



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

October 3, 2018

Newport International Services Corporation
Newport International University
5959 Topanga Canyon Blvd, Suite 120
Woodland Hills, CA 91367

Table with 3 columns: Date of Issuance (October 3, 2018), Citation Number (1718049), Institution Code (87487641)

On August 7, 2018 an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1718049 (Citation) against Newport International Services Corporation, Owner of Newport International University. In attendance were Yvette Johnson, Enforcement Chief; and Jay Askari, Owner.

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. 1718049

It is the decision of the Enforcement Chief that on September 12, 2018, Citation No. 1718049 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

Table with 2 columns: # (1), and description of violation: AFFIRMED Violation: 5, CCR Section 74250. Unaccredited Degree-Granting Institutions That Are Automatically Suspended. (a) If an unaccredited institution that has a provisional approval from the Bureau to offer degree programs or an unaccredited degree-granting institution that has an approved accreditation plan pursuant to section 71205.5 fails to meet the requirements of either section 94885.1 or 94885.5 of the Code or section 71205 or 71205.5 and is notified by the Bureau that their approval to operate or their

approval to offer degree programs has been automatically suspended, the institution must immediately cease enrolling students and within 30 days provide to the Bureau a degree program closure plan. The degree program closure plan shall include:

- (1) The exact date the institution stopped enrolling new students in its degree programs.
- (2) A list of contact information for all students currently enrolled in each degree program.
- (3) A teach-out plan that includes a plan for the disposition of student records and is compliant with the provisions of section 94927 of the Code.
- (4) A copy of the notification to be provided to students pursuant to subdivision (b) of this section.

(b) The institution must notify, in writing, all currently enrolled students within five business days of the following:

- (1) That the institution has received a notice of suspension from the Bureau and may no longer offer degree programs.
- (2) A teach-out plan, which shall provide, at minimum, the following information:
 - (A) The name and location of the institution(s) that is (are) providing the teach-out.
 - (B) The date upon which instruction at the teach-out institution(s) will begin.
 - (C) How and when payments will be made to the new institution and any relevant financial information.
 - (D) Whom to contact at the new institution(s).
- (3) That the student has a right to choose not to participate in the teach-out, and instead seek a refund for any classes the student is currently enrolled in or has not yet completed.

Article 15 Orderly Institutional Closure and Teach-Outs.

CEC Section 94926(a)(b)– Procedures Prior to Closing, Teach-Outs

At least 30 days prior to closing, the institution shall notify the bureau in writing of its intentions to close. The notice shall be accompanied by a closure plan, which shall include but not necessarily be limited to, all of the following:

- (a) A plan for providing teach-outs or educational programs, including any agreements with any other postsecondary educational institution 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.

5, CCR Section 76240(a)(4)(A)(B)(6) Required Notices and Teach-Out Plan

“(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.

(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.

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

CEC Section 94868 To Offer to the Public

“To offer to the public” means to advertise, publicize, solicit, or recruit.

On October 1, 2014, Newport International University (Institution) received an initial approval to operate, pursuant to CEC section 94885.1(b)(2) Accreditation Required for Degree Granting Institution Approved Prior to 1/1/ 2015. On May 4, 2017, the Bureau notified the Institution of the requirement to achieve accreditation candidacy or pre-accreditation by July 1, 2017. The Institution failed to submit the required evidence demonstrating accreditation candidacy or pre-accreditation. On July 21, 2017 pursuant to 5, CCR sections 71410 and 74250, the Bureau issued an Order Suspending Approval to Operate Degree Granting Programs, with an effective date of July 26, 2017. Within 30 days of the effective date of the order the Institution was required to submit a degree program closure plan to the Bureau for Bachelor of Science in Business Administration, Master of Business Administration and Bachelor of Psychology. On May 7, 2018, the Bureau staff reviewed the Institution's website at http://www.niu-edu.us/academics_degree_programs.asp, the Institution continues to advertise the degree programs for Bachelor of Science in Business Administration, Master of Business Administration and Bachelor of Psychology. The Bureau did not receive a written degree program closure plan, which would have included arrangements for a teach-out plan and arrangements for making refunds to the students.

