



Bureau for Private Postsecondary Education
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APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION AFFIRMED

September 24, 2018

Herguan University, Inc.
 Herguan University
 595 Lawrence Expressway
 Sunnyvale, CA 94085

Date of Issuance	Citation Number	Institution Code
September 24, 2018	1718057	88680649

On August 10, 2018, an informal in person conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1718057 (Citation) against Herguan University, Inc, Owner of Herguan University. In attendance were Yvette Johnson, Enforcement Chief; Michele Alleger; Compliance Manager, Ying Qiu Wang, Owner and Jerry Wang, Owner's son.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1718057.

It is the decision of the Enforcement Chief that on September 12, 2018, Citation No. 1718057 is affirmed for the following reason(s):

- No new substantive facts were presented at the conference.

VIOLATION CODE SECTIONS

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p>AFFIRMED</p> <p><u>Violation:</u></p> <p>CEC 94926 (a)(b)(c)(d) - Procedures Prior to Closing, Teach-Out Plans</p> <p><i>"At least 30 days prior to closing, the institution shall notify the bureau in writing of its intention to close. The notice shall be accompanied by a closure plan, which shall include, but not necessarily be limited to, all of the following:</i></p> <p><i>(a) A plan for providing teach-outs of educational programs, including any agreements with</i></p>

any other postsecondary educational institutions to provide teach-outs.

(b) If no teach-out plan is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.

(c) If the institution is a participant in federal student aid programs, it shall provide students information concerning these programs and institutional closures.

(d) A plan for the disposition of student records.”

5, CCR 76240 (a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2) - Required Notices and Teach-Out Plan.

“All institutions, including those exempt from Bureau regulation pursuant to the Code, shall do the following prior to closing:

(a) At least 30 days prior to closing, the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. The closure plan shall include:

(1) The exact date and reason for the closure.

(2) The last date of instruction for each educational service or program.

(3) A list of students who were enrolled at any time during the 60 days prior to closure.

(4) If any student will not be provided complete educational services or the educational program, the institution shall provide:

(A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.

(B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.

(5) A plan for the disposition of student records.

(6) A plan to notify students of their rights and options under the Act and this chapter.

(b) The institution shall notify the students of the following:

(1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.

(2) If any student will not be provided complete educational services or the educational program,

information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses.”

On April 20, 2017, Institution submitted an Application for Approval to Operate an Institution Non-Accredited, application number 30133.

On April 11, 2018, the Bureau mailed a Notice of Denial of Application for Approval to Operate, for application number 30133, to the Institution at 595 Lawrence Expressway, Sunnyvale, CA 94085.

According to Bureau's records, Institution was issued an approval by means of

accreditation pursuant to California Education Code (CEC) section 94890 on May 13, 2016. On April 11, 2018, the Bureau mailed a Notice of Expiration of Approval to Operate to the Institution at 595 Lawrence Expressway, Sunnyvale, CA, 94085. The letter informed the Institution that the Bureau has received notice from ACICS that the Institutions ACICS accreditation has been revoked, effective September 12, 2017.

On May 15, 2018, the Bureau's Closed School Unit sent a school closure letter and school closure form to the Institution at 595 Lawrence Expressway, Sunnyvale, CA 94085. The letter described the information that must be provided to students and submitted to the Bureau by the Institution to ensure an orderly closure. The Bureau requested and advised the Institution to complete the form and return it to the Bureau 30 days prior to the closure of the Institution.

As of July 26, 2018, the Institution failed to submit the school closure form to the Bureau. The Closed Schools Unit tried to reach out to the Institution on various occasions via telephone (408-481-9988), but the Institution's phone is disconnected, and the Bureau has not received the required school closure form from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit a completed school closure plan to the Bureau as required by CEC section 94926 (a)(b)(c)(d) and 5, CCR 76240 (a)(1)(2)(3)(4)(A)(B)(5)(6)(b) (1)(2).

Assessment of Fine

The fine for this violation is \$5,000.00

AFFIRMED

2.

Violation:

5, CCR 74200 – Cessation of Educational Program

“Every institution shall notify the Bureau in writing at least 30 days before the institution ceases to offer to the public any educational program.”

The Institution did not notify the Bureau, in writing, of their intention to close at least 30 days prior to ceasing to offer programs in Master of Business Administration, Master of Science in Computer Science, and Master of Science in Electronics Engineering program, in violation of 5, CCR section 74200.

Assessment of Fine

The fine for this violation is \$5,000.00

AFFIRMED

3.

Violation:

CEC 94927.5 (a)(1)(2) - Provision of Records to Bureau Prior to Closing

“(a) Prior to closing, an institution shall provide the bureau with the following:

(1) Pertinent student records, including transcripts, as determined by the bureau, pursuant to

regulations adopted by the bureau.

(2) If the institution is an accredited institution, a plan for the retention of records and transcripts, approved by the institution's accrediting agency, that provides information as to how a student may obtain a transcript or any other information about the student's coursework and degrees completed."

The Institution failed to provide a plan for the retention of records and transcripts, approved by the accrediting agency, ACICS, prior to closing, as required by CEC section 94927.5 (a)(1)(2).

Order of Abatement:

The Bureau orders that the owner of the Institution provide the Bureau with the plan of retention of student records, and information on how students may obtain their records as required by CEC section 94927.5 (a)(1)(2).

Assessment of Fine

The fine for this violation is \$5,000.00

TOTAL AFFIRMED ADMINISTRATIVE FINE DUE: \$15,000.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Gurinder Sandhu, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this affirmed Citation. You *do*, however, have the right to appeal this affirmed Citation through an Administrative Hearing, *only if* you initially requested one within 30 days from the issuance date of the original citation. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of

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Citation No. 1718057 –AFFIRMED

Herguan University, Inc., Owner of Herguan University
Institution code: 88680649

Updated: 09/10/18

Part 1 of Division 3 of Title 2 of the Government Code. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

If you do not wish to appeal this affirmed Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This affirmed Citation is effective on **September 24, 2018**. The order of abatement and payment are due by **October 24, 2018**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the affirmed Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this decision or desire further information, please contact Gurinder Sandhu, Citation Analyst, at (916) 431-6940 or at Gurinder.Sandhu@dca.ca.gov.



Christina Villanueva
Discipline Manager



Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Copy of Affirmed Citation