

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

In the Matter of the Accusation Against:

UNIVERSITY OF ANTELOPE VALLEY

Main Location

44055 North Sierra Highway

Lancaster, CA 93534

Institution Code: 1936081

BPPE Case No.: BPPE23-0677

Respondent.

DECISION AND ORDER

The attached Stipulated Surrender of Approval to Operate an Accredited Institution and Order is hereby accepted and adopted by the Director of the Department of Consumer Affairs as the Decision in the above-entitled matter.

This Decision shall become effective on June 18, 2024.

It is so ORDERED June 14, 2024.

"Original Signature on File"

RYAN MARCROFT
Deputy Director, Legal Affairs Division
Department of Consumer Affairs

1 ROB BONTA
Attorney General of California
2 THOMAS L. RINALDI
Supervising Deputy Attorney General
3 HEATHER VO
Deputy Attorney General
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Attorneys for Complainant
7

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

12 In the Matter of the Accusation Against:

Case No. BPPE23-0677

13 **UNIVERSITY OF ANTELOPE VALLEY**

14 Main Location
44055 North Sierra Highway
Lancaster, CA 93534

15 Institution Code Number: 1936081

16 Respondent.

17 **STIPULATED SURRENDER OF**
APPROVAL TO OPERATE AN
ACCREDITED INSTITUTION AND
ORDER

18
19 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
20 entitled proceedings that the following matters are true:

21 **PARTIES**

22 1. Deborah Cochran (Complainant) is the Chief of the Bureau for Private
23 Postsecondary Education (Bureau). She brought this action solely in her official capacity and is
24 represented in this matter by Rob Bonta, Attorney General of the State of California, by Heather
25 Vo, Deputy Attorney General.

26 2. University of Antelope Valley is owned by University of Antelope Valley, Inc.
27 University of Antelope Valley Inc., is owned by Genius Group Limited. Roger Hamilton is the
28 Chief Executive Officer of both University of Antelope Valley, Inc. and Genius Group Limited.

1 Unless otherwise stated, University of Antelope Valley is “Respondent,” and University of
2 Antelope Valley, Inc., Genius Group Limited, and Roger Hamilton collectively are referenced in
3 this Stipulated Surrender of Approval to Operate an Accredited Institution and Order as
4 “Respondent Owners.” Respondent and Respondent Owners are represented in this proceeding by
5 attorney Julie W. O’Dell, Esq., whose address is: 19800 MacArthur Blvd., Suite 300, Irvine,
6 California 92612.

7 3. On or about November 24, 1997, the Bureau issued a Full Approval to Operate to
8 Respondent. On June 22, 2010, the Bureau issued an Approval to Operate an Accredited
9 Institution¹ Code Number 1936081 to Respondent. The Approval to Operate an Accredited
10 Institution was in full force and effect at all times relevant to the charges brought herein and will
11 expire on February 1, 2028, unless renewed.

12 **JURISDICTION**

13 4. Accusation case number BPPE23-0677 was filed before the Director of the
14 Department of Consumer Affairs (Director), and is currently pending against Respondent. The
15 Accusation and all other statutorily required documents were properly served on Respondent on
16 March 7, 2024. Respondent timely filed its Notice of Defense contesting the Accusation. A copy
17 of Accusation case number BPPE23-0677 is attached as Exhibit A and incorporated by reference.

18 **ADVISEMENT AND WAIVERS**

19 5. Respondent has carefully read, fully discussed with counsel, and understands the
20 charges and allegations in Accusation case number BPPE23-0677. Respondent also has carefully
21 read, fully discussed with counsel, and understands the effects of this Stipulated Surrender of
22 Approval to Operate an Accredited Institution and Order.

23 6. Respondent is fully aware of its legal rights in this matter, including the right to a
24 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine
25 the witnesses against it; the right to present evidence and to testify on its own behalf; the right to
26 the issuance of subpoenas to compel the attendance of witnesses and the production of

27
28 ¹ Obtaining approval by means of accreditation requires that the institution’s owner has
accreditation through an accredited agency recognized by the United States Department of
Education.

1 documents; the right to reconsideration and court review of an adverse decision; and all other
2 rights accorded by the California Administrative Procedure Act and other applicable laws.

3 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
4 every right set forth above.

5 **CULPABILITY OF UNIVERSITY OF ANTELOPE VALLEY**

6 8. Respondent agrees that cause may exist for discipline and hereby voluntarily
7 surrenders its Approval to Operate an Accredited Institution Code Number 1936081 for the
8 Bureau's formal acceptance.

