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

13 In the Matter of the Accusation Against:	Case No. 1005062
14 CURENTUR INSTITUTE DBA	ACCUSATION
15 AMERICAN UNIVERSITY OF	
16 COMPLEMENTARY MEDICINE	
17 11543 Olympic Boulevard	
18 Los Angeles, CA 90064	
19 School Code: 50047222	
20 Institution Code: 1926331	
21 Respondent.	

21 **PARTIES**

22 1. Dr. Michael Marion, Jr. (Complainant) brings this Accusation solely in his official
23 capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of
24 Consumer Affairs.

25 2. On or about February 29, 1996, the Bureau issued Approval to Operate Institution
26 Code 1926331 to Curentur Institute doing business as American University of Complementary
27 Medicine (Respondent). The Approval to Operate an Accredited Institution was in full force and
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1 effect at all times relevant to the charges brought herein, and will expire on February 9, 2021,
2 unless renewed.

3 **JURISDICTION**

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

7 4. Business and Professions Code section 118, subdivision (b), provides that the
8 suspension, expiration, surrender, or cancellation of a license shall not deprive the Bureau of
9 jurisdiction to proceed with a disciplinary action during the period within which the license may
10 be renewed, restored, reissued or reinstated.

11 5. Section 94875 provides that the Bureau shall regulate private postsecondary
12 educational institutions.

13 6. Section 94877 states, in relevant part, that:

14 “(a) The bureau shall adopt and shall enforce regulations to implement this chapter pursuant
15 to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
16 Division 3 of Title 2 of the Government Code).

17 “(b) The bureau shall develop and implement an enforcement program, pursuant to Article
18 18 (commencing with Section 94932) to implement this chapter . . .”

19 7. Section 94937 states that:

20 “(a) As a consequence of an investigation, which may incorporate any materials obtained or
21 produced in connection with a compliance inspection, and upon a finding that an institution has
22 committed a violation, the bureau may place an institution on probation or may suspend or revoke
23 an institution's approval to operate for:

24 (1) Obtaining an approval to operate by fraud.

25 (2) A material violation or repeated violations of this chapter or regulations adopted
26 pursuant to this chapter that have resulted in harm to students. For purposes of this paragraph,
27 ‘material violation’ includes, but is not limited to, misrepresentation, fraud in the inducement of a

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1 contract, and false or misleading claims or advertising, upon which a student reasonably relied in
2 executing an enrollment agreement and that resulted in harm to the student.

3 (b) The bureau shall adopt regulations, within one year of the enactment of this chapter,
4 governing probation and suspension of an approval to operate.

5 (c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business and
6 Professions Code.

7 (d) An institution shall not be required to pay the cost of investigation to more than one
8 agency.”

9 8. California Code of Regulations, title 5, section 75100 provides that the Bureau may
10 suspend, revoke or place on probation with terms and conditions an approval to operate.

11 **STATUTORY PROVISIONS**

12 9. Section 94927 states: “An institution shall be considered in default of the enrollment
13 agreement when an educational program is discontinued or canceled or the institution closes prior
14 to completion of the educational program. When an institution is in default, student institutional
15 charges may be refunded on a pro rata basis if the bureau determines that the school has made
16 provision for students enrolled at the time of default to complete a comparable educational
17 program at another institution at no additional charge to the students beyond the amount of the
18 total charges in the original enrollment agreement. If the institution does not make that
19 provision, a total refund of all institutional charges shall be made to students.”

20 **COST RECOVERY**

21 10. Section 94937, subdivision (d), provides that the Bureau may seek reimbursement
22 costs of investigation and enforcement pursuant Business and Professions Code section 125.3.

23 11. Business and Professions Code section 125.3 provides, in pertinent part, that the
24 Board may request the administrative law judge to direct a licentiate found to have committed a
25 violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the
26 investigation and enforcement of the case, with failure of the licentiate to comply subjecting the
27 license to not being renewed or reinstated. If a case settles, recovery of investigation and
28 enforcement costs may be included in a stipulated settlement.

