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

In the Matter of the Accusation Against:

**DREAM CENTER EDUCATION HOLDINGS, LLC,
DBA**

**ARGOSY UNIVERSITY – ORANGE COUNTY
(MAIN)
3601 W Sunflower Avenue
Santa Ana, CA 92704**

**Approval to Operate Accredited Institution School Code
Number 3013761**

**ARGOSY UNIVERSITY- SAN FRANCISCO BAY
AREA (BRANCH)
1005 Atlantic Avenue
Alameda, CA 94501**

Institution Code Number 91554422

**WESTERN STATE COLLEGE OF LAW AT ARGOSY
UNIVERSITY (BRANCH)
1 Banting
Irvine, CA 92618**

Institution Code Number 71847809

**ARGOSY UNIVERSITY- LOS ANGELES (BRANCH)
5230 Pacific Concourse Drive
Los Angeles, CA 90045**

Institution Code Number 93794466

Case No. 1004257

OAH No. 2019070044

**DEFAULT DECISION AND
ORDER**

[Gov. Code, §11520]

1 THE ART INSTITUTE OF CALIFORNIA-
2 HOLLYWOOD (BRANCH)
3 5250 Lankershim Boulevard
4 North Hollywood, CA 91601

5 Institution Code Number 1921201

6 THE ART INSTITUTE OF CALIFORNIA- SAN
7 DIEGO (BRANCH)
8 7650 Mission Valley Road
9 San Diego, CA 92108

10 Institution Code Number 3704151

11 THE ART INSTITUTE OF CALIFORNIA-
12 HOLLYWOOD (SATELLITE)
13 11128 Magnolia Avenue
14 North Hollywood, CA 91601

15 Institution Code Number 15594987

16 THE ART INSTITUTE OF CALIFORNIA- INLAND
17 EMPIRE (SATELLITE)
18 630 East Brier Drive
19 San Bernardino, CA 92408

20 Institution Code Number 66099626

21 THE ART INSTITUTE OF CALIFORNIA- SAN
22 DIEGO (SATELLITE)
23 7675 Mission Valley Road
24 San Diego, CA 92108

25 Institution Code Number 18507333

26 ARGOSY UNIVERSITY- MILITARY COAST
27 GUARD (SATELLITE)
28 1001 South Seaside Avenue, Building 3
San Pedro, CA 90731

Institution Code Number 72482309

Respondent.

FINDINGS OF FACT

1
2 1. On or about March 6, 2019, Complainant Dr. Michael Marion, Jr., in his official
3 capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of
4 Consumer Affairs, filed Accusation No. 1004257 against Dream Center Education Holdings,
5 LLC; dba Argosy University (Respondent) before the Director of the Department of Consumer
6 Affairs (Director). On or about August 27, 2019, Complainant filed First Amended Accusation
7 No. 1004257 before the Director. A copy of First Amended Accusation No. 1004257 is attached
8 as Exhibit A and incorporated by reference.

9 2. The Bureau granted approval to operate by means of accreditation to Dream Center
10 Education Holdings, LLC, doing business as Argosy University – Orange County (main campus),
11 Institution Code Number 3013761; Argosy University- San Francisco Bay Area (branch),
12 Institution Code Number 91554422; Western State College of Law at Argosy University
13 (branch), Institution Code Number 71847809; Argosy University- Los Angeles (branch),
14 Institution Code Number 93794466; The Art Institute of California- Hollywood (branch),
15 Institution Code Number 1921201; The Art Institute of California- San Diego (branch),
16 Institution Code Number 3704151; The Art Institute of California- Hollywood (satellite),
17 Institution Code Number 15594987; The Art Institute of California- Inland Empire (satellite),
18 Institution Code Number 66099626; The Art Institute of California- San Diego (satellite),
19 Institution Code Number 18507333; and Argosy University- Military Coast Guard (satellite),
20 Institution Code Number 72482309. The schools listed above were owned by Dream Center
21 Education Holdings, LLC (Respondent).

22 3. On or about March 4, 2019, the Bureau issued Respondent a Notice of Emergency
23 Decision, pursuant to California Code of Regulations, title 5, section 75150, and Government
24 Code section 11460.10, et. seq. Pursuant to the Emergency Decision, effective on March 13,
25 2019, the Bureau ordered Respondent to “cease enrollment of any new students in all programs”
26 and “cease the collection of tuition and fees for all programs” at its California institutions. The
27 Emergency Decision was not appealed.

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1 4. On or about March 7, 2019, Respondent was served by Certified and First Class Mail
2 copies of the Accusation No. 1004257, Statement to Respondent, Notice of Defense, Request for
3 Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6, and 11507.7) at
4 Respondent's address of record which is required to be reported and maintained with the Bureau.
5 Respondent's address of record was and is: 1400 Penn Avenue, Pittsburg, PA 15222.

6 5. In addition to serving the address of record, on or about March 7, 2019, Accusation
7 No. 1004257, Statement to Respondent, Notice of Defense, Request for Discovery, and Discovery
8 Statutes (Government Code sections 11507.5, 11507.6, and 11507.7 were served by Certified and
9 First Class Mail at the following locations:

10 Matthew Barnett, Manager/Member: 2301 Bellevue Ave., Los Angeles, CA 90026;
11 Brent Richardson, Chief Executive Officer: 7135 E. Camelback, Scottsdale, AZ 85251;
12 Randall K. Barton, Manager/Member: 77564 Country Club Drive, Palm Desert, CA 92211;
13 CSC – Lawyers Incorporating Service, Agent for Service: 2710 Gateway Oaks Drive, Suite
14 150N, Sacramento, CA 95833; and,
15 Corporation Service Company, dba CSC-Lawyers Incorporating Service, Agent for
16 Service: 251 Little Falls Drive, Wilmington, DE 19808.