9 9. Furthermore, Respondent understands and agrees that the charges and allegations in
10 Accusation Case No. BPPE23-0677, if presented at a hearing, may constitute cause for imposing
11 discipline and hereby voluntarily surrenders its Approval to Operate an Accredited Institution
12 Code Number 1936081 for the Bureau's formal acceptance. For the purpose of resolving the
13 Accusation without the expense and uncertainty of further proceedings, Respondent agrees that,
14 at a hearing, Complainant might be able to establish a factual basis for the charges in the
15 Accusation, and that Respondent hereby gives up its right to contest those charges.

16 10. Respondent understands that by signing this stipulation it enables the Director to issue
17 the order accepting the surrender of its Approval to Operate an Accredited Institution Code
18 Number 1936081 without further process.

19 **CONTINGENCY**

20 11. This stipulation shall be subject to approval by the Director or the Director's designee.
21 Respondent understands and agrees that counsel for Complainant and the staff of the Bureau for
22 Private Postsecondary Education may communicate directly with the Director and staff regarding
23 this stipulation and surrender, without notice to or participation by Respondent or its counsel. By
24 signing the stipulation, Respondent understands and agrees that it may not withdraw the
25 agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon
26 it. If the Director fails to adopt this stipulation as the Decision and Order, the Stipulated
27 Surrender of Approval to Operate an Accredited Institution and Order shall be of no force or
28

1 effect, except for this paragraph, it shall be inadmissible in any legal action between the parties,
2 and the Director shall not be disqualified from further action by having considered this matter.

3 12. The parties understand and agree that Portable Document Format (PDF) and facsimile
4 copies of this Stipulated Surrender of Approval to Operate an Accredited Institution and Order,
5 including PDF and facsimile signatures thereto, shall have the same force and effect as the
6 originals.

7 13. This Stipulated Surrender of Approval to Operate an Accredited Institution and Order
8 is intended by the parties to be an integrated writing representing the complete, final, and
9 exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous
10 agreements, understandings, discussions, negotiations, and commitments (written or oral). This
11 Stipulated Surrender of Approval to Operate an Accredited Institution and Order may not be
12 altered, amended, modified, supplemented, or otherwise changed except by a writing executed by
13 an authorized representative of each of the parties.

14 14. In consideration of the foregoing stipulations, the parties agree that the Director may,
15 without further notice or formal proceeding, issue and enter the following Order:

16 **ORDER**

17 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above
18 entitled proceedings that the Approval to Operate an Accredited Institution Code No. 1936081
19 issued to Respondent, is surrendered and accepted by the Director.

20 1. The surrender of Respondent's Approval to Operate an Accredited Institution and the
21 acceptance of this surrender by the Director (Stipulation) shall constitute the imposition of
22 discipline against Respondent. This Stipulation constitutes a record of the discipline and shall
23 become a part of Respondent's license history with the Bureau.

24 2. Respondent shall lose all rights and privileges as a Bureau approved private
25 postsecondary educational institution in California as of the effective date of the order.

26 3. **Cost Recovery.** Respondent Owners shall pay the Bureau its costs of investigation
27 and enforcement in the amount of \$28,654.31 within forty-five (45) days of the effective date of
28

1 the order. Should Respondent ever apply for approval to operate in the future, such approval to
2 operate shall not be issued unless this amount is paid in full.

3 4. **Financial Report.** Within forty-five (45) days of the effective date of the order,
4 Respondent shall provide to the Bureau a comprehensive financial report detailing payments
5 made by or on behalf of each currently enrolled student. This breakdown should include cash
6 payments, third-party payments, private loans, scholarships, financial aid, and any other source of
7 funding. Also, within forty-five (45) days of the effective date of the order, Respondent shall
8 provide a complete report of all credit balances owed to students. The report shall include the
9 student's full name, enrollment date, and status (i.e., active, graduated, withdrawn, leave of
10 absence, etc.).

11 5. **Contact Information.** Within forty-five (45) days of the effective date of the order,
12 Respondent shall update its institutional contact information, including its Agent for Service of
13 Process, Custodian of Records, general contact person, and institution physical and mailing
14 address.

15 6. **Student Roster and Enrollment Agreements.** Within forty-five (45) days of the
16 effective date of the order, Respondent shall provide to the Bureau a student roster containing the
17 student's full name, mailing address, program, and payment information for students who
18 attended University of Antelope Valley within the last 120 days prior to February 29, 2024.
19 Further, Respondent shall provide the signed and executed enrollment agreement for each student
20 listed on the student roster.

21 7. **Student Records.** Within forty-five (45) days of the effective date of the order,
22 Respondent shall provide the location where all student records are maintained. Respondent shall
23 ensure student access to those records and shall not charge any fee to obtain an unofficial or
24 official student record. Respondent shall at its own expense digitize all student records.

