

SETTLEMENT AGREEMENT AND RELEASE (AGREEMENT)

This Settlement Agreement and Release (Settlement Agreement) is entered into by San Diego University of Integrative Studies (Petitioner or SDUIS) and Division of Legal Affairs, Department of Consumer Affairs et. al. (Respondents or collectively “the Bureau”). SDUIS and the Bureau shall sometimes be referred to as “the parties.”

I. RECITALS

This Settlement Agreement is made with reference to the following facts:

A. On April 1, 1999, the Bureau granted Petitioner full approval to operate as San Diego University of Integrative Studies, Institution Code Number 3711111. On January 1, 2015, the Bureau acknowledged that Petitioner was operating an approved unaccredited institution that offers one or more degree programs. On July 1, 2015, the Bureau received Petitioner’s accreditation plan indicating Petitioner sought to achieve accreditation of its degree granting programs. In order to continue to offer programs in this capacity, Petitioner was required to comply with California Education Code § 94885.1 and provide evidence of strong progress towards achieving accreditation.

B. On December 7, 2021, the Bureau issued an order suspending the degree granting programs after determining Petitioner had not made strong progress towards obtaining accreditation (12/7/21 Suspension Order).

C. A dispute has arisen between Petitioner and Respondents concerning their respective rights and obligations arising from the Bureau’s Approval to Operate degree granting programs and the Bureau’s 12/7/21 Suspension Order.

D. Legal actions or claims concerning the parties’ respective rights and obligations have since been taken or filed by Petitioner. These include, but are not necessarily limited to:

1. A Petition for Writ of Administrative Mandate (Code Civ. Proc., § 1094.5), filed by Petitioner in San Diego County Superior Court Case No. 37-2022-00006167-CU-MC-CTL on or about February 18, 2022 (Writ Petition);
2. A Notice of Entry of Order granting a Partial Stay of the 12/7/21 Suspension Order on March 3, 2022.

E. Proceedings took place on the Writ Petition. Both parties filed briefs and oral argument occurred on October 14, 2022. On or about November 2, 2022, the court (Judge Eddie C. Sturgeon) issued an Order Denying Petitioner’s Writ of Mandate (11/2/22 Order).

F. On or about March 10, 2023, the Court held further oral argument on the Writ Petition. In an Order dated March 16, 2023, the Court again denied Petitioner’s peremptory writ of mandate, and dismissed the complaint for declaratory relief, injunctive relief and damages. (3/16/23 Order).

G. On March 29, 2023, Petitioner filed a Notice of Motion and Motion for Reconsideration and a separate Motion for Leave to File a Verified First Amended Complaint was filed March 17, 2023. Both motions remain pending with hearing dates of October 6, 2023.

H. On April 11, 2023, the trial court entered judgment denying the peremptory writ of mandamus and dismissing the complaint for declaratory relief, injunctive relief, and damages. The court also dissolved its March 3, 2022 partial stay and affirmed the Bureau's 12/7/21 Suspension Order as of the date of entry of judgment. On April 19, 2023, Respondents filed a Notice of Entry of the April 11, 2023 Judgment.

I. On June 8, 2023, Respondents filed an Order to Show Cause re Contempt in the trial court. That motion remains pending with a hearing date of December 1, 2023.

J. On June 8, 2023, SDUIS filed a Notice of Appeal of the Judgment denying the Writ Petition entered on April 19, 2023 in the trial court. That appeal was assigned Case No. D082393 by the Fourth District Court of Appeal, Division 1.

K. On July 7, 2023, Petitioner filed a Petition for Writ of Supersedeas seeking a stay of the Judgment and of the 12/7/21 Suspension Order limited to the provision that prohibits Petitioner from teaching out approximately 40 students currently enrolled in degree granting programs.

II. TERMS AND CONDITIONS

A. Incorporation of Recitals: The Parties agree the Recitals set forth above are true and correct to the best of the Parties' knowledge and incorporate the Recitals into the body of this Agreement.

The parties have reached a settlement and compromise of the dispute between them. This Settlement Agreement is given and accepted for the purposes of compromising disputed claims and avoiding the expense, inconvenience, and uncertainty of litigation. Nothing in this Settlement Agreement, nor any consideration given pursuant to it, shall constitute or be deemed an admission of any act, omission, liability, obligation, or damages of any party. The terms on which the parties agree to settle their dispute are as follows.

