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8	BEFORE THE	
9	DEPARTMENT OF CONSUMER AFFAIRS FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION STATE OF CALIFORNIA	
10	STATE OF C	CALIFORNIA
11	In the Matter of the Statement of Issues	
12	Against:	Case No. 999774
13	MILLENNIA EDUCATION INSTITUTE; MEI MING SHIH AKA MARY SHIH, 51% OWNER	STATEMENT OF ISSUES
14 15	Approval for Renewal of Approval to Operate a Non-Accredited Institution	
16	Applicant Applicant	
17	Respondent.	
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19	Complainant alleges:	
20	PARTIES	
21	1. Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official	
22	capacity as the Chief of the Bureau for Private Postsecondary Education, Department of	
23	Consumer Affairs.	
24	2. On April 9, 2012, the Bureau received an "Application for Renewal of Approval to	
25	Operate an Institution Non-Accredited" (application number 24778) from Mei Ming Shih aka	
26	Mary Shih, (51% Owner Millennia Education Institute), Maggie Zahn, (14% Owner Millennia	
27	Education Institute), Birdie Hwang, (9% Owner Millennia Education Institute), Catherine Lan,	
28	9% (Owner Millennia Education Institute), Eric Shangiyh Chen, (9% Owner Millennia Education	

Institute), and Michael Fang, (8% Owner Millennia Education Institute) hereinafter Respondent¹. The Bureau notified Respondent in writing of the deficiencies of the application. On December 2, 2013, the Respondent sent the Bureau another Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions. The Bureau sent additional deficiency letters to Respondent and Respondent provided additional responses through May 2, 2014. On May 27, 2014, the Bureau sent the Respondent a "Notice of Denial" letter. On or about June 9, 2014, Respondent requested an administrative hearing.

JURISDICTION

- 3. This Statement of Issues is brought before the Director of the Department of Consumer Affairs (Director) for the Bureau.
 - 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. Education Code Section 94887 states:

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

- 6. Education Code Section 94891 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.

Respondent's approval to operate expired on August 12, 2011.

- (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.
 - 7. Title 5, California Code of Regulations (hereinafter "CCR"), section 71400.5 states:
- (a) The inclusion of false or misleading information, or the intentional or negligent omission of pertinent information on any application may result in the denial of the application or a delay in processing, and may be grounds for action pursuant to Article 18 of the Act.
- (b) In addition to denying an application pursuant to section 94887 of the Code, the Bureau may deny any application based on any act that constitutes grounds for the denial of a license under Section 480 of the Business and Professions Code, incorporated herein by reference.
- (c) The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

STATUTORY PROVISIONS

- 8. Business and Professions Code section 22 defines the term "board" to include "bureau."
 - 9. Education Code section 94885² states:

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

² California Private Postsecondary Education Act of 2009, Ed. Code §§ 94800 et seq. The Act was recently amended, effective January 1, 2015. (See, Senate Bill No. 1247).

- "(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.
- (b) Except as provided in Section 94855.1, an institution offering a degree must satisfy one of the following requirements:
- (i) Accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program by the institution.
- (ii) An accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of the bureau's issuance of provisional approval to operate to the institution. The provisional approval to operate to an unaccredited degree-offering institution shall be in compliance with Section 94885.5.
 - 10. Education Code section 94887:

"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."

- 11. Education Code section 94900:
- (a) An institution shall maintain records of the name, address, e-mail address, and telephone number of each student who is enrolled in an educational program in that institution.
- (b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:
- (1) The degree or certificate granted and the date on which that degree or certificate was granted.
 - (2) The courses and units on which the certificate or degree was based.
 - (3) The grades earned by the student in each of those courses.
 - 12. Education Code section 94899.5 states:
- "(a) Institutions that offer short-term programs designed to be completed in one term or four months, whichever is less, may require payment of all tuition and fees on the first day of instruction.
- "(b) For those programs designed to be four months or longer, an institution shall not require more than one term or four months of advance payment of tuition at a time. When 50 percent of the program has been offered, the institution may require full payment.
- "(c) The limitations in this section shall not apply to any funds received by an institution through federal and state student financial aid grant and loan programs, or through any other federal or state programs.
- "(d) An institution that provides private institutional loan funding to a student shall ensure that the student is not obligated for indebtedness that exceeds the total charges for the current period of attendance.
- "(e) At the student's option, an institution may accept payment in full for tuition and fees, including any funds received through institutional loans, after the student has been accepted and enrolled and the date of the first class session is disclosed on the enrollment agreement."
 - 13. Education Code section 94906 states in pertinent part:

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

- Section 94909 of the Education Code states in pertinent part:
- "(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog containing, at a minimum, all of the following:
 - "(4) The address or addresses where class sessions will be held.
- "(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.
 - "(8) A detailed description of institutional policies in the following areas:

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- (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).
- "(9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program.