25 8. **Student Refunds:**

26 a. Respondent shall process and Respondent Owners shall fund a total refund of
27 all institutional charges of defaulted enrollment agreements directly to all eligible University of
28 Antelope Valley students who were enrolled at University of Antelope Valley on or after

1 November 1, 2023 through February 29, 2024, the date of University of Antelope Valley's
2 closure, exclusive of students who at the time of default were able to complete their program
3 either at the University of Antelope Valley or at another institution at no additional charge to the
4 student beyond the amount of total charges in the original enrollment agreement. Those refunds
5 shall include: (i) cash payments made by a student to University of Antelope Valley; (ii)
6 payments made to University of Antelope Valley for the benefit of a student by a third party; (iii)
7 private student loan payments made by a lender to University of Antelope Valley pursuant to a
8 loan taken by a student; (iv) cash scholarship payments made to University of Antelope Valley by
9 a third-party for a particular student; (v) and any other cash payment made by or for the benefit of
10 a student, excluding federal or state loans and grants.

11 b. Respondent shall mail the refunds to students at their addresses of record no
12 later than six (6) months after execution of the Stipulation. Respondent shall email all eligible
13 students and place a notice on its website advising students of refund timing and directing
14 students to notify University of Antelope Valley of their current mailing address.

15 c. Respondent shall set up a post office box for return delivery.

16 d. Respondent Owners shall retain an independent monitor who has no prior
17 relationship with Respondent and subject to Bureau approval, that will attest to the Bureau that
18 Respondent: 1) appropriately calculated the refunds to eligible students; 2) prepared refund
19 checks for each student containing the proper amount of refund; and 3) mailed those refund
20 checks to students on or before the applicable deadline. The independent monitor will also control
21 the University of Antelope Valley post-office box, hold any returned checks, and report to Bureau
22 within 60 days of mailing any refund checks returned to University of Antelope Valley.

23 e. Respondent shall cancel any returned checks and issue payment to the Bureau
24 for the amount of the returned checks within 30 days of the independent monitor's report.

25 9. **Payments.** Respondent Owners shall be a party to this Stipulation, and shall be a
26 signatory to this Stipulation. Respondent Owner Genius Group Limited shall make all payments
27 required in this Stipulation on behalf of Respondent Owners.
28

10. **Attorney's Fees.** If either any party brings any action in any forum to enforce this Stipulation or any of its terms, the prevailing party shall be entitled to reasonable attorney's fees incurred in connection with such action.

11. **New Application.** If Respondent or Respondent Owners ever file an application for an Approval to Operate in the State of California, the Bureau shall treat it as a new application for Approval to Operate. Respondent or Respondent Owners understand that if they should ever reapply for a new Approval to Operate with the Bureau, all the charges contained in Accusation No. BPPE23-067 shall be deemed as causes for imposing discipline and for the purpose of any Statement of Issues or any other proceeding seeking to deny or restrict licensure.

12. **Compliance.** Respondent must comply with all the laws, regulations and procedures for licensure in effect at the time the application is filed, and all of the charges and allegations contained in Accusation case number BPPE23-0677 shall be deemed to be true, correct and admitted by Respondent when the Bureau determines whether to grant or deny the application. If Respondent fails to comply with any part of this Stipulated Surrender of Approval to Operate an Accredited Institution and Order, the Bureau shall deny the application.

ACCEPTANCE

I have carefully read the above Stipulated Surrender of Approval to Operate an Accredited Institution and Order and have fully discussed it with my attorney, Julie W. O'Dell, Esq. I understand the stipulation and the effect it will have on my Approval to Operate an Accredited Institution. I enter into this Stipulated Surrender of Approval to Operate an Accredited Institution and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Director of the Department of Consumer Affairs.

DATED: _____

Signature Page Attached

UNIVERSITY OF ANTELOPE VALLEY
Respondent

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DATED: June 4, 2024

DocuSigned by:
Roger Hamilton
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UNIVERSITY OF ANTELOPE VALLEY,
INC.
GENIUS GROUP LIMITED
ROGER HAMILTON, CEO
Respondent Owners

I have read and fully discussed with Respondent and Respondent Owners the terms and conditions and other matters contained in this Stipulated Surrender of Approval to Operate an Accredited Institution and Order. I approve its form and content.

DATED: June 4, 2024

Julie W. O'Dell

JULIE W. O'DELL, Esq.
Attorney for Respondent and Respondent Owners

ENDORSEMENT

The foregoing Stipulated Surrender of Approval to Operate an Accredited Institution and Order is hereby respectfully submitted for consideration by the Director of the Department of Consumer Affairs.