FACTUAL BACKGROUND

12. On January 16, 2019, the Bureau issued an Order Suspending Approval to Operate Degree Granting Programs (Order) to Respondent. The Order was based on Respondent’s failure to meet accreditation candidacy or pre-accreditation by July 1, 2017¹, as required by section 94885.1. The Bureau ordered Respondent to submit a degree program closure plan within 30 days of the effective date of the Order (January 21, 2019), with a teach-out plan for students to complete their programs at another institution. The teach-out plan had to: (1) include the name and location of the institution(s) providing the teach-out; (2) include a plan for the disposition of student records pursuant to section 94927.5; (3) be compliant with the refund provisions of section 94927; and (4) include a copy of the notification to be provided to students. The Bureau prohibited Respondent from teaching-out its own students.

13. The Bureau ordered Respondent to notify all current students that it received a notice of suspension from the Bureau and could no longer offer degree programs. Respondent was also ordered to notify students of the teach-out plan, including: (1) the name and location of the teach-out institution(s); (2) the date which instruction at the teach-out institution(s) will begin; (3) payment information to the teach-out institution(s) and other relevant financial information; and (4) a contact person at the teach-out institution(s). Respondent had to notify students of their right to seek refunds for any current or not yet completed classes, if they chose not to participate in the teach-out. The refund had to be provided within 45 days of the request.

14. The degree program closure plan submitted by Respondent stated that teach-out arrangements were made with the following institutions: SomaVeda College of Natural Medicine (SomaVeda), located in Brooksville, Florida, and Daoist Traditions, College of Chinese Medicine (Daoist Traditions), located in Asheville, North Carolina. The closure plan also stated that “Students will be given a refund of any classes the student is currently enrolled in or has not yet completed if the student does not choose the teach-out option.”

¹ The Bureau granted Respondent several extensions to achieve accreditation or pre-accreditation to October 4, 2010.

1 15. Respondent’s student notification letter stated, in pertinent part, that:

2 “2. For students who are officially enrolled as well as those who may not be officially
3 enrolled due to violation of university enrollment policies, we are negotiating a teach out plan that
4 would allow you to complete a doctorate degree in your respective field of study at another
5 university in the event our appeal is denied.

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7 The State has approved this institution [SomaVeda and Daoist Traditions], however we are
8 still negotiating the terms of the teach-out to try to ensure all of your credits will be fully
9 recognized and that the amount of remaining coursework and time to completion will be
10 relatively the same. Once again, we are also appealing to the State to allow us to offer the
11 teach-out ourselves . . .

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13 3. Once a teach-out is negotiated, you will have the right to choose not to participate in the
14 teach-out and instead to seek a refund for any classes you are currently enrolled in or have not yet
15 completed.”

16 16. On September 23, 2019, the Bureau received a complaint from H. K.² alleging that
17 Respondent failed to provide a “legitimate teach-out plan” to her and other students. H. K.
18 alleged that the teach-out institute (later identified as SomaVeda) did not allow continuing
19 enrollment in their degree program. SomaVeda required that students start its degree program
20 from the beginning. H. K. also alleged that Respondent denied her request for a full refund.

21 17. On December 23, 2019, a Bureau Investigator (“Bureau Investigator”) spoke with
22 A. J., the Dean and Director of SomaVeda. A. J. related that he discussed teach-out arrangements
23 with Joseph Chai (Chai), Respondent’s Representative and Chief Operations Officer, but they
24 never made or memorialized an agreement.

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² Individuals’ initials are used to protect their identities.

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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. Revoking Approval to Operate Institution Code Number 1926331 issued to Respondent;
2. Ordering Respondent to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,
3. Taking such other and further action as deemed necessary and proper.

DATED: “9/28/2020”

“Original signature on file”
DR. MICHAEL MARION, JR.
Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

LA2020602178