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

In the Matter of the Second Amended Statement of Issues Against: **YUIN UNIVERSITY; HENRY H. YU; RACHEL DE CHAVEZ-ZAYAS** **2007 E. Compton Blvd** **Compton, CA 90221** **Renewal of Approval to Operate and Offer Educational Programs for Non Accredited Institution** Respondents.	Case No. 998592 **SECOND AMENDED STATEMENT OF ISSUES**

Complainant alleges:

PARTIES

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

2. On or about May 7, 2012, the Bureau received an Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions from Yuin University signed by Andrew Kim and Christine Lee Kim who are not the owner of record for Yuin University. Yuin University's owner of record, registered with the Bureau, is Henry H. Yu.

On or about April 23, 2012, Andrew Kim certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application. The Bureau denied the Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions on November 16, 2012.

JURISDICTION

3. 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 (Code) unless otherwise indicated.

STATUTORY PROVISIONS

4. Section **22** of the Business and Professions Code defines the term "board" to include "bureau."

5. Section **480** of the Business and Professions Code states:

(a) A board may deny a license regulated by this code on the grounds that the applicant has one of the following:

...

(2) Done any act involving **dishonesty, fraud, or deceit** with the intent to substantially benefit himself or herself or another, or substantially injure another.

(3) (A) Done any act that if done by a licentiate of the business or profession in question, would be grounds for suspension or revocation of license.

6. Section **94885** of the Code states:

(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:

(1) The content of each educational program can achieve its stated objective.

(2) The institution maintains specific written standards for student admissions for each educational program and those standards are related to the particular educational program.

(3) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program's goals.

(4) The institution maintains a withdrawal policy and provides refunds.

(5) The directors, administrators, and faculty are properly qualified.

(6) The institution is financially sound and capable of fulfilling its commitments to students.

(7) That, **upon satisfactory completion of an educational program, the institution gives students a document signifying the degree or diploma awarded.**

(8) Adequate records and standard transcripts are maintained and are available to students.

(9) The **institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws.**

7. Section **94886** of the Code states:

Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter.

8. Section **94887** of the Code 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.**

9. Section **94891** of the Code states:

(a) The bureau shall adopt by regulation the process and procedures whereby an institution may obtain a renewal of an approval to operate.

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

(c) (1) An institution that is denied renewal of an approval to operate may file an appeal in accordance with the procedures established by the bureau pursuant to Section 94888.

(2) An institution that has filed an appeal of a denial of a renewal application may continue to operate during the appeal process, **but must disclose in a written statement, approved by the bureau, to all current and prospective students, that the institution's application for renewal of approval to operate was denied by the bureau because the bureau determined the application did not satisfy the requirements to operate in California, that the institution is appealing the bureau's decision, and that the loss of the appeal may result in the institution's closure.**

(3) If the **bureau determines that the continued operation of the institution during the appeal process poses a significant risk of harm to students, the bureau shall make an emergency decision pursuant to its authority provided in Section 94938.**

10. Section **94897** of the Code states:

An institution shall not do any of the following:

(a) Use, or allow the use of, any reproduction or facsimile of the Great Seal of the State of California on a diploma.

(b) Promise or guarantee employment, or otherwise overstate the availability of jobs upon graduation.

(c) Advertise concerning job availability, degree of skill, or length of time required to learn a trade or skill unless the information is accurate and not misleading.

(d) Advertise, or indicate in promotional material, without including the fact that the educational programs are delivered by means of distance education if the educational programs are so delivered.

(e) Advertise, or indicate in promotional material, that the institution is accredited, unless the institution has been accredited by an accrediting agency.

...

(l) Use the terms "approval," "approved," "approval to operate," or "approved to operate" without stating clearly and conspicuously that approval to operate means compliance with state standards as set forth in this chapter. If the bureau has granted an institution approval to

operate, the institution may indicate that the institution is "licensed" or "licensed to operate," but may not state or imply either of the following:

(1) The institution or **its educational programs are endorsed or recommended by the state or by the bureau.**

(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

...

(p) Offer an associate, baccalaureate, master's, or doctoral degree without disclosing to prospective students prior to enrollment whether the institution or the degree program is unaccredited and any known limitation of the degree, including, but not limited to, all of the following:

(1) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states.

(2) A statement that reads: "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."

(3) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

11. Section **94893** of the Education Code states:

If an institution intends to make a **substantive change** to its approval to operate, the institution **shall receive prior authorization from the bureau**. Except as provided in subdivision (a) of Section 94896, if the institution makes the substantive change without prior bureau authorization, the institution's approval to operate may be suspended or revoked.

