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:
WEST ORANGE COLLEGE, JOHN KIM,
51% OWNER, LISA Y. KIM, 49% OWNER
School/Institution Code No. 3009661
Renewal of Approval to Operate Applicant

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.
2. On or about March 30, 2012, the Bureau for Private Postsecondary Education
received an application for an Application for Renewal of Approval to Operate and offer
Educational Programs for Non-Accredited Institutions (application) from West Orange College,
John Kim, Owner, Lisa Y. Kim, Owner (Respondent). On or about March 27, 2012, John Kim
certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application. The Bureau denied the application on February 7, 2014.

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 (Bureau), under the authority of the following laws. All section references are to the Education Code unless otherwise indicated.

4. Education Code Section 94886 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.

5. Section 94887 of the Education 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.

6. Section 94891 of the Education Code states:

(a) The bureau shall, by January 1, 2011, 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.

7. Section 94897 of the Education 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.

(f) Solicit students for enrollment by causing an advertisement to be published in "help wanted" columns in a magazine, newspaper, or publication, or use "blind" advertising that fails to identify the institution.

(g) Offer to compensate a student to act as an agent of the institution with regard to the solicitation, referral, or recruitment of any person for enrollment in the institution, except that an institution may award a token gift to a student for referring an individual, provided that the gift is not in the form of money, no more than one gift is provided annually to a student, and the gift's cost is not more than one hundred dollars ($100).

(h) Pay any consideration to a person to induce that person to sign an enrollment agreement for an educational program.

(i) Use a name in any manner improperly implying any of the following:

(1) The institution is affiliated with any government agency, public or private corporation, agency, or association if it is not, in fact, thus affiliated.

(2) The institution is a public institution.

(3) The institution grants degrees, if the institution does not grant degrees.

(j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:

(1) A financial report filed with the bureau.

(2) Information or records relating to the student's eligibility for student financial aid at the institution.

(3) Any other record or document required by this chapter or by the bureau.

(k) Willfully falsify, destroy, or conceal any document of record while that document of record is required to be maintained by this chapter.

(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.

(m) Direct any individual to perform an act that violates this chapter, to refrain from reporting unlawful conduct to the bureau or another government agency, or to engage in any unfair act to persuade a student not to complain to the bureau or another government agency.

(n) Compensate an employee involved in recruitment, enrollment, admissions, student attendance, or sales of educational materials to students on the basis of a commission, commission draw, bonus, quota, or other similar method related to the recruitment, enrollment, admissions, student attendance, or sales of educational materials to students, except as provided in paragraph (1) or (2):

(1) If the educational program is scheduled to be completed in 90 days or less, the institution shall pay compensation related to a particular student only if that student completes the educational program.

(2) For institutions participating in the federal student financial aid programs, this subdivision shall not prevent the payment of compensation to those involved in recruitment, admissions, or the award of financial aid if those payments are in conformity with federal regulations governing an institution's participation in the federal student financial aid programs.

(o) Require a prospective student to provide personal contact information in order to obtain, from the institution's Internet Web site, educational program information that is required to be contained in the school catalog or any information required pursuant to the consumer information requirements of Title IV of the federal Higher Education Act of 1965, and any amendments thereto.

(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.

8. Section 94909, subdivision (a) of the Education Code states in part:

(a) 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:

(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.

9. Section 94911 of the Education Code states:

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

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

(b) A schedule of total charges, including a list of any charges that are nonrefundable and the student's obligations to the Student Tuition Recovery Fund, clearly identified as nonrefundable charges.

(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.

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

(e) (1) A disclosure with a clear and conspicuous caption, 'STUDENT'S RIGHT TO CANCEL,' under which it is explained 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.

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

(3) 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.

(f) A statement specifying that, if the student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund.

(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:

(1) The federal or state government or a loan guarantee agency may take action against the student, including applying any income tax refund to which the person is entitled to reduce the balance owed on the loan.

(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.

(h) The transferability disclosure that is required to be included in the school catalog, as specified in paragraph (15) of subdivision (a) of Section 94909.

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

(2) Immediately following the statement required by paragraph (1), a line for the student to initial, including the following statement: 'I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, and salary or wage information 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).'

(k) The following statement above the space for the student's signature: 'I understand that this is a legally binding contract. My signature below certifies that I
have read, understood, and agreed to my rights and responsibilities, and that the institution's cancellation and refund policies have been clearly explained to me."