B. Global Settlement:

This is a global settlement. Petitioner will immediately file a Request for Dismissal of its appeal of the Judgment filed April 8, 2023, and withdraw its Writ of Supersedeas filed July 7, 2023. Petitioner will also withdraw and take off calendar its Motion for Reconsideration filed March 29, 2023, and its Motion for Leave to file a First Amended Complaint filed March 17, 2023. The Bureau will withdraw and take off calendar the Notice of Motion and Motion of Respondents' Order to Show Cause re: Contempt filed June 8, 2023. This global settlement agreement is made subject to following conditions:

1. Teach-Out:

The Bureau shall continue to permit SDUIS to teach-out students enrolled in degree granting programs suspended by the Suspension Order which became effective on December 7, 2021. SDUIS is allowed to teach-out these programs until December 31, 2024. SDUIS shall not continue instruction in any degree granting program after December 31, 2024, including any other activities required for graduation. The teach-out is limited solely to degree granting program students enrolled at the time of the 12/7/21 Suspension Order. SDUIS shall not enroll any new or prospective students into any degree granting program. This temporary teach-out shall expire effective December 31, 2024.

2. Student Roster and Transcripts:

Within thirty (30) days of this Settlement Agreement, SDUIS shall provide to the Bureau the following: A current student roster (with all information noted below) and transcript for each student currently enrolled in a degree granting program.

Within thirty (30) days of the end of a student's program, SDUIS shall provide an updated transcript for each graduating student, which includes completion of all courses, thesis, etc. and any other requirements needed for graduation. For purposes of this provision, the student roster shall include, all the following in clearly labeled and organized columns:

- a) Student name
- b) Student address
- c) Student email address (non-school issued, if available)
- d) Student phone number
- e) Educational program in which the student is enrolled
- f) Original enrollment date
- g) Scheduled graduation date
- h) Visa status
- i) Total cost of the program for which the student is enrolled
- j) Total fees paid, to date, by or on behalf of the student for the degree granting program

All transcripts provided must comply with Education Code section 94900(b) and Title 5, California Code of Regulations, Title 5, section 71920(b)(5).

3. Enrollment Agreement:

Within thirty (30) days of the signed stipulated settlement, SDUIS shall provide the Bureau a copy of the executed enrollment agreement for each currently enrolled degree granting program student.

4. Advertising of Degree Granting Programs:

Within forty-five (45) days of the signed stipulated settlement, SDUIS shall: remove, and or cease, all references to degree granting programs, which includes but is not limited to advertising, website, catalog, etc. and shall provide a statement attesting to compliance with this term.

5. Degree Program Course Offerings:

Ten (10) days prior to the beginning of a new quarter, SDUIS shall provide the class schedule for all students in the teach-out to the Bureau. The schedule must include all course titles, class session meeting times, method of instruction, and assigned faculty.

6. Notice to Students:

Within five (5) days of the signed stipulated settlement, SDUIS shall provide to each currently enrolled student the attached notice approved by the Bureau prior to the signing of this settlement that contains all of the following:

- a) A statement that the student may choose to accept the teach-out agreement for the degree granting program in which they were enrolled prior to the Suspension Order. Each student must agree to complete the degree granting program requirements before December 31, 2024, which includes completing all courses, thesis, etc., and any other requirements needed for graduation by December 31, 2024, without exception.
- b) A statement that the student may choose to accept the teach-out agreement, and that the student has a right to choose not to participate in the teach-out, but instead seek a refund for any classes the students is currently enrolled in or has not yet completed.
- c) A statement that SDUIS has entered into a stipulated settlement with the Bureau.
- d) A link to a copy of the stipulated settlement in the file hosting service "Dropbox."
- e) A statement that the Office of Student Assistance and Relief has been tasked by the State of California with supporting private

postsecondary education students who have questions or concerns and is available to support SDUIS students. Contact information for the Office shall be included in the notice.

- f) An acknowledgement statement to be signed and dated by each student, under penalty of perjury, that indicates they have reviewed the notice, have reviewed the stipulated settlement signed by SDUIS and have selected one of two options listed in (a) or (b).