12. Section **94894** of the Education Code states:

The following changes to an approval to operate are considered **substantive changes** and require prior authorization:

(a) A **change in educational objectives**, including an addition of a new diploma or a degree educational program unrelated to the approved educational programs offered by the institution.

(b) A **change in ownership.**

(c) A change in control.

(d) A **change in business organization form**.

(e) A change of location.

(f) A change of name.

(g) A significant change in the method of instructional delivery.

(h) An addition of a separate branch more than five miles from the main or branch campus.

13. Section **94899** of the Education Code states:

"If an institution offers an educational program in a profession, occupation, trade, or career field that requires licensure in this state, the institution shall have an educational program approval from the appropriate state licensing agency to conduct that educational program in order that a student who completes the educational program, except as provided in Section 94905, is eligible to sit for any required licensure examination."

REGULATORY PROVISIONS

14. California Code of Regulations Title 5, section **71475** states:

(a) Unless renewed, an approval to operate shall expire at 12 midnight on the last day of the institution's term of approval to operate as granted pursuant to section 94802 or section 94889 of the Code.

(b) An institution seeking to renew its Approval to Operate pursuant to section 94891 of the Code shall, prior to its expiration, complete and submit to the Bureau the "Application for Renewal of Approval to Operate and Offer Educations Programs for Non-Accredited Institutions," Form Application 94891 (rev. 2/10).

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

(1) The name, institution/school code and website address of the institution.

(2) The physical address of the institution's primary administrative location in California.

(3) The mailing address, identified either by physical address or by post office box number, telephone number and fax number of the institution.

(4) The physical address, phone number and fax number of each campus and branch at which the educational programs will be offered, including the identification of the institution's main location and branch locations.

(5) The name, address, email address, telephone number, and fax number of an individual who will function as the institution's contact person for the purposes of the application.

(6) The form of business organization of the institution (e.g., sole proprietorship, general or limited partnership, for-profit corporation, nonprofit corporation, or Limited Liability Corporation). If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation, and provide copies of the articles of incorporation and bylaws.

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

(A) For each address required, the institution shall provide a physical home address, and may request that the address, email address, and telephone number, of each person described in paragraph (7) be maintained as personal information.

(B) The federal employer identification number for partnerships or the social security number for individual owners identified in the application pursuant to section 71130(a)(1).

(d) In addition to the form required in (b), the institution shall submit all information required by section 71100(b), and the appropriate renewal fee as provided in Sections 94930.5(b)(1) and 94930.5(b)(2) of the Code, as applicable, to the Bureau. Except for the financial statements required by subdivision (e) of this section and the statement required in subdivision (f) of this section, if the information required in order to renew its approval to operate is substantially similar to the information submitted by the institution in its last renewal application, or initial application if it is the first renewal, the institution may state that there are no substantial changes.

(e) The institution shall submit at the time it applies for renewal current financial statements that meet the requirements of section 74115 as follows: (1) for an institution with annual gross revenues of $500,000 and over, statements shall be audited; (2) for an institution with annual gross revenues less than $500,000, statements shall be reviewed.

(f) The renewal application shall include a statement from any person identified in subdivision (h)(1) of this section who –

(1) Was found in any judicial or administrative proceeding to have violated the Act or the law of any other state related to untrue or misleading advertising, the solicitation of prospective students for enrollment in an educational service, or the operation of a postsecondary school;

(2) Was denied any type of license on grounds set forth in Section 480 of the Business and Professions Code;

(3) Was adjudicated as responsible for the closure of an institution in which there were unpaid liabilities to the state or federal government or any uncompensated pecuniary losses suffered by students;

(4) Has stipulated to a judgment or administrative order or entered a consent decree involving any of the matters described in this section.

(5) Was convicted of any misdemeanor or felony as provided in Section 480(a)(1) of the Business and Professions Code;

(g) The institution shall furnish in the application an explanation of any legal action pending against the institution or ownership or any of the institution's owners, officers, corporate directors, administrators, or instructors by any federal, state, or local law enforcement agency involving alleged acts of fraud, dishonesty, financial mismanagement, unpaid liabilities to any governmental agency or claims for pecuniary loss suffered by any student.

(h) The institution shall include in its application the name, title, 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.

(i) The institution shall include in its application an organization chart that shows the governance and administrative structure of the institution and the relationship between faculty and administrative positions. If there have been no substantive changes since the last submission of an organizational chart, the institution may so state and is not required to submit documentation.

