California Code of Regulations, title 5, section 71210 states, in pertinent part:
"(a) The institution shall identify and describe the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded."
...
(c) In addition, the institution shall list the following for each educational program offered:
(1) The admissions requirements, including minimum levels of prior education, preparation, or training;
(2) If applicable, information regarding the ability-to-benefit examination as required by section 94904 of the Code;
...
(6) The graduation requirements; and

(7) Whether the educational program is designed to fit or prepare students for employment in any occupation. If so, the Form Application 94886 shall identify each occupation and job title to which the institution represents the educational program will lead."

20. California Code of Regulations, title 5, section 71220 states, in pertinent part:
"For each educational program that the institution offers or proposes to offer, the Form Application 94886 shall contain a statement that the educational program meets the requirements of section 71710, as well as the following:
(a) A description of the educational program.
(b) A description of the equipment to be used during the educational program.
...
(d) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the Form Application 94886 was submitted.
(e) A description of the learning, skills, and other competencies to be acquired by students who complete the educational program.
(f) If licensure is a goal of an educational program, a copy of the approval from the appropriate licensing agency if required. A copy of the intent to approve conditioned solely upon institutional approval from the Bureau will also meet this requirement.
Upon request, the institution shall provide to the Bureau copies of the curriculum or syllabi required pursuant to section 71710."

21. California Code of Regulations, title 5, section 71240, subdivision (b) states:
"(b) The institution shall submit current, reviewed financial statements at the time it applies for approval to operate. Each set of financial statements shall comply with Section 74115 of this chapter."

22. California Code of Regulations, title 5, section 71250 states:
"The Form Application 94886 shall include a statement that the institution has contracted with sufficient duly qualified faculty members who meet the qualifications of section 71720."

23. California Code of Regulations, title 5, section 71260 states:
"(a) For each program offered, the Form Application 94886 shall contain a description of the facilities and the equipment which is available for use by students at the main, branch, and satellite locations of the institution.
(b) For facilities that are leased or rented, the Form Application 94886 shall contain the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities.
(c) The description of the physical facilities shall include building diagrams or campus maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries.
(d) The description shall include specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to enable students to achieve the educational objectives of each education program.

(e) For each item of significant equipment, the description shall indicate whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and loaned to be used without charge.
(f) The Form Application 94886 shall contain a list of all permits, certifications, or other evidence of inspections or authorizations to operate required by the jurisdictions within which the institution operates that the institution has obtained, and/or an explanation as to why those permits, certifications, or inspections have not yet been obtained."

24. California Code of Regulations, title 5, section 71300 states:
"The institution shall submit a copy of the document that is awarded to a graduating student upon successful completion of each educational program."

25. California Code of Regulations, title 5, section 71310 states:
"(a) The Form Application 94886 shall contain a description of how records required by Article 9 of the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records.
(b) The description shall include the name, physical address, email address, and telephone number of the custodian of records, and the physical addresses and telephone numbers of the offices or buildings where the records will be maintained."

26. California Code of Regulations, title 5, section 71320 states:
"The Form Application 94886 shall contain a description of the procedures used by the institution to assure that it is maintained and operated in compliance with the Act and this Division."

27. California Code of Regulations, title 5, section 71710 states:
"In order to meet its mission and objectives, the educational program defined in section 94837 of the Code shall be comprised of a curriculum that includes:
(a) those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;
(b) subject areas and courses or modules that are presented in a logically organized manner or sequence to students;
(c) course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:
(1) a short, descriptive title of the educational program;
(2) a statement of educational objectives;
(3) length of the educational program;
(4) sequence and frequency of lessons or class sessions;
(5) complete citations of textbooks and other required written materials;
(6) sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;
(7) instructional mode or methods.

(d) if degree granting, require research of an appropriate degree that utilizes a library and other learning resources;
(e) specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and
(f) evaluation by duly qualified faculty of those learning outcomes."