17 6. Service of the Accusation was effective as a matter of law under the provisions of
18 Government Code section 11505(c) and/or Business and Professions Code section 124.

19 7. On or about March 26, 2019, the Receiver, on behalf of Respondent filed a Notice of
20 Defense.¹

21 8. On or about September 3, 2019, First Amended Accusation No. 1004257 was served
22 by Certified and First Class Mail on Respondent at Respondent's address of record. In addition,
23 First Amended Accusation No. 1004257 was served at the following locations:

24 Kathy Bazoian Phelps, Diamond McCarthy LLP: 1999 Avenue of the Stars, 11th Floor, Los
25 Angeles, CA 90067;

26 _____
27 ¹ On or about January 18, 2019, in the matter entitled *Digital Media Solutions, LLC v.*
28 *South University of Ohio, LLC, et al*; in the United States District Court, Northern District of
Ohio, Eastern Division, case number 1:19-cv-145, Mark Dottore was appointed as the federal
equity receiver (Receiver), custodian and Liquidator for Respondent and its direct subsidiaries.

1 Matthew Barnett, Manager/Member: 2301 Bellevue Ave., Los Angeles, CA 90026;
2 Brent Richardson, Chief Executive Officer: 7135 E. Camelback, Scottsdale, AZ 85251;
3 Randall K. Barton, Manager/Member: 77564 Country Club Drive, Palm Desert, CA 92211;
4 CSC – Lawyers Incorporating Service, Agent for Service: 2710 Gateway Oaks Drive, Suite
5 150N, Sacramento, CA 95833; and,
6 Corporation Service Company, dba CSC-Lawyers Incorporating Service, Agent for
7 Service: 251 Little Falls Drive, Wilmington, DE 19808.

8 9. On or about November 8, 2019, the Receiver signed a Withdrawal of Notice of
9 Defense/Request for Hearing (Withdrawal) pursuant to California Code of Regulations, title 1,
10 section 1014, subdivision (c), thereby withdrawing the Notice of Defense and request for hearing
11 previously filed, and waiving any rights to a hearing in First Amended Accusation Case No.
12 1004257.

13 10. California Code of Regulations, title 1, section 1014, subdivision (d) provides:

14 (d) When a party withdraws a notice of defense or a request for Hearing, the
15 agency shall promptly notify OAH of the agency's decision either to proceed with
16 the Hearing as a default or request that the scheduled Hearing be taken off
17 calendar as a result of the party's withdrawal of the notice of defense or request for
Hearing...

18 11. Government Code section 11506(c) states, in pertinent part:

19 (c) The respondent shall be entitled to a hearing on the merits if the respondent
20 files a notice of defense . . . and the notice shall be deemed a specific denial of all
21 parts of the accusation . . . not expressly admitted. Failure to file a notice of defense
22 . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its
discretion may nevertheless grant a hearing.

23 12. The Bureau takes official notice of its records and the fact that the Receiver on behalf
24 of Respondent withdrew the Notice of Defense, and therefore Respondent waived the right to a
hearing on the merits of First Amended Accusation No. 1004257.

25 13. California Government Code section 11520(a) states, in pertinent part:

26 (a) If the respondent either fails to file a notice of defense . . . or to appear at
27 the hearing, the agency may take action based upon the respondent's express
28 admissions or upon other evidence and affidavits may be used as evidence without
any notice to respondent

1 a. Respondent violated California Code of Regulations, title 5, section 71745 in that
2 Respondent lacks sufficient assets and financial resources as required under the Code.

3 b. Respondent violated Education Code section 94926, subdivisions. (a), (b), and (d),
4 and California Code Regulations., title 5, section 76240, for failing to notify the Bureau in
5 writing, at least 30 days prior to closing, of its intention to close its institutions or provide a
6 closure plan; offering a plan for providing teach-outs of educational programs; making
7 arrangements for refunds within 45 days from the date of closure; making arrangements for
8 refunds and returning federal student financial aid program funds; providing students information
9 concerning these programs and institutional closures; and making a plan for disposition of student
10 records.

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ORDER

IT IS SO ORDERED that Approval to Operate by means of accreditation issued to Dream Center Education Holdings, LLC, doing business as Argosy University – Orange County (main campus), Institution Code Number 3013761; Argosy University- San Francisco Bay Area (branch), Institution Code Number 91554422; Western State College of Law at Argosy University (branch), Institution Code Number 71847809; Argosy University- Los Angeles (branch), Institution Code Number 93794466; The Art Institute of California- Hollywood (branch), Institution Code Number 1921201; The Art Institute of California- San Diego (branch), Institution Code Number 3704151; The Art Institute of California- Hollywood (satellite), Institution Code Number 15594987; The Art Institute of California- Inland Empire (satellite), Institution Code Number 66099626; The Art Institute of California- San Diego (satellite), Institution Code Number 18507333; and Argosy University- Military Coast Guard (satellite), Institution Code Number 72482309, is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on _____.

It is so ORDERED _____

FOR THE DIRECTOR OF CONSUMER AFFAIRS
BUREAU FOR PRIVATE POSTSECONDARY
EDUCATION

82237688.DOCX
DOJ Matter ID:SD2019700493

Attachment:
Exhibit A: First Amended Accusation