(j) The institution shall provide in the application a description of the job duties and responsibilities of each administrative and faculty position. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

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

(l) If the institution has a governing board, the application shall include the name, work address, email address, and telephone number of each member of the governing board. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(m) The application shall contain the name, work address, email address, fax number and telephone number of the person with whom the Bureau will correspond and conduct legal transactions on behalf of the institution. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(n) The institution shall describe in the application, in detail its mission and objectives. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(o) The institution shall include, with its application, exemplars of all student enrollment agreements and instruments of indebtedness.

(p) If an institution receives financial aid because its students qualify for it under any state or federal financial aid program, the application shall include a statement of its policies, practices, and disclosures regarding financial aid. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(q) The institution shall include in its application copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent each of the following:

(1) The institution.

(2) Each educational program offered by the institution.

(3) If advertising is broadcast by television or radio, the application shall also include a copy of the script.

(r) The institution shall identify and describe, in the application, 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. If there have

been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(s) The application shall include, in addition to the general title, such as "Bachelor of Arts" or "Master of Science", the name of a specific major field of learning involved. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

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

(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.

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

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

(5) The mode of instruction;

(6) The graduation requirements.

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

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

(1) A description of the educational program.

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

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

(4) 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.

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

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

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

(v) If the institution offers an educational program, or a portion of it, in a language other than English, the application shall contain a description of all of the following for each educational program or portion thereof unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(1) The language in which each educational program will be offered.

(2) A statement that the institution has contracted with sufficient duly qualified faculty who will teach each language group of students.

(3) The language of the textbooks and other written materials to be used by each language group of students.

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

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

(x) The application shall include a statement that the institution has contracted with sufficient duly qualified faculty members who meet the qualifications of section 71720 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(y)(1) For each program offered, the application 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 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(2) For facilities that are leased or rented, the application 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 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(3) The application shall include, in addition to the description of the physical facilities, 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 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(4) The description in the application 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 unless there have been no substantive changes since the last submission. If

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

(5) For each item of significant equipment, the description in the application 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 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(6) The application 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 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

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

(aa) If an institution represents to the public, in any manner, that it offers job placement assistance, the application shall include a description of the job placement assistance that it provides unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(bb) The application shall include a copy of the institution's catalog, in published or

proposed-to-be-published form. The catalog shall meet the requirements of the Act and of section 71810.

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

(dd)(1) The application 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 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(2) The description in the application 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 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(ee) The application 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.

(ff)(1) The institution shall include in the application any material facts as defined by section 71340, which have not otherwise been disclosed in the application that might reasonably affect the Bureau's decision to grant an approval to operate. In this context, a fact would be "material" if it would change the Bureau's decision concerning the institution's ability to comply with any applicable provisions of the Act.

(2) The institution may also include in the application any other facts which the institution would like the Bureau to consider in deciding whether to grant an approval to operate.

(3) For the purposes of this section, a fact is "material" if, without its inclusion into the application, the information contained in the application would be false, misleading, or incomplete.

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

(1) Signatories:

(A) Each owner of the institution, or

(B) If the institution is incorporated, the chief executive officer of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

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

(hh) In addition to the fees required by subdivision (d) of this section:

(1) An application for renewal that is received by the Bureau more than 30 days after the

expiration of the approval to operate shall be submitted with the 25 percent late payment penalty fee required by section 94931(a) of the Code.

(2) An application for renewal that is received by the Bureau more than 90 days after the expiration of the approval to operate shall be submitted with the 35 percent late payment penalty fee required by section 94931(b) of the Code.

(ii) Provided that a complete renewal application is received by the Bureau prior to the expiration of the approval, a valid approval to operate shall continue until the Bureau has acted upon the renewal application.

(jj) An approval to operate that has expired may be renewed at any time within 6 months after its expiration on filing of an application for renewal and, as a condition precedent to

renewal, payment of all accrued and unpaid renewal fees, late payment penalty fees prescribed in subdivision (e) of this section, and any other fees that would have been due in order to renew timely. After an approval to operate has expired for more than 6 months, the approval is automatically cancelled and the institution must submit a complete application pursuant to section 71100, meet all current requirements, and pay all fees that would have been due in order to timely renew, in order to apply for approval.

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

15. California Code of Regulations Title 5, section **71655** states:

(a) An institution that made a substantive change as defined in section 94894 of the

Code between July 1, 2007, and December 31, 2009, may continue to operate, but shall comply with, and is subject to, the Code and this Division, and shall submit an application for a substantive change to an approval to operate to the Bureau pursuant to this article within six months of that application becoming available.

