

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

In the Matter of the Accusation Against:

AMERICAN INNOVATION UNIVERSITY, formerly, SILICON VALLEY UNIVERSITY

2010 Fortune Drive

San Jose, CA 95131

Institution Code: 42693428

BPPE Case No.: BPPE22-673

OAH Case No.: 2024070829

Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order for Public Reproval 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 April 23, 2025.

It is so ORDERED March 18, 2025.

"Original Signature on File"

RYAN MARCROFT
DEPUTY DIRECTOR, LEGAL AFFAIRS DIVISION
DEPARTMENT OF CONSUMER AFFAIRS

1 ROB BONTA
Attorney General of California
2 JOSHUA A. ROOM
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7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. BPPE22-673

12 **AMERICAN INNOVATION**
13 **UNIVERSITY, formerly SILICON**
14 **VALLEY UNIVERSITY**
2010 Fortune Drive
15 San Jose, CA 95131

OAH No. 2024070829

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER FOR PUBLIC
REPROVAL

16 **Institution Code Number 42693428**

[Bus. & Prof. Code § 495]

17 Respondent.

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 Cochrane (Complainant) is the Chief of the Bureau for Private
23 Postsecondary Education. 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 Carter
25 Ott, Deputy Attorney General.

26 2. Respondent American Innovation University, formerly known as Silicon Valley
27 University, is represented in this proceeding by David C. Lee and Natalie M. Cuadros, Nossaman
28 LLP, 50 California St 34th floor, San Francisco, CA 94111.

1 **JURISDICTION**

2 2. On or about May 24, 2021, the Bureau for Private Postsecondary Education (Bureau)
3 issued Approval to Operate an Institution Non-Accredited Institution Code Number 42693428
4 (Approval to Operate) to Silicon Valley University, a California corporation. On or about May 7,
5 2024, the Bureau approved Silicon Valley University's request to change its name to American
6 Innovation University (Respondent). Respondent's Approval to Operate was in full force and
7 effect at all times relevant to the charges brought herein, and will expire on May 24, 2026, unless
8 renewed.

9 3. Accusation Number BPPE22-673 was filed before the Director of the Department of
10 Consumer Affairs (Director), for the Bureau for Private Postsecondary Education (Bureau), and is
11 currently pending against Respondent. The Accusation and all other statutorily required
12 documents were properly served on Respondent on or about June 27, 2024. A copy of
13 Accusation Number BPPE22-673 is attached as Exhibit A and incorporated herein by reference.

14 4. Respondent timely filed its Notice of Defense contesting the Accusation. On or about
15 November 15, 2024, Respondent provided documents and other information responding to the
16 causes for discipline alleged in Accusation Number BPPE22-673.

17 **ADVISEMENT AND WAIVERS**

18 5. Respondent has carefully read, fully discussed with counsel, and understands the
19 charges and allegations in Accusation Number BPPE22-673. Respondent has also carefully read,
20 fully discussed with counsel, and understands the effects of this Stipulated Settlement and
21 Disciplinary Order for Public Reproval.

22 6. Respondent is fully aware of its legal rights in this matter, including the right to a
23 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
24 its own expense; the right to confront and cross-examine the witnesses against it; the right to
25 present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel
26 the attendance of witnesses and the production of documents; the right to reconsideration and
27 court review of an adverse decision; and all other rights accorded by the California
28 Administrative Procedure Act and other applicable laws.

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

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in the Second, Cause for Discipline in Accusation Number BPPE22-673.

9. With regard to the First, Third, Fourth, and Fifth Causes for Discipline alleged in Accusation Number BPPE22-673, Respondent understands and agrees that those charges and allegations, if proven at a hearing, constitute cause for imposing discipline upon its Approval to Operate. For the purpose of resolving the Accusation without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual basis for the First, Third, Fourth, and Fifth Causes for Discipline, and that Respondent hereby gives up its right to contest those charges.

10. Respondent agrees that its Approval to Operate is subject to discipline and agrees to be bound by the Disciplinary Order below.

CONTINGENCY

11. This stipulation shall be subject to approval by the Director of the Department of Consumer Affairs or the Director's designee. Respondent understands and agrees that counsel for Complainant and the staff of the Bureau may communicate directly with the Director and staff of the Department of Consumer Affairs regarding this stipulation and settlement, without notice to or participation by Respondent or its counsel. By signing the stipulation, Respondent understands and agrees that it may not withdraw its agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon it. If the Director fails to adopt this stipulation as the Decision and Order, the Stipulated Settlement and Disciplinary Order for Public Reprimand shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Director shall not be disqualified from further action by having considered this matter.