28. California Code of Regulations, title 5, section 71716 states:
"(a) An institution offering a distance educational program where the instruction is not offered in real time shall transmit the first lesson and any materials to any student within seven days after the institution accepts the student for admission.
(b) The student shall have the right to cancel the agreement and receive a full refund pursuant to section 71750 before the first lesson and materials are received. Cancellation is effective on the date written notice of cancellation is sent. The institution shall make the refund pursuant to section 71750. If the institution sent the first lesson and materials before an effective cancellation notice was received, the institution shall make a refund within 45 days after the student's return of the materials.
(c)(1) An institution shall transmit all of the lessons and other materials to the student if the student: (A) has fully paid for the educational program; and (B) after having received the first lesson and initial materials, requests in writing that all of the material be sent.
(2) If an institution transmits the balance of the material as the student requests, the institution shall remain obligated to provide the other educational services it agreed to provide, such as responses to student inquiries, student and faculty interaction, and evaluation and comment on lessons submitted by the student, but shall not be obligated to pay any refund after all of the lessons and material are transmitted.
(d) The enrollment agreement shall disclose the institution's and student's rights and duties under this section."

29. California Code of Regulations, title 5, section 71770 states:
"(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:
(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.
(2) Each student admitted into a post-baccalaureate degree program shall possess a bachelor's degree or its equivalent. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that a member of the profession or occupation possess a Bachelor's degree or its equivalent, this subdivision does not apply.

(b) The institution shall specify the maximum credit it will transfer from another institution for each educational program, and the basis upon which the transferred credit will be awarded.

(1) Except as limited by subdivision (c) of this section, a maximum of 75 percent of the units or credit that may be applied toward the award of a bachelor's degree may be derived from a combination of any or both of the following:

(A) Units earned at institutions approved by the Bureau, public or private institutions of higher learning accredited by an accrediting association recognized by the U. S. Department of Education, or any institution of higher learning, including foreign institutions, if the institution offering the undergraduate program documents that the institution of higher learning at which the units were earned offers degree programs equivalent to degree programs approved by the Bureau or accredited by an accrediting association recognized by the U.S. Department of Education;

(B) Challenge examinations and standardized tests such as the College Level Placement Tests (CLEP) for specific academic disciplines.

(2) No more than 20% of graduate semester units or the equivalent in other units awarded by another institution may be transferred for credit toward a Master's degree. An institution may accept transfer credits only from the institutions of higher learning described in subsection (1)(A).

(3) No more than 30 graduate semester credits or its equivalent awarded by another institution may be credited toward a doctoral degree. This subdivision does not apply to graduate programs that lead to a profession or an occupation requiring state licensure where the licensing agency has a regulation permitting a different standard.

(c) If credit for prior experiential learning is to be granted, the policy for granting such credit shall be included in the institution's catalog.

(1) An institution may grant credit to a student for prior experiential learning only if:

(A) The prior learning is equivalent to a college or university level of learning;

(B) The learning experience demonstrates a balance between theory and practice and;

(C) The credit awarded for the prior learning experience directly relates to the student's degree program and is applied in satisfaction of some of the degree requirements.

(2) Each college or university level learning experience for which credit is sought shall be documented by the student in writing.

(3) Each college or university level learning experience shall be evaluated by faculty qualified in that specific subject area who shall ascertain (1) to what college or university level learning the student's prior experience is equivalent and (2) how many credits toward a degree may be granted for that experience.

(4) The faculty evaluating the prior learning shall prepare a written report indicating all of the following:

(A) The documents in the student's record on which the faculty member relied in determining the nature of the student's prior experience;

(B) The bases for determining that the prior experience (i) is equivalent to college or university level learning and (ii) demonstrates a balance between theory and practice; and

(C) The bases for determining (i) to what college or university level the experience is equivalent and (ii) the proper number of credits to be awarded toward the degree for that experience.
(5)(A) The institution shall designate at least one administrator to be responsible for the review of faculty determinations regarding the award of credit for prior experiential learning.
(B) The administrator shall document the institution's periodic review of faculty evaluations to assure that the faculty written evaluations and awards of credit comply with this section and the institution's policies and are consistent.
(6) The amount of credit awarded for prior experiential learning shall not be related to the amount charged the student for the assessment process.
(7)(A) Of the first 60 semester credits awarded a student in an undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.
(B) Of the second 60 semester units (i.e., credits 61 to 120) awarded a student in an undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.
(C) Of the first 30 semester credits awarded a student in a graduate program, no more than 6 semester credits may be awarded for prior experiential learning.
(D) Of the second 30 semester credits (i.e., credits 31 to 60) awarded a student in a graduate program, no more than 3 semester credits may be awarded for prior experiential learning.
(E) No credit for experiential learning may be awarded after a student has obtained 60 semester credits in a graduate program."