(b) An incomplete application filed under this Article will render it ineligible for processing, or subject to denial.

(c) The inclusion of false or misleading information, or the intentional or negligent omission of pertinent information, on any application may result in a denial of the application or a delay in processing, and may be grounds for action pursuant to Article 18 of the Act.

(d) In addition to the grounds stated in subdivisions (a) and (b) of this section, the Bureau may deny an application on the following grounds:

(1) failure to establish that the proposed change will meet the institutional operating standards set forth in Chapter 3 of this Division; or

(2) any act or failure to act that would constitute grounds for revocation.

16. California Code of Regulations Title 5, section **71720** states:

(a) An Educational Program Leading to a Degree.

(1) An institution offering an educational program that leads to a degree

shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission and objectives, and for students to achieve the specific learning objectives of each course offered;

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

(3) In determining the number of faculty sufficient to satisfy subdivision (a)(1) of this section and to implement the policies established pursuant to subdivision (a)(2) of this section, the institution shall base its faculty requirements on all of the following factors:

(A) The educational level and number of students;

(B) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term;

(C) The number of hours needed to be spent on evaluating written materials prepared by students, such as distance education, papers, and examinations, per course, quarter, semester, or other term;

(D) The number of group meetings per course, quarter, semester, or other term;

(E) The faculty duties established by the institution as required under subdivision (a)(2) of this section; and

(F) The number of hours per week or units per term considered full-time for faculty in the institution.

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

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

1. a degree from: an institution approved by the Bureau or

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

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

(B) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated;

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

(6) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter;

(7) The institution shall not employ or continue to employ any faculty who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code;

(8) Each institution shall have a written Academic Freedom Policy which describes

the latitude the institution allows faculty in the classroom so faculty will not inadvertently violate the principles of academic freedom. These policies shall be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy; and

(9) The institution shall maintain records documenting that each faculty member is

duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees.

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

(1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are equivalent to the minimum qualifications.

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

(3) The institution shall not employ or continue to employ an instructor who was adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter, or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

17. California Code of Regulations Title 5, section **71740** states:

(a) A degree granting institution shall make available for student use a library and other learning resources.

(b) An institution shall provide or make provisions for the library and other learning resources needed to support each educational program it offers, including resources such as reference works, periodicals, monographs, and media and equipment specific to the educational programs offered.

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

(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

(1) Describe those library and other learning resources, in the application and catalog.

(2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.

(3) Assure that students have access to the library collections and resources of another institution, organization, or library.

(4) Document compliance with paragraphs (1), (2), and (3).

18. California Code of Regulations Title 5, section **71745** states:

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

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

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

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

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

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

(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred

charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.

(b) At an institution's request, the Bureau may consider the financial resources of a parent company if the parent company, as defined by section 94853 of the Code, meets and maintains all of the following provisions:

(1) consents in writing to be sued in California;

(2) consents in writing to be subject to the jurisdiction of the Bureau with respect to the institution's regulation under the Act and this Chapter;

(3) designates and maintains an agent for service of process, consistent with section 74190;

(4) agrees in writing to pay any refund, claim, penalty, or judgment that the institution is obligated to pay; and

(5) files financial reports, maintains financial records, and consents in writing to permit the inspection and copying of financial records to the same extent as is required of the institution.

(c) An institution shall provide to the Bureau its most current financial statements upon request.

19. California Code of Regulations Title 5, section **71760** states:

Each institution shall develop and maintain adequate procedures used by the institution to assure that it is maintained and operated in compliance with the Act and this Division.

20. California Code of Regulations Title 5, section **71800** states:

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.

(b) Period covered by the enrollment agreement.

(c) Program start date and scheduled completion date.

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

(e) Itemization of all institutional charges and fees including, as applicable:

(1) tuition;

(2) registration fee (non-refundable);

(3) equipment;

(4) lab supplies or kits;

(5) Textbooks, or other learning media;

(6) uniforms or other special protective clothing;

(7) in-resident housing;

(8) tutoring;

(9) assessment fees for transfer of credits;

(10) fees to transfer credits;

(11) Student Tuition Recovery Fund fee (non-refundable);

(12) any other institutional charge or fee.

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

21. California Code of Regulations Title 5, section **71810** states:

(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;

(2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs;

(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;

(9) A description of the facilities and of the types of equipment and materials that will be used for instruction;

(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.

22. California Code of Regulations Title 5, section **71930, subsection (d)** states:

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.