///

///

1 12. The parties understand and agree that Portable Document Format (PDF) and facsimile
2 copies of this Stipulated Settlement and Disciplinary Order for Public Reproval, including PDF
3 and facsimile signatures thereto, shall have the same force and effect as the originals.

4 13. This Stipulated Settlement and Disciplinary Order for Public Reproval is intended by
5 the parties to be an integrated writing representing the complete, final, and exclusive embodiment
6 of their agreement. It supersedes any and all prior or contemporaneous agreements,
7 understandings, discussions, negotiations, and commitments (written or oral). This Stipulated
8 Settlement and Disciplinary Order for Public Reproval may not be altered, amended, modified,
9 supplemented, or otherwise changed except by a writing executed by an authorized representative
10 of each of the parties.

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

14 **DISCIPLINARY ORDER**

15 IT IS HEREBY ORDERED that Approval to Operate an Institution Non-Accredited
16 Institution Code Number 42693428, held by Respondent American Innovation University shall be
17 publicly reproved by the Bureau for Private Postsecondary Education (Bureau), pursuant to
18 Business and Professions Code section 495, in resolution of Accusation Number BPPE22-673,
19 attached as Exhibit A.

20 **Pending and New Applications.** Within 15 days of the effective date of the Decision,
21 Respondent shall withdraw its current application for Change in Educational Objectives related to
22 the Master of Science in Computer Science (MSCS) degree program. If Respondent does not
23 withdraw the application, the Bureau shall deny the application. Respondent hereby waives its
24 right to appeal that denial.

25 In addition, for a period of two years after the effective date of the Decision, Respondent
26 shall not apply to the Bureau for any new programs pursuant to Education Code section 94885.5.

27 **Cost Recovery.** No later than 90 days after the effective date of the Decision, Respondent
28 shall pay \$17,990.13 to the Bureau for its costs associated with the investigation and enforcement

1 of this matter pursuant to Business and Professions Code Section 125.3. If Respondent fails to
2 pay the Bureau costs as ordered, Respondent shall not be allowed to renew its Approval to
3 Operate an Institution Non-Accredited Institution Code Number 42693428 until Respondent pays
4 costs in full. In addition, the Bureau may enforce this order for payment of its costs in any
5 appropriate court, in addition to any other rights the Bureau may have.

6 **Full Compliance.** As a resolution of the charges in Accusation Number BPPE22-673, this
7 stipulated settlement is contingent upon Respondent's full compliance with all conditions of this
8 Order. If Respondent fails to satisfy any of these conditions, such failure to comply constitutes
9 cause for discipline, including outright revocation, of Approval to Operate an Institution Non-
10 Accredited Institution Code Number 42693428.

11 **ACCEPTANCE**

12 I am authorized, as Respondent American Innovation University's Chief Executive Officer
13 and Chief Financial Officer, to enter into this stipulation on behalf of Respondent American
14 Innovation University. I have carefully read the Stipulated Settlement and Disciplinary Order for
15 Public Reproval and have fully discussed it with my counsel, David C. Lee. I understand the
16 stipulation and the effect it will have on Institution Non-Accredited Institution Code Number
17 42693428. I enter into this Stipulated Settlement and Disciplinary Order for Public Reproval
18 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
19 Director of the Department of Consumer Affairs.

20
21 DATED: _____

22 JERRY SHIAO
23 Chief Executive Officer and Chief Financial
24 Officer, on behalf of
25 AMERICAN INNOVATION UNIVERSITY;
26 *Respondent*
27
28

1 I have read and fully discussed with Jerry Shiao, Respondent American Innovation
2 University's Chief Executive Officer and Chief Financial Officer, the terms and conditions and
3 other matters contained in the Stipulated Settlement and Disciplinary Order for Public Reapproval.
4 I approve its form and content.

5
6 DATED: _____

7 DAVID C. LEE
8 NOSSAMAN LLP
9 *Attorney for Respondent*


10 **ENDORSEMENT**

11 The foregoing Stipulated Settlement and Disciplinary Order for Public Reapproval is hereby
12 respectfully submitted for consideration by the Director of the Department of Consumer Affairs.