"(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."

Section 94911 of the Education Code states in pertinent part:

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

- "(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.
- "(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.

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

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"(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

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Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, salary or wage information, and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet."

"(j) The following statements:

- "(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."

- Section 94913 of the Education Code states in pertinent part:
- "(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."

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STATUTORY AND REGULATORY PROVISIONS

16. Title 5, CCR, section 71475 states in part:

. . . .

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

. . . .

"(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.

. . . .

- "(kk) An incomplete application filed under this section will render the institution ineligible for renewal."
 - 17. Title 5, CCR, section 71700 states:

"The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate."

- 18. Title 5, CCR, section 71720 states in pertinent part:
- "(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."

24. Title 5, CCR, section 76215 states:

"(a) A qualifying institution shall include the following statement on both its enrollment agreement for an educational program and its current schedule of student charges:

"You must pay the state-imposed assessment for the Student Tuition Recovery Fund (STRF) if all of the following applies to you:

- 1. You are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition either by cash, guaranteed student loans, or personal loans, and
- 2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third party.

You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if either of the following applies:

- 1. You are not a California resident, or are not enrolled in a residency program, or
- 2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party."
- (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.

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- 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."

FIRST CAUSE FOR DENIAL

(Incomplete Application)

- 26. Respondent's application is subject to denial under Education Code section 94887 and CCR, title 5, division 7.5, sections 71100 and 71475 in that Respondent submitted an incomplete application to the Bureau. Each violation is a sole and separate cause for denial. The violations are as follows:
- 27. By its application, Respondent failed to provide the physical address of any branches or satellite campuses of the institution. Instead, Respondent provided contradictory information regarding the existence of any branches or satellite campuses in stating on the one hand that it did not have any satellite campuses or branches and on the other, that all "branches are owned by the Institution." This is a violation of CCR, title 5, division 7.5, section 71475 (c)(4) and such failure is grounds for ineligibility for renewal pursuant to CCR, title 5, section §71475 (kk).
- 28. By its application, Respondent failed to identify the job duties and responsibilities of the faculty position(s) in violation of CCR, title 5, section 71475 (j). Such failure is grounds for ineligibility for renewal pursuant to CCR, title 5, section §71475 (kk).

SECOND CAUSE FOR DENIAL

(Deficiencies Regarding Student Enrollment Agreements)

- 29. Respondent's application is subject to denial under Education Code sections 94887, 94899.5, 94906, 94909 and 94911 in conjunction with CCR, Title 5, sections 71100, 71475, 71800 and 76215 in that Respondent failed to provide a compliant Student Enrollment Agreement as follows:
- 30. Respondent failed to provide a copy of its policy relative to providing the student enrollment agreement, disclosures and statements to students when they are unable to understand the terms and conditions of the enrollment agreement due to English not being their primary language, and where recruitment was not conducted in English. This is a violation of California Education Code section 94906 (a).
- 31. By its Student Enrollment Agreement, Respondent failed to disclose that the registration fee is nonrefundable, which is a violation of CCR, title 5, section 71800 (e)(2) and California Education Code section 94911 subdivision (b).
- 32. By its Student Enrollment Agreement, Respondent failed to disclose that the student Tuition Recovery Fund fee is nonrefundable. This is a violation of CCR, title 5, section 71800 (e)(11) and California Education Code section 94911 subdivision (b).
- 33. By its Student Enrollment Agreement, Respondent failed to provide all of the addresses where students will be required to go for instruction. The externship campuses were not listed and it was unclear whether these campuses were branches and satellites or externship facilities. This is a violation of CCR, title 5, section 71800 (a).
- 34. By its Student Enrollment Agreement Respondent failed to identify and describe any and all additional fees required including the malpractice insurance fee, and fees associated with a completed physician exam, Basic Life Support or CPR card, two Hepatitis B shots, and a TB test, which are to be paid to an entity other than the institution. This is a violation of CCR, title 5, section 71800 (f).

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- 35. By its Student Enrollment Agreement and schedule of student charges, Respondent did not include specific required language related to the Student Tuition Recovery Fund (STRF), which is a violation of CCR, title 5, section 76215 subdivision (a) and (b).
- 36. By its Student Enrollment Agreement, Respondent erroneously states that "[f]ees are payable prior to the beginning of class unless other arrangements are made." This is incorrect as the program is 24 weeks long and Respondent may not require more than one term or four months of advance payment of tuition. This is a violation of California Education Code section 94899.5.
- 37. By its Student Enrollment Agreement, Respondent failed to include in the standard transferability disclosure language that is required to be included in the school catalog. This is a violation of California Education Code section 94911 (h) and 94909 (a)(15).
- 38. By its Student Enrollment Agreement, Respondent failed to include in the enrollment agreement the required statement directing students to the Bureau for filling a complaint.