23. California Code of Regulations Title 5, section **74115** states:

(a) This section applies to every set of financial statements required to be prepared or filed by the Act or by this chapter.

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

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

(2) Financial statements prepared on an annual basis as required by section 74110(b) shall be prepared in accordance with the generally accepted accounting principles

established by the American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual financial statements as required under generally accepted accounting principles for nonprofit organizations.

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

(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial statements shall reflect the liability or potential liability.

(5) Any audits shall demonstrate that the accountant obtained an understanding of the institution's internal financial control structure, assessed any risks, and has reported any material deficiencies in the internal controls.

(c) Work papers for the financial statements shall be retained for five years from the date of the statements and shall be made available to the Bureau upon request.

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

STATEMENT OF FACTS

24. On or about December 10, 1996, Yuin University signed a Stipulated and Settlement Agreement (Stipulation) wherein it agreed, among other things, to cease enrolling new students in all acupuncture and oriental medicine courses, to stop all advertising and/or recruitment efforts for those programs until and unless prior approval in writing is obtained from the Council for Private Postsecondary and Vocational Education (Council), to delete all references to its Acupuncture and Oriental Medicine program from its current catalogs and brochures unless and until Council approval relative to both the proposed program particulars and Yuin University's current approval status is obtained. Further, Yuin University agreed to teach-out students then

enrolled in the acupuncture program. However, Yuin University and Henry Yu failed to abide by the aforementioned Stipulation.

25. Sometime in 1997, the Council learned Yuin University was still offering the acupuncture program. However, by that time, the Council was not in a position to initiate any type of enforcement action against Yuin University due to the imminent approach of its January 1, 1998 sunset date. Yuin University has continued to offer the acupuncture program since 1998.

26. On or about June 13, 2011, the Bureau received an Application for Change in Educational Objectives from Yuin University, signed by its owner of record, Henry Yu. It should be noted that Yuin University submitted an "altered" document as part of its Application for Change in Educational Objectives

27. On or about November 16, 2012, the Bureau mailed Yuin University a Notice of Denial Letter for the Application for Change in Educational Objectives. The Bureau determined that the following programs were **not in compliance** with the California Education Code and California Code of Regulations: **Bachelor of Science (B.S.) in Acupuncture & Oriental Medicine, Master of Science (M.S.) in Acupuncture & Oriental Medicine, Doctor of Acupuncture, and Doctor of Philosophy (Ph.D.) in Oriental medicine**. The Bureau specifically ordered Yuin University to: (1) propose a **plan to "teach-out"** the acupuncture and oriental medicine students at another institution approved by the Bureau; and/or (2) **cease all instruction and (3) provide a refund of tuition an**d all other charges paid by the students to Yuin University, as provided in 5 CCR §76240(a)(4)(B).

28. Yuin University did not appeal the Bureau's Denial of the Application for Change in Educational Objectives. Accordingly, Bureau's Denial is final. Nevertheless, Yuin University continued offering the acupuncture & oriental medicine program until September of 2015. Yuin University was advertising these unapproved acupuncture & oriental medicine programs on their web site until approximately a few weeks prior to the original trial date of September 16, 2015.

29. Further, Yuin University failed to follow Bureau's Order by (1) "teaching-out" the acupuncture and oriental medicine students at another institution approved by the Bureau; and/or

(2) ceasing all instruction and (3) providing a refund of tuition and all other charges paid by the students to the Respondent

30. On or about May 7, 2012, Yuin University submitted an Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institution, **signed by Andrew Kim and Christine Lee Kim who are not registered with the Bureau as the owner of record** for Yuin University.

31. On or about October 23, 2012, Bureau Deputy Chief, Joanne Wenzel, received an e-mail from Christine Lee Kim regarding the alleged sale of Yuin University from Henry H.Yu to Andrew Kim. The only document submitted in support of the alleged sale was an e-mail from Henry H. Yu to Andrew Kim. **It should be noted that Yuin University never obtained a prior authorization from the Bureau to change ownership.** Further, Christine Lee Kim forwarded a document entitled Fictitious Business Name Statement whereby Yuin University allegedly filed a fictitious name as AKCL Enterprises, Inc.. **Yuin University never obtained a prior authorization from the Bureau to change the business organization form to a corporation** called AKCL Enterprises, Inc..

32. On or about November 16, 2012, the Bureau mailed a Notice of Denial letter for the Application for Renewal of Approval to Operate and Offer Educational Programs, addressed to Henry H.Yu, Respondent's owner of record. In that letter, the Bureau specifically explained that the **Application was not submitted by the owner(s) of the institution and that an Application for Change of Business Organization/ Control/ Ownership had not been received by the Bureau.**

33. On or about November 19, 2012, the Bureau mailed a Notice of Denial letter for addition of satellite, addressed to Henry Yu, Yuin University's owner of record.