13 DATED: February 3, 2025

14 Respectfully submitted,

15 ROB BONTA
16 Attorney General of California
17 JOSHUA A. ROOM
18 Supervising Deputy Attorney General

19 

20 CARTER OTT
21 Deputy Attorney General
22 *Attorneys for Complainant*

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28


1 of this matter pursuant to Business and Professions Code Section 125.3. If Respondent fails to
2 pay the Bureau costs as ordered, Respondent shall not be allowed to renew its Approval to
3 Operate an Institution Non-Accredited Institution Code Number 42693428 until Respondent pays
4 costs in full. In addition, the Bureau may enforce this order for payment of its costs in any
5 appropriate court, in addition to any other rights the Bureau may have.

6 **Full Compliance.** As a resolution of the charges in Accusation Number BPPE22-673, this
7 stipulated settlement is contingent upon Respondent's full compliance with all conditions of this
8 Order. If Respondent fails to satisfy any of these conditions, such failure to comply constitutes
9 cause for discipline, including outright revocation, of Approval to Operate an Institution Non-
10 Accredited Institution Code Number 42693428.

11 **ACCEPTANCE**

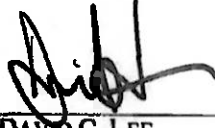
12 I am authorized, as Respondent American Innovation University's Chief Executive Officer
13 and Chief Financial Officer, to enter into this stipulation on behalf of Respondent American
14 Innovation University. I have carefully read the Stipulated Settlement and Disciplinary Order for
15 Public Repeval and have fully discussed it with my counsel, David C. Lee. I understand the
16 stipulation and the effect it will have on Institution Non-Accredited Institution Code Number
17 42693428. I enter into this Stipulated Settlement and Disciplinary Order for Public Repeval
18 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
19 Director of the Department of Consumer Affairs.

20
21 DATED: 2/3/2025


22 JERRY SHIAO
23 Chief Executive Officer and Chief Financial
24 Officer, on behalf of
25 AMERICAN INNOVATION UNIVERSITY;
26 Respondent
27
28

1 I have read and fully discussed with Jerry Shiao, Respondent American Innovation
2 University's Chief Executive Officer and Chief Financial Officer, the terms and conditions and
3 other matters contained in the Stipulated Settlement and Disciplinary Order for Public Reproval.
4 I approve its form and content.

5
6 DATED: 2/3/25


7 DAVID C. LEE
8 NOSSAMAN LLP
9 Attorney for Respondent

10 **ENDORSEMENT**

11 The foregoing Stipulated Settlement and Disciplinary Order for Public Reproval is hereby
12 respectfully submitted for consideration by the Director of the Department of Consumer Affairs.

13
14 DATED: _____

Respectfully submitted,

15 ROB BONTA
16 Attorney General of California
17 JOSHUA A. ROOM
18 Supervising Deputy Attorney General

19 CARTER OTT
20 Deputy Attorney General
21 Attorneys for Complainant

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Exhibit A

Accusation No. BPPE22-673

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Supervising Deputy Attorney General
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9 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
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14 **AMERICAN INNOVATION**
15 **UNIVERSITY, formerly SILICON**
VALLEY UNIVERSITY
2010 Fortune Drive
16 San Jose, CA 95131

ACCUSATION

17 **Approval to Operate Institution Non-**
18 **Accredited Number 42693428**

19 Respondent.

20 **PARTIES**

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

24 2. On or about May 24, 2021, the Bureau for Private Postsecondary Education (Bureau)
25 issued Approval to Operate an Institution Non-Accredited Institution Code Number 42693428 to
26 Silicon Valley University, a California corporation. On or about May 7, 2024, the Bureau
27 approved Silicon Valley University's request to change its name to American Innovation

28 ////

1 University (Respondent). Respondent's Approval to Operate was in full force and effect at all
2 times relevant to the charges brought herein, and will expire on May 24, 2026, unless renewed.

3 **JURISDICTION**

4 3. This Accusation is brought before the Director of the Department of Consumer
5 Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the
6 following laws. All section references are to the Education Code unless otherwise indicated.

7 4. Section 94875 states, in part:

8 "... The bureau shall regulate private postsecondary educational institutions through the
9 powers granted, and duties imposed, by this chapter. . . ."

10 5. Section 94876 states, in part:

11 "(a) The powers and duties set forth in this chapter are vested in the Director of Consumer
12 Affairs, who may delegate them to a bureau chief, subject to the provisions of this section. The
13 bureau chief shall work in collaboration with the director. The director is responsible for the
14 implementation of this chapter and he or she shall ensure that the protection of the public is the
15 bureau's highest priority.

16 . . .

17 "(c) Each power granted to, or duty imposed upon, the bureau under this chapter shall be
18 exercised and performed in the name of the bureau, subject to any conditions and limitations the
19 director may prescribe. The bureau chief may delegate any powers or duties to a designee.

