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

11 In the Matter of the Statement of Issues
Against:

Case No. 1002140

12 **GOLDENVILLE UNIVERSITY, SCHOOL**
13 **OF MANAGEMENT AND LEADERSHIP**

STATEMENT OF ISSUES

14 **Application for Approval to Operate**
Applicant

15 **Application Number 28287**

16 Respondent.

17 Complainant alleges:

18 **PARTIES**

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

22 2. On or about April 30, 2015, the Bureau received an Application for Approval to
23 Operate for an Institution Non Accredited (Application) from Goldenville University, School of
24 Management and Leadership (Respondent). On or about April 25, 2015, Mr. Bernard Kuh
25 certified under penalty of perjury to the truthfulness of all statements, answers, and
26 representations in the application. The Bureau denied the application on August 2, 2016.

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28

1 **JURISDICTION**

2 3. This Statement of Issues is brought before the Director of the Department of
3 Consumer Affairs (Director) for the Bureau, under the authority of the following laws. All
4 section references are to the Education Code unless otherwise indicated.

5 4. Section 94886 states:

6 Except as exempted in Article 4 (commencing with section 94874) or
7 in compliance with the transition provisions in Article 2 (commencing with Section
8 94802), a person shall not open, conduct, or do business as a private postsecondary
9 educational institution in this state without obtaining an approval to operate under this
10 chapter.

11 5. Section 94887 states:

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

18 **STATUTORY PROVISIONS¹**

19 6. Section 94885 states, in relevant part:

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

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

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

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

....

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

....

¹ On October 11, 2009, the California Private Postsecondary Education Act (Act) of 2009 was signed into law. (Educ. Code, §§94800, et seq.) The Act was recently amended, effective January 1, 2015. (See: Senate Bill No. 1247.) This Statement of Issues is based on the post-amendment version of the Act.

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

2 7. Section 94897 provides, in relevant part:

3 An institution shall not do any of the following:

4

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

8

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

10

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

14

15 (2) A statement that reads: "A degree program that is unaccredited or a
16 degree from an unaccredited institution is not recognized for some employment
positions, including, but not limited to, positions with the State of California."

17

18 8. Section 94909 states in part:

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

21

22 (5) A description of the programs offered and a description of the
23 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
24 examinations, any required internships or externships, and the total number of credit
hours, clock hours, or other increments required for completion.

25

26 (8) A detailed description of institutional policies in the following areas:

27 (A) Admissions policies, including the institution's policies regarding the
28 acceptance of credits earned at other institutions or through challenge examinations
and achievement tests, admissions requirements for ability-to-benefit students, and a

1 list describing any transfer or articulation agreements between the institution and any
2 other college or university that provides for the transfer of credits earned in the
3 program of instruction. If the institution has not entered into an articulation or transfer
4 agreement with any other college or university, the institution shall disclose that fact.

5

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

8

9 (16) A statement specifying whether the institution, or any of its degree
10 programs, are accredited by an accrediting agency recognized by the United States
11 Department of Education. If the institution is unaccredited and offers an associate,
12 baccalaureate, master's, or doctoral degree, or is accredited and offers an unaccredited
13 program for an associate, baccalaureate, master's, or doctoral degree, the statement
14 shall disclose the known limitations of the degree program, including, but not limited
15 to, all of the following:

16

17 (B) A degree program that is unaccredited or a degree from an
18 unaccredited institution is not recognized for some employment positions, including,
19 but not limited to, positions with the State of California.

20

21 9. Section 94910 states in part:

22 Except as provided in subdivision (d) of Section 94909 and Section
23 94910.5, prior to enrollment, an institution shall provide a prospective student with a
24 School Performance Fact Sheet containing, at a minimum, the following information,
25 as it relates to the educational program:

26

27 (f) All of the following:

28

(2) A statement informing the reader of where he or she may obtain from
the institution a list of the employment positions determined to be within the field for
which a student received education and training for the calculation of job placement
rates as required by subdivision (b).

REGULATORY PROVISIONS

10. California Code of Regulations, title 5, section 71700 states that "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."

11. California Code of Regulations, title 5, section 71710, provides, in relevant part:

1 In order to meet its mission and objectives, the educational program
2 defined in section 94837 of the Code shall be comprised of a curriculum that
3 includes:

4

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

8

9 (2) a statement of educational objectives;

10

11 (e) specific learning outcomes tied to the sequence of the presentation of
12 the material to measure the students' learning of the material; . . .

13 12. California Code of Regulations, title 5, section 71720, states, in relevant part:

14 (a) An Educational Program Leading to a Degree.