34. On or about November 26, 2012, the Bureau received a request for an administrative hearing from **Andrew Kim who is not Yuin University's owner of record.**

35. On or about December 5, 2012, the Bureau received a pre-litigation meet and confer letter from Andrew Kim informing the Bureau that he will appear "*ex parte*" on December 11, 2012, at the Los Angeles County Superior Court, in Compton, California. The following day, the

Bureau received a second meet and confer letter from Andrew Kim. On or about December 9, 2012, the Bureau received a notice of cancelation of proposed meet and confer letter from Andrew Kim.

36. On or about March 25, 2013, Yuin University submitted a "revised" Application for Renewal to Operate, signed by Christine Lee. On June 26, 2013, the Bureau informed Yuin University that the case had been transmitted to the Office of Attorney General since the "revised" Application for Renewal to Operate has deficiencies and the denial remains in effect.

37. On or about September 10, 2014, the Bureau filed its Statement of Issues.

38. On or about October 1, 2014, Respondent filed its Notice of Defense

39. On or about April 12, 2015, Respondent submitted a "new" Application for Renewal to Operate, signed by Christine Lee.

40. The present Statement of Issues is before the Bureau to solely address the request for the administrative hearing based upon the Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institution, dated April 23, 2012, and received by the Bureau on May 7, 2012.

FIRST CAUSE FOR DENIAL

(Lack of Standing)

41. Respondents' Application for Renewal of Approval to Operate is subject to denial under Code sections 94893 and 94894, in that said Application was signed by Christine Lee Kim and/or Andrew Kim who are not registered with the Bureau as the owner of record for Yuin University. Yuin University allegedly changed ownership from Henry H. Yu to Christine Lee Kim and/or Andrew Kim, without prior authorization from the Bureau.

SECOND CAUSE FOR DENIAL

(Failure to Obtain Approval from the Bureau Prior to Changing Business Organization Form)

42. Respondents' Application for Renewal of Approval to Operate is subject to denial under Code sections 94893 and 94894, in that Yuin University allegedly changed business

organization form from "individually owned: sole proprietorship[1]" to a corporation by the name of AKCL Enterprises, Inc., without prior authorization from the Bureau.

THIRD CAUSE FOR DENIAL

(Offering Course Programs Unapproved by the Bureau and/or by the Board of Acupuncture)

43. Respondents' Application for Renewal of Approval to Operate is subject to denial under Code sections 94893, 94894 and 94897, subsection (l)(1) and subsection (p), in conjunction with California Code of Regulations, Title 5, sections 76240(a)(4)(B) and 71720(a), in that Yuin University was offering acupuncture and oriental medicine programs, i.e., B.S. in Acupuncture & Oriental Medicine, M.S. in Acupuncture & Oriental Medicine, PH.D. in Acupuncture & Oriental Medicine, and Doctor of Acupuncture, until September 2015, without the approval of the Bureau and/or Board of Acupuncture.

FOURTH CAUSE FOR DENIAL

(Advertising that Yuin University is Accredited When Is Not Accredited by any Accrediting Agencies Recognized by the United States Department of Education)

44. Respondents' Application for Renewal of Approval to Operate is subject to denial under Code sections 94897, subsection (e), subsection (l)(1) and (p), and section 94813, in that Yuin University falsely advertised that it has been accredited by an accrediting agency when in fact Yuin University has not been accredited by any accrediting agencies recognized by the United States Department of Education, as set forth in California Education Code section 94814.

FIFTH CAUSE FOR DENIAL

(Misleading the Public and Bureau's Power to Close Down Yuin University)

45. Respondents' Application for Renewal of Approval to Operate is subject to denial under Code sections 94897, subsection (e), subsection (l)(1) and (p), and section 94813, in that Yuin University falsely advertised that it has been accredited by an accrediting agency when in fact the Bureau has not been accredited by any accrediting agencies recognized by the United States Department of Education, as set forth in California Education Code section 94814.

[1] A non corporation entity

Respondents misled the public in believing that Yuin University has been accredited by an accrediting agency. Pursuant to Code section 94891, subsection (c)(3), and section 94938, the Bureau has determined that the continued operation of the Yuin University during the appeal process poses a significant risk of harm to the students and to the public, and the Bureau made the decision to close down Yuin University in order to protect the public.