DATED: June 5, 2024

Respectfully submitted,
ROB BONTA
Attorney General of California
THOMAS L. RINALDI
Supervising Deputy Attorney General

Heather Vo

HEATHER VO
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation Case No. BPPE23-0677

1 ROB BONTA
Attorney General of California
2 THOMAS L. RINALDI
Supervising Deputy Attorney General
3 HEATHER VO
Deputy Attorney General
4 State Bar No. 223418
300 So. Spring Street, Suite 1702
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Attorneys for Complainant
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8 **BEFORE THE**
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. BPPE23-0677

13 **UNIVERSITY OF ANTELOPE VALLEY**

ACCUSATION

14 Main Location
44055 North Sierra Highway
Lancaster, CA 93534

15 Institution Code Number: 1936081

16 Respondent.
17

18 **PARTIES**

19
20 1. Deborah Cochrane (Complainant) brings this Accusation solely in her official
21 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
22 Consumer Affairs.

23 2. On or about November 24, 1997, the Bureau for Private Postsecondary Education
24 (“Bureau”) issued an Approval to Operate an Accredited Institution¹ Code Number 1936081 to
25 University of Antelope Valley, Inc. The Approval to Operate an Accredited Institution was in
26 full force and effect at all times relevant to the charges brought herein and will expire on

27 ¹ Obtaining approval by means of accreditation requires that the institution’s owner has
28 accreditation through an accredited agency recognized by the United States Department of
Education.

1 February 1, 2028, unless renewed. University of Antelope Valley is owned by University of
2 Antelope Valley, Inc. University of Antelope Valley Inc., is owned by Genius Group Limited.
3 Roger Hamilton is the Chief Executive Officer of both University of Antelope Valley, Inc. and
4 Genius Group Limited. Unless otherwise stated, University of Antelope Valley, University of
5 Antelope Valley Inc., Genius Group Limited, and Roger Hamilton collectively are referenced in
6 this Accusation as “Respondent.”

7 **JURISDICTION**

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

11 4. Section 118, subdivision (b) of the Business and Professions Code provides that the
12 suspension, expiration, surrender, cancellation of a license shall not deprive the Director of
13 jurisdiction to proceed with a disciplinary action during the period within which the license may
14 be renewed, restored, reissued or reinstated.

15 5. Section 94933 of the Code states:

16 "The bureau shall provide an institution with the opportunity to remedy noncompliance,
17 impose fines, place the institution on probation, or suspend or revoke the institution's approval to
18 operate, in accordance with this article, as it deems appropriate based on the severity of an
19 institution's violations of this chapter, and the harm caused to students."

20 6. Section 94937 of the Code states, in pertinent part:

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

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

26 (2) A material violation or repeated violations of this chapter or regulations adopted
27 pursuant to this chapter that have resulted, or may result, in harm to students. For purposes of this
28 paragraph, “material violation” includes, but is not limited to, misrepresentation, fraud in the

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

4

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 7. California Code of Regulations, title 5, section 75100:

10 "(a) The Bureau may suspend, revoke or place on probation with terms and conditions an
11 approval to operate.

12 "(b) 'Material violation' as used in section 94937 of the Code includes committing any act
13 that would be grounds for denial under section 480 of the Business and Professions Code.

14 "(c) The proceedings under this section shall be conducted in accordance with Article 10
15 (commencing with Section 11445.10) of Chapter 4.5 or Chapter 5 (commencing with Section
16 11500) of Part 1 of Division 3 of Title 2 of the Government Code, as requested by the institution."

17 8. California Code of Regulations, title 5, section 75150 states, in pertinent part:

18

19 “(d) To the extent practicable and to the extent that prior notice will not increase the
20 likelihood of immediate danger to the public health, safety, or welfare, the Bureau shall, not less
21 than 48-hours prior to the effective date of the emergency decision, give notice of an emergency
22 decision to a person listed in section 71130(a) or 71135. Such notice may be given personally, by
23 telephone, email, fax, or mail, and shall inform the person of the emergency decision and its
24 effective date; the manner in which the person may request an opportunity to be heard before the
25 Director, or his or her designee, prior to the effective date of the emergency decision; the right to
26 judicial review of the decision; and the process by which the decision may be resolved pursuant
27 to section 75100(c) and section 11460.60 of the Government Code.”

28

1 12. Section 94894 of the Code states, in pertinent part:

2 "The following changes to an approval to operate are considered substantive changes and
3 require prior authorization:

4

5 "(g) A significant change in the method of instructional delivery."