30. California Code of Regulations, title 5, section 71800, states, in pertinent part: "In addition to the requirements of section 94911 of the Code, an institution shall provide to each student an enrollment agreement that contains at the least the following information:
(a) The name and address of the institution and the addresses where instruction will be provided."
...

31. California Code of Regulations, title 5, section 71810 states, in pertinent part: "(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.
(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:
(1) The specific beginning and ending dates defining the time period covered by the catalog;
...
(3) If the institution admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges;

(4) Language proficiency information, including: (A) the level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted; and (B) whether English language services, including instruction such as ESL, are provided and, if so, the nature of the service and its cost;
(5) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted;
(6) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program;
(7) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay;
(8) The institution's standards for student achievement;
...
(10) A description of library and other learning resources and the procedures for student access to those resources;
(11) If the institution offers distance education, the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.
(12) A description of all student services;
(13) Housing information including all of the following:
(A) Whether the institution has dormitory facilities under its control;
(B) The availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing; and
(C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non- residential" does not satisfy this subparagraph.
(14) Policies on student rights, including the procedure for addressing student grievances; and
(15) Policies on the retention of student records."

32. California Code of Regulations, title 5, section 76215, subdivision (a) states: "(a) A qualifying institution shall include the following statement on both its enrollment agreement for an educational program and its current schedule of student charges:
"You must pay the state-imposed assessment for the Student Tuition Recovery Fund (STRF) if all of the following applies to you:
1. You are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition either by cash, guaranteed student loans, or personal loans, and
2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third party.
You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if either of the following applies:
1. You are not a California resident, or are not enrolled in a residency program, or

2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party."

33. California Code of Regulations, title 5, section 71920 states:
"(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.
(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:
(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:
(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;
(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program;
(C) Grades or findings from any examination of academic ability or educational achievement used for admission or college placement purposes;
(D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit;
(2) Personal information regarding a student's age, gender, and ethnicity if that information has been voluntarily supplied by the student;
(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;
(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation; and
(5) In addition to the requirements of section 94900(b) of the Code, a transcript showing all of the following:
(A) The courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal;
(B) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit;
(C) Credit for courses earned at other institutions;
(D) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes;
(E) The name, address, website address, and telephone number of the institution.
(6) For independent study courses, course outlines or learning contracts signed by the faculty and administrators who approved the course;
(7) The dissertations, theses, and other student projects submitted by graduate students;
(8) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency;
(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;
(10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of

calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent;
(11) Copies of any official advisory notices or warnings regarding the student's progress; and
(12) Complaints received from the student."

34. California Code of Regulations, title 5, section 71930 states:
"(a) An institution shall maintain all records required by the Act and this chapter. The records shall be maintained in this state.
(b)(1) In addition to permanently retaining a transcript as required by section 94900(b) of the Code, the institution shall maintain for a period of 5 years the pertinent student records described in Section 71920 from the student's date of completion or withdrawal.
(2) Notwithstanding (b)(1), the institution shall maintain records relating to federal financial aid programs as provided by federal law.
(c) A record is considered current for three years following a student's completion or withdrawal. A record may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply:
(1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act;
(2) For a record that is current, the institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California. For a record that is no longer current, the institution shall be able to reproduce exact, legible printed copies within two (2) business days.
(3) The institution has personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records; and
(4) Any person authorized by the Act or this chapter to inspect and copy records shall be given immediate access to the document reproduction devices for the purpose of inspecting and copying stored records and shall, upon request, reimburse the institution for the reasonable cost of using the institution's equipment and material to make copies at a rate not to exceed ten cents ($0.10) per page.
(d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.
(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.
(f) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without

charge except as allowed under subdivision (c)(4) of this section, during normal business hours by any entity authorized by law to inspect and copy records."

35. California Code of Regulations, title 5, section 76215, subdivision (a) states: "A qualifying institution shall include the following statement on both its enrollment agreement for an educational program and its current schedule of student charges:
"You must pay the state-imposed assessment for the Student Tuition Recovery Fund (STRF) if all of the following applies to you:
1. You are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition either by cash, guaranteed student loans, or personal loans, and
2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third party.
You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if either of the following
applies:
1. You are not a California resident, or are not enrolled in a residency program, or
2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party."