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SIXTH CAUSE FOR DENIAL

(Dishonest, Deceitful and Misleading Acts)

46. Respondents' Application for Renewal of Approval to Operate is subject to denial under Business and Professions Code section 480, in conjunction with Code sections 94897, subsection (e), subsection (l)(1) and (p), and section 94813, in that Respondents committed acts involving dishonesty, fraud, or deceit with the intent to substantially benefit himself or herself or another, or substantially injure another, when Respondents falsely advertised that Yuin University has been accredited by an accrediting agency when in fact Yuin University has not been accredited by any accrediting agencies recognized by the United States Department of Education, as set forth in California Education Code section 94814. Respondents misled the public.

SEVENTH CAUSE FOR DENIAL

(Incomplete Application)

47. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71475, subsections (b) and (kk), in that Respondents submitted an "incomplete" application. The Bureau does not recognize Christine Lee Kim and Andrew Kim as Yuin University's owner(s) of record.

EIGHTH CAUSE FOR DENIAL

Failure to Clearly Identify the CEO and CAO)

48. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71475, subsections (i)-(k), in that Respondents did not clearly identify the Chief Executive Officer (CEO) and Chief Academic

Officer (CAO). The job description and duties for administrative and faculty positions are too vague. The Bureau was unable to make an assessment of the CEO and CAO's experience and qualifications. Further, Bureau discovered that Yuin University's Provost[2] Amen Rahh was convicted a felony crime of misuse of public funds, a crime of moral turpitude.

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NINTH CAUSE FOR DENIAL

(Failure to Submit Documentation in Support of its Governing Board)

49. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, section 71475, subsection (l), in that Respondents failed to submit documentation in support of its governing board.

TENTH CAUSE FOR DENIAL

(Institution's Enrollment Agreement Failed to Meet the Minimum Requirements)

50. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71800 and 71475, subsection (o), and Education Code section 94911, in that Respondents' Enrollment Agreement failed to meet the minimum requirements as specified by the Education Code section 94911 and California Code of Regulations, Title 5, sections 71800, and 71475 subsection (o).

ELEVENTH CAUSE FOR DENIAL

(Failure to Provide Relevant Documentation)

51. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71475, subsection (p), in that Respondents failed to provide relevant documentation. The document provided by the Respondent was the catalog's refund policy.

TWELFTH CAUSE FOR DENIAL

(Failure to Complete Section 13 of Form Application for the School of Oriental Medicine and Acupuncture Programs)

[2] Chief Academic Officer

52. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71475, subsections (r) through (t), in that Respondents failed to complete section 13 of Form Application for the School of Oriental Medicine and Acupuncture Programs and provide the responsive documents applicable to section 13.

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THIRTEENTH CAUSE FOR DENIAL

(Failure to Complete Section 14 of Form Application for the School of Oriental Medicine and Acupuncture Programs)

53. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, section 71475, subsection (u), in that Respondents failed to complete section 14 of Form Application for the School of Oriental Medicine and Acupuncture Programs and provide the responsive documents applicable to section 14.

FOURTEENTH CAUSE FOR DENIAL

(Failure to Provide the Responsive Documents Applicable to Section 15 of Form Application for the School of Oriental Medicine and Acupuncture Programs)

54. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, section 71475, subsection (v), in that Respondents failed to provide the responsive documents applicable to Section 15 of Form Application for the School of Oriental Medicine and Acupuncture Programs.

FIFTEENTH CAUSE FOR DENIAL

(Failure to Provide Financial Statements)

55. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71475, subsection (w), 74115 and 71745, in that Respondents failed to provide the required financial statements.

SIXTEENTH CAUSE FOR DENIAL

(Failure to Provide Sufficient Evidence that Duly Qualified Faculty Members Were Hired)

56. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71475, subsection (x) and 71720, subsection (a), in that Respondents failed to provide sufficient evidence that duly qualified faculty members were hired to deliver the educational program. The documentation provided by the Respondents is Yuin University's faculty appointment process.

SEVENTEENTH CAUSE FOR DENIAL

(Failure to Provide Sufficient Evidence Required by Section 18 of Form Application)

57. Respondent's Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, section 71475, subsection (y), in that Respondents failed to provide sufficient evidence as required by section 18 of the Form Application.

EIGHTEENTH CAUSE FOR DENIAL

(Failure to Provide Sufficient Evidence that the Library and other learning resources are sufficient to support the instructional needs of Distance Education Students Required by Section 19 of Form Application)

58. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71740 and 71475, subsection (z), in that Respondents failed to provide sufficient evidence that the library and other learning resources are sufficient to support the instructional needs of the distance education students.