6

7 13. Section 94897 of the Code states, in pertinent part:

8 "An institution shall not do any of the following:

9

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

14

15 "(2) Information or records relating to the student's eligibility for student financial aid at the
16 institution.

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

18

19 “(m) Direct any individual to perform an act that violates this chapter, to refrain from
20 reporting unlawful conduct to the bureau or another government agency, or to engage in any
21 unfair act to persuade a student not to complain to the bureau or another government agency.

22

23 “(t) Require a prospective, current, or former student or employee to sign a nondisclosure
24 agreement pertaining to their relationship to, or experience with, the institution, except that an
25 institution may use a nondisclosure agreement to protect the institution’s intellectual property and
26 trade secrets. Any nondisclosure agreement in violation of this section is void and not enforceable
27 at law or in equity.

28 . . .

1 “(u) Fail to maintain policies related to compliance with this chapter or adhere to the
2 institution’s stated policies.”

3

4 14. Section 94898 of the Code states, in pertinent part:

5

6 “(c) If an institution enrolls a student in an educational program that is conducted at a
7 specific site at the time of enrollment, the institution shall not convert the educational program to
8 another method of delivery, such as by means of distance education. This subdivision does not
9 apply to an educational program that also includes a distance education component, if the student
10 is notified during the enrollment process, in writing, that the program contains a distance
11 education component.”

12

13 15. Section 94900.5 of the Code states, in pertinent part:

14

15 “(c) Any other records required to be maintained by this chapter, including, but not limited
16 to, records maintained pursuant to Article 16 (commencing with Section 94928).”

17

18 16. Section 94919 of the Code states, in pertinent part:

19 “(a) An institution that participates in the federal student financial aid programs complies
20 with this article by complying with applicable regulations of the federal student financial aid
21 programs under Title IV of the federal Higher Education Act of 1965.”

22

23 17. Section 94929 of the Code states, in pertinent part:

24 “(a) An institution shall annually report to the bureau, as part of the annual report, and
25 publish in its School Performance Fact Sheet, the completion rate for each program. Except as
26 provided in subdivision (b), the completion rate shall be calculated by dividing the number of on-
27 time graduates by the number of students available for graduation.”

28

1 significant equipment. The form shall be submitted to the Bureau along with the appropriate fee
2 as provided in Section 94930.5(c) of the Code. For an institution approved under section 94885 of
3 the Code, it shall be signed and dated by the signatory(ies) required by section 71380, and for an
4 institution approved under section 94890 of the Code, it shall be signed and dated by the
5 signatory(ies) required by section 71390, and each fact stated therein and each attachment thereto
6 shall be declared to be true under penalty of perjury, in the following form:

7 “I declare under penalty of perjury under the laws of the State of California that the
8 foregoing and all attachments are true and correct.”

9 _____	_____
10 (Date)	(Signature)

11

12 21. California Code of Regulations, title 5, section 71730 states, in pertinent part:

13

14 “(f) The institution shall employ administrative personnel who have the expertise to ensure
15 the achievement of the institution's mission and objectives and the operation of the educational
16 programs.”

17

18 22. California Code of Regulations, title 5, section 71735 states, in pertinent part:

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

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

27 (2) The institution shall establish that the equipment used for instruction or provided to a
28 student is not obsolete and is sufficient for instructional purposes to reasonably assure that a

1 student acquires the necessary level of education, training, skill, and experience to obtain
2 employment in the field of training and to perform the tasks associated with the occupation or job
3 title to which the educational program was represented to lead.”

4

5 23. California Code of Regulations, title 5, section 71745 states, in pertinent part:

6 “(a) The institution shall document that it has at all times sufficient assets and financial
7 resources to do all of the following:

8 (1) Provide all of the educational programs that the institution represented it would provide.

9 (2) Ensure that all students admitted to its educational programs have a reasonable
10 opportunity to complete the programs and obtain their degrees or diplomas.

11 (3) Maintain the minimum standards required by the Act and this chapter.

12 (4) Pay timely refunds as required by Article 13 of the Act.

13 (5) Pay all operating expenses due within 30 days.

14 (6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the
15 end of the most recent fiscal year when using generally accepted accounting principles, or for an
16 institution participating in Title IV of the federal Higher Education Act of 1965, meet the
17 composite score requirements of the U.S. Department of Education. For the purposes of this
18 section, current assets does not include: intangible assets, including goodwill, going concern
19 value, organization expense, startup costs, long-term prepayment of deferred charges, and non-
20 returnable deposits, or state or federal grant or loan funds that are not the property of the
21 institution but are held for future disbursement for the benefit of students. Unearned tuition shall
22 be accounted for in accordance with general accepted accounting principles.”