7. Delivery of Documents:

Within thirty (30) days of the signed stipulated settlement, SDUIS shall email the Bureau all signed and dated notices for each student in the teach-out. SDUIS shall email all documents set forth in this agreement to bppe.discipline@dca.ca.gov and the Bureau shall confirm receipt by emailing studentservices@sduis.edu.

8. Refunds:

SDUIS shall provide the Bureau evidence they have refunded each student who requested a refund as described in 6.b. Each refund shall be made in compliance with California Code of Regulations, Title 5, section 71750.

9. Revocation of Institution Approval to Operate:

This stipulated settlement is contingent upon SDUIS's full compliance with all terms in this settlement. If SDUIS fails to satisfy terms 1 through 8 of this agreement, SDUIS's Approval to Operate shall be revoked effective five days after email notification from the Bureau. SDUIS hereby waives any right to appeal the revocation of SDUIS's Approval to Operate Institution Code Number 3711111, including but not limited to, requesting a hearing pursuant to Education Code section 94940, and seeking reconsideration, judicial review, injunctive or other relief.

10. Degree Program Application to the Bureau: After December 31, 2024 or as soon as the last degree student graduates or is no longer enrolled, SDUIS may apply to the Bureau for approval of degree programs pursuant to Education Code section 94885.5. SDUIS may not enroll any student who was on its roster as of December 7, 2021 in any degree program that may be subsequently approved unless SDUIS provides proof that student obtained their degree.

11. Cost of Suit. Each party agrees to bear its own costs and attorneys' fees.

TERMS OF RELEASE

1. Petitioner, on behalf of itself and heirs, successors, principals, officers, members, shareholders, creditors, and assigns, now and forever releases and discharges Respondents, and their respective spouses, heirs, successors, principals, officers, members, shareholders, creditors, and assigns, from any and all claims, demands, losses, expenses, damages, injuries, liabilities, obligations, actions, and causes of action of any nature, whether known or unknown, suspected or unsuspected, arising out of or related to any claim that was asserted or could have been asserted in any of the actions identified in Recital D as of this date.
2. This release extends to and includes any and all claims, demands, losses, expenses, damages, injuries, liabilities, obligations, actions, and causes of action that Petitioner does not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future.

PETITIONER EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

3. Petitioner represents and warrants that it has considered the possibility that claims, demands, losses, expenses, damages, injuries, liabilities, obligations, actions, or causes of action that it does not presently know or suspect to exist in its favor may develop, accrue, or be discovered in the future, and that it is voluntarily assuming that risk.
4. Petitioner covenants and agrees that it will not make, assert, or maintain any claim, demand, action, or cause of action that is discharged by this Settlement Agreement against any party named or described in this Settlement Agreement. Petitioner agrees to indemnify, defend, and hold each Respondent, and its, his, or her successors in interest, harmless against any claim, demand, damage, liability, action, cause of action, cost, or expense, including attorneys' fees, resulting from a breach of the covenant in this paragraph.

GENERAL CONDITIONS

1. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Settlement Agreement, including Portable Document Format (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.
2. This Settlement Agreement is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement.

It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Settlement Agreement may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.


3. Each party represents and warrants that s/he/it has consulted with and relied upon legal counsel, or has had the opportunity to consult legal counsel, concerning the parties' settlement and execution of this Settlement Agreement. Each party further represents and warrants that s/he/it is relying solely upon his, her or its own investigation, knowledge, information, belief, and judgment, or the advice of the party's own attorney, and not upon any statements, opinions, or representations of any other party or the party's attorney(s), employee(s), or agent(s).


The undersigned affirm that they have read this Settlement Agreement, understand all of its terms, and execute it voluntarily and with full knowledge of its significance.

Dated: 8.6.23 
CEO for *Petitioner*

Dated: 8/10/23 
Deborah Cochrane, for
Respondents,

The undersigned affirm that they have read this Settlement Agreement, discussed it with their respective clients, and approve its form and content.

Dated: 8.6.23 
George A. Shohet, Esq. *Attorney*
for Appellant/Petitioner

Dated: 8/10/23 
Dionne Mochon
Kristen T. Dalessio
Deputies Attorney General
Attorneys for Respondents