 Moreover, Respondent misidentifies the Bureau as "the BPPEP." This is a violation of California Education Code section 94911 (j)(2).
- 39. By its Student Enrollment Agreement, Respondent failed to include in the enrollment agreement the required statement including a line for the student to initial to certify receipt of certain materials prior to signing the enrollment agreement. This is a violation of California Education Code section 94911 (i)(1)(2).
- 40. By its Student Enrollment Agreement, Respondent failed to include in the enrollment agreement the required statement and a line for the student initial regarding information received prior to signing the enrollment in that the wording was out of order, and the required initial line was not in the correct location. This is a violation of California Education Code section 94911 (i)(1)(2).
- 41. By its Student Enrollment Agreement, Respondent failed to include all required verbiage regarding the contractual nature of the agreement above the space for the student's signature, which is a violation of California Education Code section 94911 (k).

THIRD CAUSE FOR DENIAL

(Failure to Provide Compliant Financial Resources and Statements)

42. Respondent's application is subject to denial under Education Code sections 94887 in conjunction with CCR, title 5, sections 74115 subdivision (b)(1), in that Respondent failed to provide financial documents setting forth the financial resources and statements that were prepared by a California certified public accountant. The documents were instead prepared by S.S., who is not a licensed certified public accountant in California.

FOURTH CAUSE FOR DENAIL

(Deficiencies Regarding Faculty)

43. Respondent's application is subject to denial under Education Code sections 94887, and title 5, CCR, section 71720 subdivision (b)(1), in that the institution failed to employ instructors with the requisite academic, experiential, and professional qualifications. Faculty members S.B.B. and H.L.H. identified in the application are not approved on the Program Approval Notice form the Department of Health Services.

FIFTH CAUSE FOR DENIAL

(Deficiencies Regarding Facilities and Equipment)

44. Respondent's application is subject to denial under Education Code sections 94887 and title 5, CCR, sections 71735 subdivision (b) in that the institution failed to obtain approval of the new main facility for the school from the Department of Health Services. The Department of Health Services approved the 2020 South Hacienda Blvd. #G address in Hacienda Heights, CA 91745. The school is currently located at 9440 Telstar Avenue, Suite 6 in El Monte, CA 91773.

SIXTH CAUSE FOR DENIAL

(Deficiencies Regarding Catalog)

- 45. Respondent's application is subject to denial under Education Code sections 94887, 94900, 94909, 94899.5, 94913, and title 5, CCR, sections 71750 and 71810 (b), (7), (13)(B) and as further identified below, in that the school catalog contained the following deficiencies:
- 46. By its catalog, Respondent failed to provide the addresses for the required externship in the catalog. It was unclear whether the addresses identified were for branches and satellites or

whether they were for externship facilities. This is a violation of California Education Code section 94909 (a)(4).

- 47. By its catalog, Respondent failed to provide a list of the requirements for eligibility for licensure in California in the catalog, where the program was designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in this state. This is a violation of California Education Code section 94909 (a)(b).
- 48. By its catalog, Respondent does not contain the specific language that addresses transferability of credits and credentials for specified programs, including Home Health Aide, and the Nurse Assistant programs as required by Education Code section 94909 (a)(15).
- 49. By its catalog, Respondent failed to set forth the proper tuition policy for courses over four months long. This is violation of California Education Code section 94899.5 (b).
- 50. By its catalog, Respondent failed to set forth a consistent refund policy for withdrawal from a class. This is a violation of CCR, title 5, section 71750 and California Education Code section 94909 (a)(8)(B).
- 51. By its catalog, Respondent failed to provide a withdrawal policy that includes, at a minimum, the acceptable methods of delivery of a notice to withdraw, whether withdrawal can be accomplished by conduct, and if so, how the institute will determine when the student is withdrawn due to conduct in violation of CCR, title 5, section 71750 (b).
- 52. By its catalog, Respondent cites refund procedures that are based on a invalid Education Code [section 94820] in violation of CCR, title 5, section 71750 and California Education Code section 94909 (a)(8)(B).
- 53. By its catalog, Respondent failed to include information regarding the availability of housing located reasonably near the institution's facilities. Theses statements are required by title 5, CCR, section 71810 (b)(13)(B).
- 54. By its catalog, Respondent does not set forth a clear and conspicuous statement indicating that the institution has no responsibility to find or assist a student in finding housing. This is required by title 5, CCR, section 71810 (b)(13)(C).

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 Millennia Education Institute; Mei Ming Shih aka Mary Shih, (51% owner) for a Approval to Operate a Non-Accredited Institution;
 - 2. Taking such other and further action as deemed necessary and proper.

DATED: 3/11/15

JOANNE WENZEL

Chief

Bureau for Private Postsecondary Education

Department of Consumer Affairs

State of California

Complainant

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