23

24 24. California Code of Regulations, title 5, section 71930 states, in pertinent part:

25

26 “(e) All records that the institution is required to maintain by the Act or this chapter shall be
27 made immediately available by the institution for inspection and copying during normal business
28 hours by the Bureau and any entity authorized to conduct investigations.”

29

1 25. California Code of Regulations, title 5, section 74110 states, in pertinent part:

2

3 “(b) In addition to the information required by section 94934 of the Code and this section
4 provided under penalty of perjury, the institution shall have annual financial statements prepared
5 for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard
6 copy under separate cover of such statements in conjunction with its annual report. The form,
7 content and mode of preparation of financial statements shall comply with Section 74115 of this
8 Division. The Bureau may request that the institution immediately make available for inspection
9 to a representative of the Bureau, these financial statements at the offices of the institution.”

10

11 **CODE OF FEDERAL REGULATIONS**

12 26. Code of Federal Regulations, title 34, section 668.164 states, in pertinent part:

13 “(h) Title IV, HEA credit balances.

14 (1) A title IV, HEA credit balance occurs whenever the amount of title IV, HEA program
15 funds credited to a student's ledger account for a payment period exceeds the amount assessed the
16 student for allowable charges associated with that payment period as provided under paragraph
17 (c) of this section.

18 (2) A title IV, HEA credit balance must be paid directly to the student or parent as soon as
19 possible, but no later than—

20 (i) Fourteen (14) days after the balance occurred if the credit balance occurred after the first
21 day of class of a payment period; or

22 (ii) Fourteen (14) days after the first day of class of a payment period if the credit balance
23 occurred on or before the first day of class of that payment period.”

24

25 **COST RECOVERY**

26 27. Section 94937, subdivision (c), provides that the Bureau may seek reimbursement
27 costs of investigation and enforcement pursuant Business and Professions Code section 125.3.

28

1 institutional programs, cease all instruction in all institutional programs, cease the collection of
2 tuition and fees for all institutional programs, and cease operation of all degree programs.

3 **FIRST CAUSE FOR DISCIPLINE**

4 **(Failure to Demonstrate Possession of Sufficient Financial Resources)**

5 37. Respondent is subject to disciplinary action under Code sections 94885, subdivision
6 (a), and 94937, subdivision (a)(2), in conjunction with California Code of Regulations, title 5,
7 sections 75100 and 71745, subdivisions (a)(1-6), in that Respondent failed to maintain sufficient
8 financial resources to pay operating expenses. The circumstances are as follows:

9 a. **California Code of Regulations, title 5, section 71745(a)(1) and(a)(2):** Respondent
10 failed to maintain sufficient financial resources to retain the facilities where it offered its
11 educational programs on-ground, which refers to no hybrid or distance education elements. As a
12 result, Respondent was evicted from its instructional sites and have suspended on-ground
13 instruction for all programs. Due to insufficient financial resources, Respondent cannot provide
14 all the educational programs that the institution represented it would provide. Additionally,
15 Respondent failed to ensure all students admitted have a reasonable opportunity to complete the
16 programs and obtain their degrees or diplomas.

17 b. **California Code of Regulations, title 5, section 71745(a)(4):** Respondent failed to
18 provide credit balance refunds to students. Specifically, Respondent prepared checks to disburse
19 payments to students, then failed to distribute to students because Respondent lacked funding to
20 support the checks.

21 c. **California Code of Regulations, title 5, section 71745(a)(5):** Respondent failed to
22 document that it had sufficient financial resources to pay all operating expenses within 30 days.
23 Respondent demonstrated that it did not have sufficient assets to pay rent, timely and fully pay its
24 faculty, or make timely refunds to students and government agencies, such as the CSAC.

25 d. **California Code of Regulations, title 5, section 71745(a)(6):** Respondent failed to
26 provide financial statements demonstrating that it met the minimum composite score
27 requirements for the ED. Respondent's audited financial statements for the year ending
28 December 31, 2022 showed a 0.7 composite score.

1 Complainant refers to, and by this reference incorporates, the allegations set forth above in
2 paragraphs 29-36, as though set forth fully herein.

3 **SECOND CAUSE FOR DISCIPLINE**

4 **(Violation of Credit Balance Refunds to Students)**

5 38. Respondent is subject to disciplinary action under Code sections 94919, subdivision
6 (a), and 94937, subdivision (a)(2), in conjunction with Code of Federal Regulations, title 34,
7 section 668.164, subdivision (h), and in conjunction with California Code of Regulations, title 5,
8 section 75100, in that Respondent failed to timely provide Title IV credit balance refunds to
9 students. Respondent prepared checks to disburse to students, but then failed to distribute them
10 because Respondent lacked funding to support the checks. In sum, Respondent failed to pay
11 credit balance refunds to 396 students within 14 days.