## FIRST CAUSE FOR DENIAL OF APPLICATION

**(Agent for Service of Process)**

36. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, section 71135, in that it fails to include in the form application an address for the Agent for Service of Process in California at an address other than the address of the institution. Respondent's application contained an address for the Agent for Service of Process within California that is identical to the physical address of the school.

## SECOND CAUSE FOR DENIAL OF APPLICATION

**(Organization and Management)**

37. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, section 71140, in that it fails to include the requisite organization and management information. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:

a. California Code of Regulations, title 5, section 71140, subdivision (a): Respondent failed to provide an organization chart that shows the governance and administrative structure of the institution and relationship between all faculty and administrative positions.

b. California Code of Regulations, title 5, section 71140, subdivision (b): Respondent failed to provide a description of the job duties and responsibilities of each administrative and faculty position.

c. California Code of Regulations, title 5, section 71140, subdivision (c): Respondent failed to provide appropriate documentation identifying the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities. Respondent stated they do not have a CEO or COO. However, Respondent submitted a conflicting Organizational Chart indicating two CEOs. Respondent did not identify a COO.

**THIRD CAUSE FOR DENIAL OF APPLICATION**

**(Enrollment Agreement)**

38. Respondent's Application is subject to denial under Code sections 94887, 94906, and 94911 and California Code of Regulations, title 5, sections 71716 and 71800, in that it fails to include the requisite information in its enrollment agreement. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:

a. Code section 94906, subdivisions (a) and (b): Respondent failed to provide an enrollment agreement that includes disclosures and statements to students when they are unable to understand the terms and conditions of the enrollment agreement due to English not being their primary language. In addition, Respondent failed to provide a statement indicating how they provide the enrollment agreement to students.

b. Code section 94911, subdivision (c): Respondent failed to provide an enrollment agreement that includes the required language in this subdivision in underlined capital letters on the same page in which the student's signature is required.

c. Code section 94911, subdivision (g)(2): Respondent failed to provide an enrollment agreement that includes a statement specifying that if the student defaults on a federal or state

loan, the student may not be eligible for any other federal student financial aid at another institution.

d. Code section 94911, subdivision (j): Respondent failed to provide an enrollment agreement that includes the specific required statements directing students to the Bureau for unanswered questions and for filing a complaint.

e. Code section 94911, subdivision (j)(1)-(2): Respondent failed to provide an enrollment agreement that includes the specific required statements regarding receipt of required information.

f. California Code of Regulations, title 5, section 71800, subdivision (a): Respondent failed to provide an enrollment agreement that includes the address of the institution.

g. California Code of Regulations, title 5, section 71716, subdivisions (a)-(c): Respondent failed to provide an enrollment agreement that includes the required information and disclosures about the institution's distance education program and the student's rights and duties.

**FOURTH CAUSE FOR DENIAL OF APPLICATION**

**(Instruction and Degrees Offered)**

39. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, section 71210(a) and (c)(1)(2)(6)(7), in that it fails to include the requisite information about instruction and degrees offered. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:

a. California Code of Regulations, title 5, section 71210, subdivision (a): Respondent failed to identify the full title of the educational program(s) it intends to offer.

b. California Code of Regulations, title 5, section 71210, subdivision (c)(1): Respondent failed to identify the admission requirements, including the minimum levels of prior education, preparation, or training, for the educational program(s) it intends to offer.

c. California Code of Regulations, title 5, section 71210, subdivision (c)(2): Respondent failed to identify, if applicable, information regarding the ability-to-benefit

examination as required by section 94904 of the Code, for the educational program(s) it intends to offer.

d. California Code of Regulations, title 5, section 71210, subdivision (c)(6): Respondent failed to identify the graduation requirements for the educational program(s) it intends to offer.

e. California Code of Regulations, title 5, section 71210, subdivision (c)(7): Respondent failed to identify whether the educational program is designed to fit or prepare students for employment in any occupation, and failed to identify each occupation and job title to which the institution represents the educational program will lead to.