Order of Abatement:

The Bureau orders that the Institution submit a completed closure plan for the degree programs to the Bureau as required by CEC section 94926 (a)(b)(d), and 5, CCR section 76240(a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2). **The Institution must discontinue recruiting or enrolling students into degree programs and cease all instructional services and advertising in any form or type of media (including the Internet website, http://www.niu-edu.us/academics_degree_programs.asp) until such time as accreditation candidacy is achieved for degree programs. The Institution must provide a roster of each student currently enrolled in the Institution's degree programs. The roster must include the names of the students, their contact information (including phone number, email address and physical address), the programs in which they are enrolled, the dates of enrollment, the amounts paid for the programs, and the amount the student were refunded.**

Assessment of Fine

The fine for this violation is \$5000.00

2. **AFFIRMED**

Violation:

CEC Section 94893. Authorization Required for Substantive Change

If an institution intends to make a substantive change to its approval to operate, the institution shall receive prior authorization from the bureau. Except as provided in subdivision (a) of Section 94896, if the institution makes the substantive change without prior bureau authorization, the institution's approval to operate may be suspended or revoked.

5, CCR Section 71650. Application for a Change in Educational Objectives.

(a) An institution seeking to change its educational objectives shall complete the "Change in

Educational Objectives” form (OBJ rev. 2/10) to obtain prior authorization. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code. For an institution approved under section 94885 of the Code it shall be signed and dated by the signatory(ies) required by section 71380, and for an institution approved under section 94890 of the Code it shall be signed and dated by the signatory(ies) required by section 71390, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, in the following form:

“I declare

(Date)

(Signature)”

On May 7, 2018, the Bureau staff reviewed the Institution’s website at http://www.niu.edu.us/academics_degree_programs.asp, and found that the Institution continues to advertise the non-degree English programs for which they are not approved. The Bureau did not receive a written non-degree program closure plan, which would have included arrangements for a teach-out plan and arrangements for making refunds to the students.

Order of Abatement:

The Bureau orders that the Institution must discontinue recruiting or enrolling students into the non-degree English programs and cease all instructional services and advertising in any form or type of media (**including the Internet website, http://www.niu.edu.us/academics_degree_programs.asp**) until such time as approval is obtained from the Bureau to offer non-degree English programs. **The Institution must provide a roster of each student currently enrolled in the non- degree English programs. The roster must include the names of the students, their contact information (including phone number, email address and physical address), the programs in which they are enrolled, the dates of enrollment, the amounts paid for the programs, and the amount the student were refunded.**

Assessment of Fine

The fine for this violation is \$50.00

3. **AFFIRMED**
Violation:
5, CCR Section 74120 (a-d) – Annual Report
“(a) The annual report required by section 94934 of the Code shall include the information required by section 94929.5 and 94934 for all educational programs offered in the prior

calendar year. (b) In addition to the information required by section 94934 and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution. (c) An institution shall file its annual report by December 1st. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval. (d) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the online form provided on the Bureau's website, electronically attaching, as directed, the School Performance Fact Sheet, the enrollment agreement, and the school catalog".

CEC 94934(a)(1-9) - Annual Report

"(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

- (1) The total number of students enrolled by level of degree or for a diploma.
- (2) The number of degrees, by level, and diplomas awarded.
- (3) The degree levels and diplomas offered.
- (4) The Student Performance Fact Sheet, as required pursuant to Section 94910.
- (5) The school catalog, as required pursuant to Section 94909.
- (6) The total charges for each educational program by period of attendance.
- (7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.
- (8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.
- (9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter".

As of June 12, 2018, the Bureau has not received an annual report for the year 2016 from the Institution. The Institution failed to electronically file its 2016 annual report.

Order of Abatement:

The Bureau orders the Institution to submit its 2016 annual report and compliant with 5, CCR section 74120. The Institution shall submit the annual report via the Bureau website at www.bppe.ca.gov.

Assessment of Fine

The fine for this violation is **\$5,000.00**

MODIFIED

4. **Violation:**

5, CCR Section 74006(a) and (b) - Annual Fee

"(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval. (b) An institution shall pay its annual fee in addition to any other applicable fees."

CEC Section 94930.5 (d)(1)(A) - Fee Schedule

(d) (1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following:

(A) An annual fee for each campus designated by the institution as a main campus location in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

CEC 94931(a) or (b) - Late Payment

"(a) A fee that is not paid on or before the 30th calendar day after the due date for the payment of the fee shall be subject to 25 percent late payment penalty fee."

"(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee."

The Institution has failed to pay its annual fee for 2016 and 2017.