12 Complainant refers to, and by this reference incorporates, the allegations set forth above in
13 paragraphs 29-36, as though set forth fully herein.

14 **THIRD CAUSE FOR DISCIPLINE**

15 **(Untrue or Misleading Statements)**

16 39. Respondent is subject to disciplinary action under Code sections 94897, subdivision
17 (j)(2) and (j)(3), and 94937, subdivision (a)(2), in conjunction with California Code of
18 Regulations, title 5, section 75100, in that Respondent made untrue or misleading statements as
19 follows:

20 a. On or around February 9, 2024, Respondent made misleading statements when it
21 informed the ED that it prepared checks for all students with credit balances. However, on
22 February 16, 2024, Chief Financial Officer Cecilia Pineda took possession of the dated checks to
23 prevent the distribution of them to students.

24 b. Additionally, Respondent's Financial Aid Director Kevin Hoover, made an untrue
25 statement regarding Respondent's financial aid eligibility by stating that Respondent is currently
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1 under no restriction from the ED in regard to federal aid disbursements to students. In fact,
2 Respondent had been placed on HCM1³, which is an ED restriction.

3 Complainant refers to, and by this reference incorporates, the allegations set forth above in
4 paragraphs 29-36, as though set forth fully herein.

5 **FOURTH CAUSE FOR DISCIPLINE**

6 **(Prohibited Business Practices - Nondisclosure Agreements)**

7 40. Respondent is subject to disciplinary action under Code sections 94897, subdivisions
8 (m) and (t), and 94937, subdivision (a)(2), in conjunction with California Code of Regulations,
9 title 5, section 75100, in that Respondent required its staff members to sign nondisclosure
10 agreements. Respondent's nondisclosure agreement required employees to provide Respondent
11 at least 10 days prior notice before disclosing confidential information, including financial,
12 personnel, and business matters to the Bureau, oversight entities, or government agencies to
13 enable Respondent to oppose the disclosure or seek others protections in court.

14 Complainant refers to, and by this reference incorporates, the allegations set forth above in
15 paragraphs 29-36, as though set forth fully herein.

16 **FIFTH CAUSE FOR DISCIPLINE**

17 **(Prohibited Business Practices – Failure to Follow Institution Policy)**

18 41. Respondent is subject to disciplinary action under Code sections 94897, subdivision
19 (u), and 94937, subdivision (a)(2), in conjunction with California Code of Regulations, title 5,
20 section 75100, in that Respondent failed to follow its own institutional policy in issuing Title IV
21 credit balance disbursements/refunds two weeks after the negative balance is adjusted by the
22 financial administrator.

23 Complainant refers to, and by this reference incorporates, the allegations set forth above in
24 paragraphs 29-36, as though set forth fully herein.

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27 ³ Under the HCM1 method of payment, after a school makes disbursements to eligible
28 students from institutional funds and submits disbursement records to the Common Origination
and Disbursement System, it draws down FSA funds to cover those disbursements in the same
way as a school on the Advance Payment Method.

1 **SIXTH CAUSE FOR DISCIPLINE**

2 **(Merger of Classes, Converting Method of Delivery, Changing Locations)**

3 42. Respondent is subject to disciplinary action under Code sections 94898, subdivision
4 (c), and 94937, subdivision (a)(2), in conjunction with California Code of Regulations, title 5,
5 section 75100, in that on or around February 28, 2024, Respondent transitioned all of its degree
6 program students from on-ground instruction to fully online programs without obtaining requisite
7 approval from students and the Bureau as required.

8 Complainant refers to, and by this reference incorporates, the allegations set forth above in
9 paragraphs 29-36, as though set forth fully herein.

10 **SEVENTH CAUSE FOR DISCIPLINE**

11 **(Making Substantive Changes without Prior Authorization)**

12 43. Respondent is subject to disciplinary action under Code sections 94893, 94894,
13 subdivision (g), and 94937, subdivision (a)(2), in conjunction with California Code of
14 Regulations, title 5, sections 75100, and 71600, subdivision (a), in that Respondent made
15 substantive changes to its approval to operate without obtaining prior authorization as required.
16 Specifically, Respondent reported that its on-ground instructions have changed to online courses
17 without Bureau authorization.

18 Complainant refers to, and by this reference incorporates, the allegations set forth above in
19 paragraphs 29-36, as though set forth fully herein.