15 (1) An institution offering an educational program that leads to a degree
16 shall employ duly qualified faculty sufficient in number to provide the instruction,
17 student advisement, and learning outcomes evaluation necessary for the institution to
18 document its achievement of its stated mission and objectives, and for students to
19 achieve the specific learning objectives of each course offered;

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

26 13. California Code of Regulations, title 5, section 71735, states, in pertinent part:

27 (a) An institution shall have sufficient facilities and necessary equipment
28 to support the achievement of the educational objectives of all of the courses and
educational programs in which students are enrolled. If an institution represents that
the educational service will fit or prepare a student for employment in a particular
occupation or as described in particular job titles, either of the following conditions
shall be met:

(1) The equipment used for instruction or provided to the student shall be
comparable in model type or features to equipment generally used in those
occupations or job titles at the time the instruction is offered.

(2) The institution shall establish that the equipment used for instruction
or provided to a student is not obsolete and is sufficient for instructional purposes to
reasonably assure that a student acquires the necessary level of education, training,
skill, and experience to obtain employment in the field of training and to perform the
tasks associated with the occupation or job title to which the educational program was
represented to lead.

1 14. California Code of Regulations, title 5, section 71770, states, in pertinent part:

2 (a) The institution shall establish specific written standards for student
3 admissions for each educational program. These standards shall be related to the
4 particular educational program. An institution shall not admit any student who is
5 obviously unqualified or who does not appear to have a reasonable prospect of
6 completing the program. In addition to any specific standards for an educational
7 program, the admissions standards must specify as applicable that:

8 (1) Each student admitted to an undergraduate degree program, or a
9 diploma program, shall possess a high school diploma or its equivalent, or otherwise
10 successfully take and pass the relevant examination as required by section 94904 of
11 the Code.

12 (2) Each student admitted into a post-baccalaureate degree program shall
13 possess a bachelor's degree or its equivalent. If a graduate program leads to a
14 profession or an occupation requiring state licensure and the licensing agency does
15 not require that a member of the profession or occupation possess a Bachelor's degree
16 or its equivalent, this subdivision does not apply.

17 **FACTUAL BACKGROUND**

18 15. On or about April 30, 2015, the Bureau received Respondent's Application, which
19 included the following information:

- 20 • Institution Information
- 21 • Application Contact Person
- 22 • Business articles of Incorporation and approved bylaws
- 23 • Owner Information
- 24 • Agent for Service of Process
- 25 • Organization and Management
- 26 • Mission Statement and Educational Objectives
- 27 • Institution Representative
- 28 • Enrollment Agreement
- Financial Aid Policies
- Advertising and other public statements
- Instruction and Degrees Offered
- Description of Education Program
- Financial Statement
- Libraries and other learning resources

- 1 • Catalog
- 2 • Graduation/Completion Documents
- 3 • Custodian of Records

4 16. On or about May 6, 2015, the Bureau sent Respondent a letter that the Application
5 was incomplete.

6 17. On or about March 15, 2016, the Bureau sent Respondent a letter requesting
7 additional items and/or documents, in order for the Application to be deemed complete.

8 18. On or about June 16, 2016, the Bureau received a letter from
9 Respondent responding to the March 15, 2016 deficiency letter.

10 19. On or about August 2, 2016, the Bureau sent a Notice of Denial letter to Respondent
11 since it did not satisfy the minimum operating standards and certain deficiencies were not cured,
12 as set forth in this Statement of Issues, below.

13 **FIRST CAUSE FOR DENIAL OF APPLICATION**

14 **(Deficiencies in Instruction and Degrees Offered)**

15 20. Respondent's Application is subject to denial under Section 94887, subdivision (b), in
16 conjunction with California Code of Regulations, title 5, section 71710, subdivisions (c)(2) and
17 (e), as follows:

18 a. Respondent did not provide the specific learning outcomes tied to the sequence of
19 material presented in each course and the Bureau is unable to determine if the content in each
20 educational program can achieve its stated objectives.

21 b. In its March 15, 2016 letter to the Respondent, the Bureau requested the exams to be
22 used to evaluate student learning outcomes in each course, but the Institution did not provide any
23 exams. As such, the Bureau is unable to determine if the content in each educational program can
24 achieve its stated objective.

25 c. In its March 15, 2016 letter to the Respondent, the Bureau requested a syllabus for
26 each course to be provided by the Institution that includes a statement of educational objectives.
27 The Institution provided a syllabus for core course MCL03, Leaders' Human Relations, but the
28 information provided in the syllabus under the heading "Learning Objectives" is a description of

1 course activities which fails to include learning objectives. Therefore, the Bureau is unable to
2 determine if the content in each educational program can achieve its statement mission and
3 objectives.