**FIFTH CAUSE FOR DENIAL OF APPLICATION**

**(Description of Each Educational Program)**

40. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, sections 71710 and 71220, subdivisions (a) – (b) and (d) – (f), in that it fails to include the requisite information about educational programs. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:

a. California Code of Regulations, title 5, section 71710: Respondent failed to indicate whether or not the educational program(s) meets the specific requirements set forth in Code section 71710.

b. California Code of Regulations, title 5, section 71220, subdivision (a): Respondent failed to provide a description of each educational program.

c. California Code of Regulations, title 5, section 71220, subdivision (b): Respondent failed to provide a description of the equipment to be used during the educational program.

d. California Code of Regulations, title 5, section 71220, subdivision (d): Respondent failed to provide a projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the Application was submitted.

e. California Code of Regulations, title 5, section 71220, subdivision (e): Respondent failed to provide a description of the learning, skills, and other competencies to be acquired by students who complete the educational program.

f. California Code of Regulations, title 5, section 71220, subdivision (f): Respondent failed to provide, if licensure is a goal of an educational program, a copy of the approval from the appropriate licensing agency if required. A copy of the intent to approve conditioned solely upon institutional approval from the Bureau will also meet this requirement.

**SIXTH CAUSE FOR DENIAL OF APPLICATION**

**(Financial Resources and Statement)**

41. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, section 71240, subdivision (b), in that it fails to include the requisite information about is financial resources. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular, the institution has failed to submit the required current reviewed financial statements by a Licensed Certified Public Accountant.

**SEVENTH CAUSE FOR DENIAL OF APPLICATION**

**(Faculty)**

42. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, section 71250 in that it fails include the requisite statement that the institution has contracted with sufficient duly qualified faculty members who meet the qualifications of section 71720. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards.

**EIGHTH CAUSE FOR DENIAL OF APPLICATION**

**(Facilities and Equipment)**

43. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, section 71260, in that it fails to include the requisite information about facilities and equipment. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:

a. California Code of Regulations, title 5, section 71260, subdivision (a): Respondent failed provide a description of the facilities and equipment. Respondent included a statement indicating that they have no location and the program is conducted online. However, according to the application, the institution has an administrative location at 8200 Maxwell Lane, Dixon, California.

b. California Code of Regulations, title 5, section 71260, subdivision (b): Respondent failed to provide the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities.

c. California Code of Regulations, title 5, section 71260, subdivision (c): Respondent failed to provide a description of the physical facilities, including building diagrams or campus maps to assist the Bureau in locating these facilities.

d. California Code of Regulations, title 5, section 71260, subdivision (d): Respondent failed to provide a description of specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to enable students to achieve the educational objectives of each education program.

e. California Code of Regulations, title 5, section 71260, subdivision (e): Respondent failed to provide a description for each item of significant equipment indicating whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and loaned to be used without charge.

f. California Code of Regulations, title 5, section 71260, subdivision (f): Respondent failed to provide a list of all permits, certifications, or other evidence of inspections or authorizations to operate required by the jurisdictions within which the institution operates that the institution has obtained, and/or an explanation as to why those permits, certifications, or inspections have not yet been obtained.

**NINTH CAUSE FOR DENIAL OF APPLICATION**

**(Catalog)**

44. Respondent's Application is subject to denial under Code sections 94887, 94897, and 94909, and California Code of Regulations, title 5, sections 71770, 71810, and 76215, in that it

fails to include the requisite information in its proposed catalog. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:

a. Code section 94909, subdivision (a): Respondent failed to provide a separate statement indicating how they provide the institution's catalog to prospective students or to the general public when requested.

b. Code section 94909, subdivision (a)(1): Respondent's catalog failed to include the address of the institution.

c. Code section 94909, subdivision (a)(2): Respondent's catalog failed to include a statement that the institution is a private institution and that it is approved to operate by the bureau.

d. Code section 94909, subdivision (a)(5): Respondent's catalog failed to include the requirements for completion of each program, including required courses, and any final tests or examinations.

e. Code section 94909, subdivision (a)(8)(A) and California Code of Regulations, title 5, section 71770: Respondent's catalog failed to include a detailed description of institutional admission policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests, admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements between the institution and any other college or university that provides for the transfer of credits earned in the program of instruction.

f. Code section 94909, subdivision (a)(8)(C): Respondent's catalog failed to include probation and dismissal policies.

g. Code section 94909, subdivision (a)(10): Respondent's catalog failed to include a statement reporting whether or not the institution participates in federal and state financial aid programs.