10. Section 94913 of the Education Code states:

(a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

1. The school catalog.

2. A School Performance Fact Sheet for each educational program offered by the institution.

3. Student brochures offered by the institution.

4. A link to the bureau's Internet Web site.

5. The institution's most recent annual report submitted to the bureau.

(b) An institution shall include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau.

REGULATIONS

11. California Code of Regulations, Title 5, section 71475 states in part:

(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.

....

(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.

12. California Code of Regulations, Title 5, section 71800 states in 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 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.”

13. 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 financial statements shall also cover no less than five months of that current fiscal year.


(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."

(b) In addition to the statement described under subdivision (a) of this section, a qualifying institution shall include the following statement on its current schedule of student charges:

"The State of California created the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic losses suffered by students in educational programs who are California residents, or are enrolled in a residency programs attending certain schools regulated by the Bureau for Private Postsecondary and Vocational Education.

You may be eligible for STRF if you are a California resident or are enrolled in a residency program, prepaid tuition, paid the STRF assessment, and suffered an economic loss as a result of any of the following:

1. The school closed before the course of instruction was completed.

2. The school's failure to pay refunds or charges on behalf of a student to a third party for license fees or any other purpose, or to provide equipment or materials for which a charge was collected within 180 days before the closure of the school.

3. The school's failure to pay or reimburse loan proceeds under a federally guaranteed student loan program as required by law or to pay or reimburse proceeds received by the school prior to closure in excess of tuition and other costs.

4. There was a material failure to comply with the Act or this Division within 30 days before the school closed or, if the material failure began earlier than 30 days prior to closure, the period determined by the Bureau.

5. An inability after diligent efforts to prosecute, prove, and collect on a judgment against the institution for a violation of the Act."

However, no claim can be paid to any student without a social security number or a taxpayer identification number.

**CAUSES FOR DENIAL OF APPLICATION**

**FIRST CAUSE FOR DENIAL OF APPLICATION**
(Noncompliance with Minimum Operating Standards; Format of Enrollment Agreement) (Educ. Code §§ 94887; and 94911; 5 C.C.R. §§ 76215 and 71800)

15. Respondent’s application is subject to denial because the institution has failed to provide evidence that the applicant has the capacity to meet the minimum operating standards set forth in Education Code sections 94887, 94891, and 94911 and the regulations thereunder, because Respondent’s proposed enrollment agreement fails to comply with California law, as follows:
a. California Code of Regulations Title 5, section 71800, subdivisions (b) and (d) requires that an enrollment agreement contain the following information: the period covered by the enrollment agreement, and the 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. Respondent’s proposed enrollment agreement fails to contain this required information.

b. California Code of Regulations Title 5, section 76215, subdivisions (a) and (b) requires that an enrollment agreement contain verbatim required language related to the Student Tuition Recovery Fund (STRF). Respondent’s proposed enrollment agreement fails to contain this required information.

c. Education Code section 94911, subdivision (e)(1), requires that Respondent’s Enrollment Agreement contain a verbatim clear and conspicuous caption, “STUDENT RIGHT TO CANCEL,” together with explanatory language. Respondent’s proposed enrollment agreement fails to contain this required information.

d. Education Code section 94911, subdivision (j)(1), requires that Respondent’s enrollment agreement include the Bureau’s web address for directing students to the Bureau for unanswered questions and for filing a complaint with the Bureau. Respondent’s proposed enrollment agreement fails to contain this required information.

e. Education Code section 94911, subdivision (i)(2), requires that Respondent’s enrollment agreement include a line, following the statement required by paragraph (1), for the student to initial the specific required statements regarding students certifying that they have received a catalog or brochure and a School Performance Fact Sheet prior to signing and initialing their enrollment agreement. Respondent’s proposed enrollment agreement fails to contain this required information.

f. Education Code section 94911, subdivision (d), requires that Respondent’s enrollment agreement include a clear and conspicuous statement that the enrollment agreement is legally binding when signed by the student and accepted by Respondent. Respondent’s proposed enrollment agreement fails to contain this required information.
g. Education Code section 94911, subdivision (k), requires that Respondent’s enrollment agreement include a verbatim specific required statement above the student’s signature that the enrollment agreement is a legally binding contract. Respondent’s proposed enrollment agreement fails to contain this required specifically required language.