4 d. In its March 15, 2016 letter, the Bureau requested a projection and basis of the
5 projection of the number of students that the Institution plans to enroll in the program during each
6 of the three years following the date of the Application. The Institution provided a statement that
7 "The institution has signed an MOU with other institutions for exchange of students, cooperation
8 in course development, and collaboration in other academic related academics related works."
9 The Institution did not state the specific institutions included in the MOU, the terms of the MOU,
10 or provide a copy of the MOU. Therefore, the Bureau is unable to determine if the Institution is
11 capable of fulfilling its commitments to students.

12 21. Respondent incorporates by reference herein Paragraphs 15-19, above.

13 **SECOND CAUSE FOR DENIAL OF APPLICATION**

14 **(Deficiencies in Faculty)**

15 22. Respondent's Application is subject to denial pursuant to Section 94887 and
16 California Code of Regulations, title 5, section 71720 (a)(1) and (a)(2), in that Respondent failed
17 to establish compliance with minimum operating standards, as follows:

18 a. In its March 15, 2016 letter to the Respondent, the Bureau requested the faculty
19 handbook or policy and procedures that comply with California Code of Regulations, title 5,
20 section 71720. Respondent did not provide a faculty handbook or policy and procedures that
21 ensure the participation of duly qualified faculty in sufficient number to provide student
22 advisement and to achieve its stated mission and objectives. This is a violation of California
23 Code of Regulations, title 5, section 71720, subdivision (a)(1).

24 b. In its March 15, 2016 letter to the Respondent, the Bureau requested the faculty
25 handbook or policy and procedures that comply with California Code of Regulations, title 5,
26 section 71720. Respondent did not provide a faculty handbook or policy and procedures that
27 include the participation of duly qualified faculty in the conducting of research. Moreover, in
28 Respondent's letter received by the Bureau on June 16, 2016, Section 24, the Institution stated

1 that: "Goldenville University (GU) has agreed with S. H., school judicial, person to cooperate in
2 faculty research, academic development, transfer of credits, and advertisement." Respondent did
3 not provide a copy of the agreement or details about how the agreement would be implemented
4 an explanation as to the agreement's content. This is a violation of California Code of
5 Regulations, title 5, section 71720, subdivision (a)(2).

6 23. Respondent incorporates by reference herein Paragraphs 15-19, above.

7 **THIRD CAUSE FOR DENIAL OF APPLICATION**

8 **(Deficiencies in School Catalog)**

9 24. Respondent's Application is subject to denial under Sections 94887,, 94897,
10 subdivisions (j)(3) and (p)(2), 94909, subdivisions (a)(5), (a)(8)(A), (a)(9) and (a)(16)(B), in
11 conjunction with California Code of Regulations, title 5, section 71770, subdivision (a), in that
12 the school catalog contains the following deficiencies:

13 a. In Respondent's school catalog received on June 16, 2016, the statement
14 regarding the transfer of credits earned at other institutions on page 14 does not specify the type
15 or the number of units or credits a student may transfer, and the catalog does not contain the
16 required minimum transfer credits policy.

17 b. In Respondent's letter received by the Bureau on June 16, 2016, Section 24, the
18 Institution indicated that Goldenville University had an agreement with S. H. to cooperate in the
19 transfer of credits, among other matters, and the catalog thus does not contain the required
20 minimum transfer credits policy.

21 c. In Respondent's letter received by the Bureau on June 16, 2016, Section 13,
22 item 4, Respondent provided a statement that: "The institution has signed an MOU with other
23 institutions for exchange of students, in cooperation in course development, and collaboration in
24 other academic related works." Respondent failed to provide a catalog describing any transfer or
25 articulation agreements between the Institution and any other college or university and failed to
26 establish specific written standards for student admissions.

27 d. In Respondent's response letter dated June 16, 2016, the Institution provided a
28 campus map on page 38 entitled Goldenville University, with the subtitle "Conference Rooms".

1 The campus map shows 13 large buildings, and also includes a soccer field and two tennis courts
2 within the campus. However, the Commercial Lease Agreement received by the Bureau on June
3 16, 2016 is only for two rooms, with a total square footage of only 440 square feet. This is a
4 violation of Section 94897, subdivision (j)(3), for making a misleading statement in a document
5 required by the Bureau.

6 e. The catalog received by the Bureau on June 16, 2016, states on page 37 that the
7 Institution is located at 1550 E. Elizabeth St., 107, Pasadena, CA 91104 and occupies the first
8 floor of the main building of William Carry International University. This statement conflicts
9 with the Commercial Lease Agreement received by the Bureau June 16, 2016, that two rooms
10 were leased for a total of 400 square footage.