h. Code section 94909, subdivision (a)(11): Respondent's catalog failed to include a statement specifying that, if a 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, and that, if the student has received federal student financial aid funds, the student is entitled to a refund of the moneys not paid from federal student financial aid program funds.

i. Code section 94909, subdivision (a)(12): Respondent's catalog failed to include a statement specifying whether the institution has a pending petition in bankruptcy, is operating as a debtor in possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy filed against it within the preceding five years that resulted in reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

j. Code section 94909, subdivision (a)(13): Respondent's catalog failed to include if the institution provides placement services, and a description of the nature and extent of the placement services.

k. Code section 94909, subdivision (a)(14) and California Code of Regulations, title 5, section 76215, subdivision (a): Respondent's catalog failed to include all of the specified information related to the Student Tuition Recovery Fund, including the entire section of 76215, subdivision (a).

*l.* Code section 94909, subdivision (a)(16): Respondent's catalog failed to include a statement specifying whether the institution, or any of its degree programs, are accredited by an accrediting agency recognized by the United States Department of Education.

m. California Code of Regulations, title 5, section 71810, subdivision (a): Respondent failed to provide a separate statement indicating how often the Catalog is updated.

n. California Code of Regulations, title 5, section 71810, subdivision (b)(1): Respondent's catalog failed to include the specific beginning and ending dates defining the time period covered by the catalog.

o. California Code of Regulations, title 5, section 71810, subdivision (b)(3): Respondent's catalog failed to disclose whether or not it admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges.

p. California Code of Regulations, title 5, section 71810, subdivision (b)(4): Respondent's catalog failed to contain language proficiency information.

q. California Code of Regulations, title 5, section 71810, subdivision (b)(5): Respondent's catalog failed to contain whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted.

r. California Code of Regulations, title 5, section 71810, subdivision (b)(6): Respondent's catalog failed to contain the institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program.

s. California Code of Regulations, title 5, section 71810, subdivision (b)(7) and section 71770, subdivision (c): Respondent's catalog failed to include the institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay.

t. California Code of Regulations, title 5, section 71810, subdivision (b)(8): Respondent's catalog failed to include the institution's standards for student achievement.

u. California Code of Regulations, title 5, section 71810, subdivision (b)(10): Respondent's catalog failed to include a description of library and other learning resources and the procedures for student access to those resources.

v. California Code of Regulations, title 5, section 71810, subdivision (b)(11): Respondent's catalog failed to include the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.

w. California Code of Regulations, title 5, section 71810, subdivision (b)(12): Respondent's catalog failed to include a description of all student services.

x. California Code of Regulations, title 5, section 71810, subdivision (b)(13)(A)-(C): Respondent's catalog failed to include the required housing information.

y. California Code of Regulations, title 5, section 71810, subdivision (b)(14): Respondent's catalog failed to include policies on student rights, including the procedure for addressing student grievances.

z. California Code of Regulations, title 5, section 71810, subdivision (b)(15): Respondent's catalog failed to include policies on the retention of student records.

**TENTH CAUSE FOR DENIAL OF APPLICATION**

**(Graduation or Completion Documents)**

45. Respondent's Application is subject to denial under Code section 94887 and California Code of Regulations, title 5, section 71300, in that it fails to meet the minimum operating standards by failing to provide a copy of the document that is awarded to a graduating student upon successful completion of each educational program.

**ELEVENTH CAUSE FOR DENIAL OF APPLICATION**

**(Recordkeeping)**

46. Respondent's Application is subject to denial under Code sections 94887, 94900, and California Code of Regulations, title 5, sections 71310, 71920, and 71930, in that it fails to include the requisite recordkeeping details. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards.

**TWELFTH CAUSE FOR DENIAL OF APPLICATION**

**(Self-Monitoring Procedures)**

47. Respondent's Application is subject to denial under Code sections 94887 and California Code of Regulations, title 5, section 71320, in that it fails to include the requisite information about its self-monitoring procedures used by the institution to assure that the institution is operated and maintained in compliance with the Act and California Code of Regulations, title 5, division 7.5. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards.

\\\

\\\

\\\

## PRAYER

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

1. Denying the application of Veterinary Allied Staff Education, LLC; Alex Henderson, 50% owner; and Aldrete Enterprises, 50% owner, for an Approval to Operate an Institution Non-Accredited;

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

DATED: 4/7/16

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

SA2015105369
12134535.docx