NINETEENTH CAUSE FOR DENIAL

(Failure to Provide Sufficient Evidence that the Institution's Catalog Meets the Minimum Requirements)

59. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71810 and 71475, subsection (bb) and Education Code section 94909, in that Respondents failed to provide sufficient evidence that Yuin University's catalog meets the minimum requirements pursuant to Education Code section 94909 and California Code of Regulations, Title 5, sections 71810 and 71475, subsection (bb).

TWENTIETH CAUSE FOR DENIAL

(Failure to Provide Sufficient Recordkeeping Policy and Procedures Evidence)

60. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71930, subsection (d) and 71475, subsection (dd), in that Respondents failed to provide sufficient recordkeeping policy and procedures evidence. Yuin University's policy and procedures in effect does not entail adequate maintenance of records pursuant to California Code of Regulations, Title 5, sections 71930, subsection (d) and 71475, subsection (dd).

TWENTY FIRST CAUSE FOR DENIAL

(Failure to Provide Sufficient Self-Monitoring Evidence)

61. Respondents' Application for Renewal of Approval to Operate is subject to denial under California Code of Regulations, Title 5, sections 71760 and 71475, subsection (ee), in that Respondent failed to provide sufficient self-monitoring evidence. Respondents failed to provide any supporting documents in support of the self-monitoring section of the Application Form.

AGGRAVATING FACTORS

62. On or about July 16, 2015, the Bureau conducted a visual inspection and interview with Yuin University's key staff members. Said inspection and interview revealed several violations , including but not limited to the following:

- Yuin University advertised on their school website and Yuin University's business cards that Yuin University was accredited. Yuin University is not accredited by an accredited agency "recognized by the U.S. Department of Education";
- Yuin University failed to obtain program approval from the Board of Acupuncture and the Bureau to offer programs in oriental medicine and acupuncture;
- Yuin University failed to comply with its stated policy relative to transfer credits awarded to a student in an undergraduate program. The institution's policy states they will only transfer up to a total of 20% of the program. However, Yuin University transferred more than 75% of the units or credits to award a Bachelor's Degree to student Jay Juyeon Kim;

- Yuin University failed to comply with its stated policy relative to awarding experiential credit. Yuin University states in their catalog that they do not award experiential credit. Yuin University awarded experiential credit to student Jay Juyeon Kim. Yuin University's documentation states that Yuin University awarded 27 units for experiential learning;
- Yuin University failed to provide written records of transfer credits earned at other institutions accepted by the institution as transfer credit. Yuin University awarded a Bachelor's Degree to a student by the name of Jay Juyeon Kim, who completed only 16 units with the institution;
- Yuin University failed to include in its supporting documentation for the School Performance Fact Sheet students' place of employment and position, salary, hours and a description of all attempts to contact each student. The documentation also failed to include the name, e-mail address, phone number and position or title of the institutions representative who is primary responsible for obtaining the students' information;
- Yuin University failed to maintain documentation supporting placement and salary rates reported on the School Performance Fact Sheet for the 2012-2013 school years;
- Yuin University's student's enrollment agreements failed to contain documentation that Student Tuition Recovery Fund (STRF) was collected. Enrollment agreements in the student files were left blank;
- Yuin University failed to record dates of withdrawal from the institution and documentation specifying refund calculations. Student files failed to contain documentation of withdrawal;
- Yuin University failed to maintain documentation of withdrawals in student files demonstrating whether students were due a refund and whether a refund was provided;

- Yuin University's Chief Academic Officer, Amen Rahh, failed to possess a degree or equivalent acceptable experience at least equal to the highest qualifications required by Yuin University faculty. The resume for Mr. Rahh demonstrates his highest level of education earned was a Master's Degree. His resume states an honorary Ph.D. was awarded to him by Yuin University;
- Yuin University's faculty file for Kevin Grant, Ph.D., Dean of Academic Affairs failed to include records documenting whether he is duly qualified to perform the duties to which he was assigned;
- Yuin University failed to document the required formal evaluations of the students by the doctoral committee. Yuin University failed to provide documentation of the faculty members, their qualifications, and the process in which the formal doctoral reviews was performed;
- The financial review indicated the institution failed to maintain sufficient finances to pay operating expenses due in 30 days;
- Yuin University failed to provide a copy of their cash flow statement.

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 Yuin University; Henry H. Yu; Rachel De Chavez-Zayas for a Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions;

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

DATED: 12/18/15

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

LA2013508424