On September 1, 2016, the Institution was notified via mail (invoice # 900316272) at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the annual fee for calendar year 2016 was due on October 1, 2016. As of June 12, 2018, the Bureau has not received the annual fee from the Institution.

On November 15, 2016, the Institution was mailed a delinquency notification (invoice # 900317864) via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the annual fee for calendar year 2016 was due on October 1, 2016. As of June 12, 2018, the Bureau has not received the annual fee from the Institution.

On September 1, 2017, the Institution was notified via mail (invoice #900327829) at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the annual fee for calendar year 2017 was due on October 1, 2017. As of June 12, 2018, the Bureau has not received the annual fee from the Institution.

On November 15, 2017, the Institution was mailed a delinquency notification (invoice # 900329533) via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the annual fee for calendar year 2017 was due on October 1, 2017. As of June 12, 2018, the Bureau has not received the annual fee from the Institution.

On January 16, 2018, the Institution was mailed a delinquency notification (invoice # 900329533) via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the annual fee for calendar year 2017 was due on October 1, 2017. As of June 12, 2018, the Bureau has not received the annual fee from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit its annual fees for calendar year 2017 in accordance with 5, CCR section 74006(a) (b) and CEC section 94930.5(d)(1)(A). In addition, the Institution, must pay all late payment penalty fees in accordance with CEC section 94931.5.

Assessment of Fine

The fine for this violation is \$0.00

Reason for modification: The Institution submitted its annual fee for calendar year 2016 but still failure to submit annual fee for calendar year 2017.

5. **MODIFIED**

Violation:

5, CCR Section 76130 (a- e)- Collection and Submission of Assessments

"(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.

(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

(c) The STRF Assessment Reporting Form shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and

(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and

(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and

(4) The total number of students who signed their enrollment agreement in a previous reporting

period, were eligible for STRF, and who made their first payment during the current reporting period; and

(5) Total amount of institutional charges after rounding each student's institutional charges to the nearest \$1,000, for all eligible STRF students whose STRF assessment was collected in the reporting period; and

(6) Current contact telephone number of the person preparing the form; and

(7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.

(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.

(e) Submission of all prior reports and assessments required by this section is a condition of renewal."

The Institution has failed to submit STRF Assessment Reporting Forms for the following quarters: 1st, 2nd and 4th quarter of 2015, 1st and 3rd quarter of 2016, and 1st, 2nd, 3rd and 4th quarter of 2017.

On April 1, 2015, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for the 1st quarter of 2015 was due. As of June 12, 2018, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On July 1, 2015, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for the 2nd quarter of 2015 was due. As of June 12, 2018, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On January 4, 2016, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Form for 4th quarter of 2015 was due. As of June 12, 2018, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On April 1, 2016, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for the 1st quarter of 2016 was due. As of June 12, 2018, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On October 3, 2016, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for the 3rd quarter of 2016 was due. As of June 12, 2018, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On April 3, 2017, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for the 1st quarter of 2017 was due. As of June 12, 2018, the Bureau has not received the STRF Assessment

Reporting Form from the Institution.

On June 29, 2017, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for 2nd quarter of 2017 was due. As of June 12, 2018, of this citation the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On October 2, 2017, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for the 3rd quarter of 2017 was due. As of June 12, 2018, of this citation the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On January 2, 2018, the Institution was notified via mail at 5959 Topanga Canyon Blvd., Suite 120, Woodland Hills, CA 91367 that the STRF Assessment Reporting Forms for 4th quarter of 2017 was due. As of June 12, 2018, of this citation the Bureau has not received the STRF Assessment Reporting Form from the Institution.

Order of Abatement:

The Bureau orders that the Institution submit the delinquent STRF Assessment Reporting Forms from students for the quarters listed above. The Institution shall also submit the student information to substantiate the data reported on the STRF Assessment Reporting Form(s). The information provided shall comply with "Record Keeping Requirements" pursuant to 5, CCR section 76140.

Reason for modification: The Institution submitted the delinquent STRF Assessment Reporting Forms for the students for the quarters listed above.

The administrative fine for this violation has been modified from \$50.00 to \$00.00.

TOTAL ADMINISTRATIVE FINE DUE: \$10,050.00

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 modified Citation. You *do*, however, have the right to appeal this modified 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 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 modified 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 modified Citation is effective on **October 3, 2018**. The order of abatement and payment are due by **November 2, 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 Modified 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 Modified Citation
- Withdrawal- Request for Administrative Hearing