11 f. The Course Syllabus for core course MLC 06, Advocacy Skills and Strategies,
12 which was provided in Respondent's letter to the Bureau received on June 16, 2016, includes a
13 class trip to Sacramento, but the course description on page 9 of the school catalog does not
14 contain any information for a trip to Sacramento for this course. This violates the minimum
15 requirements for a catalog.

16 g. The catalog received on June 16, 2016 does not contain the required verbatim
17 disclosure to students regarding a known limitation of a degree earned from an unaccredited
18 institution, which does not meet the minimum requirements for a catalog under Section 94909,
19 subdivision (a)(16)(B) and also fails to disclose to prospective students any known limitation of
20 the degree, in violation of Section 94897, subdivision (p)(2).

21 25. Respondent incorporates by reference herein Paragraphs 15-19, above.

22 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

23 **(Failed to Meet Minimum Operating Standards – Facilities and Equipment)**

24 26. Respondent's application is subject to denial under Sections 94885, 94887 and
25 94897 and California Code of Regulations, title 5, section 71735, subdivision (a) (1) and (2), as
26 follows:

27 a. In its March 15, 2016 deficiency letter, the Bureau requested the lease agreement
28 indicating the exact location of Goldenville University School of Management and Leadership.

1 In response, the Bureau received from the Institution on June 16, 2016 a Commercial Lease
2 Agreement for two rooms at 220 square feet each, for a total of approximately 440 square feet.
3 This lease agreement does not include any classroom space and the Bureau is unable to determine
4 if the Institution has adequate facilities to support the achievement of its educational objections.
5 This is a violation of California Code of Regulations, title 5, section 71735, subdivision (a) for
6 not meeting the minimum operating standards.

7 b. In its letter sent to the Institution on May 6, 2015, the Bureau stated that
8 Respondent's Application is missing the list of all permits, certifications or other evidence of
9 inspections or authorizations which are required by the jurisdictions in which the Institution
10 operates. In the Respondent's response letter dated June 16, 2016, the Institution indicated that
11 this information had previously been submitted. The Institution it failed to provide a copy of the
12 business license, as required by the City of Pasadena. This is a violation of Section 94885,
13 subdivision (a)(9), for not meeting the minimum operating standards.

14 c. In Respondent's response letter dated June 16, 2016, Respondent provided a campus
15 map entitled Goldenville University, with the subtitle "Conference Rooms". The campus map
16 shows 13 large buildings, and includes a soccer field and two tennis courts within the campus.
17 However, the Commercial Lease Agreement received by the Bureau on June 16, 2016 is only for
18 two rooms, with a total square footage of only 440 square feet. This is a violation of Section
19 94897, subdivision (j)(3), for making a misleading statement in a document required by the
20 Bureau.

21 d. In its March 15, 2016 deficiency letter to Respondent, the Bureau requested a detailed
22 explanation and supporting documentation for a William Carrey International University
23 Agreement for Use of Facilities lease agreement for space rented as a conference room that was
24 included in Respondent's Application. The Bureau is unable to determine if Respondent has
25 adequate facilities to support the achievement of its educational objectives. This is a violation of
26 California Code of Regulations, title 5, section 71735, subdivision (a) for not meeting the
27 minimum operating standards.

28 27. Respondent incorporates by reference herein Paragraphs 15-19, above.

1 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

2 **(Deficiencies in School Performance Fact Sheet)**

3 28. Respondent's Application is subject to denial under Section 94910, subdivision
4 (f)(2), as follows:

5 a. In the Bureau's March 15, 2016 deficiency letter to Respondent, the Bureau
6 requested a list identifying each occupation or job title the education degree program will lead,
7 which Respondent did not provide. Respondent stated that: "The program offered is not designed
8 to prepare students for employment in any occupation." This statement contradicts the response
9 received by the Bureau from Respondent on June 16, 2016, which states in Section 7, Mission and
10 Objectives, under the heading "Educational Objectives", bullet 2, that "Our students will be
11 prepared for successful careers in the field of business as leaders, managers, and entrepreneurs in
12 their communities and organizations." The Bureau is unable to determine if Respondent will
13 provide a prospective student with a School Performance Fact Sheet, which violates the
14 requirements of California Code of Regulation, title 5, section 94910, subdivision (f)(2).

15 **PRAYER**

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

- 19 1. Denying the application of Goldenville University, School of Management and
20 Leadership for an Approval to Operate; and
21 2. Taking such other and further action as deemed necessary and proper.
22

23 DATED: 2/7/17


24 JOANNE WENZEL

25 Chief
26 Bureau for Private Postsecondary Education
27 Department of Consumer Affairs
28 State of California
Complainant

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