SECOND CAUSE FOR DENIAL OF APPLICATION
(Noncompliance with Minimum Operating Standards; Financial Resources)
(Educ. Code §§ 94887; and 5 C.C.R. § 71475(e))

16. Respondent’s application is subject to denial because the institution has failed to provide evidence that the applicant has the capacity to meet the minimum operating standards set forth in Education Code sections 94887 and 94891 and the regulations thereunder, because Respondent’s application fails to comply with California law, as follows:

a. California Code of Regulations Title 5, section 71475, subdivision (e), requires that an applicant submit a current financial statement. The balance sheet submitted by Respondent does not provide the detailed information that the reviewed financial statement must contain. Further, the Bureau specifically requested a reviewed financial statement in two previous letters to the institution prior to denying its application.

THIRD CAUSE FOR DENIAL OF APPLICATION
(Noncompliance with Minimum Operating Standards; Faculty)
(Educ. Code §§ 94887 and 94891(b); 5 Cal. Code Regs., §§ 71475(x) and 71720 (b)(1) and (2))

17. Respondent’s application is subject to denial because the institution has failed to provide evidence that the applicant has the capacity to meet the minimum operating standards set forth in Education Code sections 94887 and 94891, subdivision (b), and California Code of Regulations Title 5, sections 71475, subdivision (x) and 71720, subdivisions (b)(1) and (2)).

18. In particular, Respondent failed to supply to the Bureau sufficient information to determine if faculty employed by the Respondent meet the minimum qualification for “duly qualified faculty.” Respondent failed to submit verification of qualifications for these faculty members, such as three years of ESL teaching experience for the following faculty members: S. M., C. A. and R. A. Also, Respondent failed to submit verification of qualifications such as TESOL Teacher Training certificates from an accredited institution, for the following faculty
19. Respondent’s application is subject to denial because the institution has failed to provide evidence that the applicant has the capacity to meet the minimum operating standards set forth in Education Code sections 94887, 94891, subdivision (b), 94897, subdivisions (l) and (p), 94909, subdivision (a)(8)(A), (a)(11), and (a)(16)(C), and California Code of Regulations Title 5, sections 71475(x) and 71720 (b)(1) and (2)), 71770, subdivision (a)(1) and (b), 71810, subdivisions (b)(5) and (8), as follows:

a. Respondent’s proposed catalog failed to state clearly and conspicuously that the institution has “approval to operate” and “approval” means compliance with State standards as set forth in California Private Postsecondary Education Act of 2009.

b. Respondent’s application fails to set forth the following admission policies for the institution: 1) whether the West Orange College (WOC) accepts transfer of credits from other institutions, 2) how many units may be transferred and the basis for the transfer of the units, and 3) whether ability-to-benefit (ATB) students can attend WOC and what are the requirements.

c. In response to the Bureau’s deficiency letters, dated October 8, 2013 and December 23, 2013, Respondent modified its catalog to state that “the students will be given an entrance examination prior to enrolling to measure the ability to benefit from the programs offered.” Respondent failed to indicate which U.S. Department of Education approved test will be administered, what the passing scores are and whether a third party agency will administer the test.

d. Respondent’s catalog failed to state whether any instruction will be in a language other than English.

e. Respondent’s catalog does not disclose to prospective students prior to enrollment whether the Respondent is unaccredited, and that a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

f. Respondent’s catalog does not contain a complete statement specifying that, if a
student obtains a loan, the student will have to repay the full amount of the loan plus interest, less
the amount of any refund, and that if the student receives federal student aid, the student is entitled
to a refund of the money not paid from federal financial aid funds.

g. Respondent's catalog does not contain standards for student achievement.

FIFTH CAUSE FOR DENIAL OF APPLICATION
(Noncompliance with Minimum Operating Standards; Website)
(Educ. Code §§ 94887, 94891(b), 94913)

20. Respondent's application is subject to denial because the institution has failed to
provide evidence that the applicant has the capacity to meet the minimum operating standards set
forth in Education Code sections 94887 and 94891, subdivision (b), and 94913, subdivisions (a)(4)
and (b) as follows:

21. Respondent's web site failed to provide a link to the Bureau's internet web site where
students may access the Bureau's internet web site anywhere the institution identifies itself as being
approved by the Bureau.

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 West Orange College, John Kim, Owner, Lisa Y. Kim,
Owner for a renewal of approval to operate;

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

DATED: September 27, 2014

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