20 **EIGHTH CAUSE FOR DISCIPLINE**

21 **(Failure to Report Notice of Investigation by an Oversight Entity)**

22 44. Respondent is subject to disciplinary action under Code sections 94934.5, subdivision
23 (a), and 94937, subdivision (a)(2), in conjunction with California Code of Regulations, title 5,
24 section 75100, in that Respondent failed to report to the Bureau the additional oversight imposed
25 by the WSCUC, ED, and CSAC as follows:

26 a. Respondent failed to notify the Bureau within 30 days of being placed on probation
27 by the WSCUC. Respondent was placed on probation on August 14, 2023 and did not notify the
28 Bureau until September 19, 2023.

1 b. Respondent was placed on HCM2 on December 11, 2023 by the ED and failed to
2 notify the Bureau within 30 days of the ED's increased oversight.

3 c. Respondent was placed on the At-Risk Program on January 23, 2024 by the CSAC
4 and failed to notify the Bureau within 30 days as required.

5 Complainant refers to, and by this reference incorporates, the allegations set forth above in
6 paragraphs 29-36, as though set forth fully herein.

7 **NINTH CAUSE FOR DISCIPLINE**

8 **(Violation of Administration Requirements)**

9 45. Respondent is subject to disciplinary action under Code sections 94885, subdivision
10 (a)(5) and 94937, subdivision (a)(2), in conjunction with California Code of Regulations, title 5,
11 sections 75100 and 71730, subdivision (f), in that multiple members of Respondent's
12 administrative staff have resigned. Respondent does not have sufficient administrative personnel
13 who have the expertise to ensure the continuing operation of its educational programs.

14 Complainant refers to, and by this reference incorporates, the allegations set forth above in
15 paragraphs 29-36, as though set forth fully herein.

16 **TENTH CAUSE FOR DISCIPLINE**

17 **(Violation of Facilities and Equipment)**

18 46. Respondent is subject to disciplinary action under Code section 94937, subdivision
19 (a)(2), in conjunction with California Code of Regulations, title 5, sections 75100 and 71735,
20 subdivision (a), in that Respondent is involved in unlawful detainer action on its properties by
21 which it agreed to vacate various properties by February 29, 2024. Respondent indicated that its
22 instruction has moved offsite from Respondent's campus to online instruction. Respondent's
23 certificate programs offered are for on-ground instruction, and are not suitable for distance
24 education. Thus, Respondent does not have sufficient facilities and necessary equipment to
25 support on-ground instruction.

26 Complainant refers to, and by this reference incorporates, the allegations set forth above in
27 paragraphs 29-36, as though set forth fully herein.
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1 **ELEVENTH CAUSE FOR DISCIPLINE**

2 **(Failure to Maintain Required Institutional Records)**

3 47. Respondent is subject to disciplinary action under Code sections 94900.5, subdivision
4 (c), and 94937, subdivision (a)(2), in conjunction with California Code of Regulations, title 5,
5 sections 75100 and 71930, subdivision (e), in that during the course of the Bureau's investigation,
6 Respondent failed on multiple occasions to respond to requests for information in a timely
7 manner and make records immediately available for inspection.

8 Complainant refers to, and by this reference incorporates, the allegations set forth above in
9 paragraphs 29-36, as though set forth fully herein.

10 **TWELFTH CAUSE FOR DISCIPLINE**

11 **(Failure to Submit 2018-2020 Annual Report)**

12 48. Respondent is subject to disciplinary action under Code sections 94929, subdivision
13 (a), 94934, subdivision (a), and 94937, subdivision (a)(2), in conjunction with California Code of
14 Regulations, title 5, sections 75100 and 74110, subdivision (b), in that Respondent failed to
15 provide their Financial Statements as part of its Annual Report submissions for the years 2018,
16 2019, and 2020 as required.

17 Complainant refers to, and by this reference incorporates, the allegations set forth above in
18 paragraphs 29-36, as though set forth fully herein.

19 **PRAYER**

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

23 1. Revoking or suspending the Approval to Operate an Accredited Institution Code
24 Number 1936081 issued to University of Antelope Valley with University of Antelope Valley,
25 Inc., Genius Group Limited, and Roger Hamilton, CEO as owners.

26 2. Ordering Respondent to pay the Bureau for Private Postsecondary Education the
27 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
28 Professions Code section 125.3; and,

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3. Taking such other and further action as deemed necessary and proper.

DATED: 3/6/2024

"Original signature on file"
DEBORAH COCHRANE
Chief
Bureau for Private Postsecondary
Education
Department of Consumer Affairs
State of California
Complainant

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