20 . . ."

21 6. Section 94885, subdivision (a) states, in part:

22 "(a) The bureau shall adopt by regulation minimum operating standards for an institution
23 that shall reasonably ensure that all of the following occur:

24 "(1) The content of each educational program can achieve its stated objective.

25 . . .

26 "(3) The facilities, instructional equipment, and materials are sufficient to enable students to
27 achieve the educational program's goals.

28 . . .

1 “(5) The directors, administrators, and faculty are properly qualified.

2 ...

3 “(8) Adequate records and standard transcripts are maintained and are available to students.

4 “(9) The institution is maintained and operated in compliance with this chapter and all other
5 applicable ordinances and laws.”

6 7. Section 94886 states:

7 “Except as exempted in Article 4 (commencing with Section 94874) or in compliance with
8 the transition provisions in Article 2 (commencing with Section 94802), a person shall not open,
9 conduct, or do business as a private postsecondary educational institution in this state without
10 obtaining an approval to operate under this chapter.”

11 8. Section 94932 states:

12 “The bureau shall determine an institution's compliance with the requirements of this
13 chapter. The bureau shall have the power to require reports that institutions shall file with the
14 bureau in addition to the annual report, to send staff to an institution's sites, and to require
15 documents and responses from an institution to monitor compliance. When the bureau has reason
16 to believe that an institution may be out of compliance, it shall conduct an investigation of the
17 institution. If the bureau determines, after completing a compliance inspection or investigation,
18 that an institution has violated any applicable law or regulation, the bureau shall take appropriate
19 action pursuant to this article.”

20 **STATUTORY AND REGULATORY PROVISIONS**

21 9. Section 94834 states:

22 “‘Distance education’ means transmission of instruction to students at a location separate
23 from the institution.”

24 10. Section 94893 states:

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

1 11. Section 94894, subdivision (f) states:

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

4 ...

5 "(f) A change of name."

6 12. Section 94897, subdivisions (j)(2) and (q) state:

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

8 ...

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

13 ...

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

16 ...

17 "(q) In any manner commit fraud against, or make a material untrue or misleading
18 statement to, a student or prospective student under the institution's authority or the pretense or
19 appearance of the institution's authority."

20 13. Section 94913, subdivisions (a)(3) and (a)(4) state:

21 "(a) An institution that maintains an internet website shall provide on that internet website
22 all of the following:

23 ...

24 "(3) Student brochures offered by the institution.

25 "(4) A link to the bureau's internet website."

26 14. Section 94937, subdivision (a)(2) states:

27 "(a) As a consequence of an investigation, which may incorporate any materials obtained or
28 produced in connection with a compliance inspection, and upon a finding that an institution has

1 committed a violation, the bureau may place an institution on probation or may suspend or revoke
2 an institution's approval to operate for:

3 . . .

4 “(2) A material violation or repeated violations of this chapter or regulations adopted
5 pursuant to this chapter that have resulted, or may result, in harm to students. For purposes of this
6 paragraph, “material violation” includes, but is not limited to, misrepresentation, fraud in the
7 inducement of a contract, and false or misleading claims or advertising, upon which a student
8 reasonably relied in executing an enrollment agreement and that resulted, or may result, in harm
9 to the student.”

10 15. California Code of Regulations, title 5, section 71630 states, in part:

11 “(a) An institution seeking to change its name shall complete the ‘Change of Name’ form
12 (NAME rev. 2/10) to obtain prior authorization. The form shall be submitted to the Bureau along
13 with the appropriate fee as provided in Section 94930.5(c) of the Code. For an institution
14 approved under section 94885 of the code it shall be signed and dated by the signatory(ies)
15 required by section 71380, for an institution approved under section 94890 of the code it shall be
16 signed and dated by the signatory(ies) required by section 71390, and each fact stated therein and
17 each attachment thereto shall be declared to be true under penalty of perjury, in the following
18 form:

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

21 “(Date)

22 “(Signature)’

23 “(b) The application shall include:

24 “(1) The name, school code, address, and telephone and fax numbers of the institution;

25 “(2) The proposed new name;

26 “(3) A detailed explanation of the reasons for the proposed change in name;

27 “(4) Copies of advertising and other statements to be disseminated to the public in any
28 manner by the institution or its representatives that announce or use the proposed name;

1 “(5) The name, address, email address, and telephone and fax numbers of the institution's
2 contact person for the purpose of this application; and

3 “(6) Any additional information required by the Bureau pursuant to section 71340.

4 “...”

5 16. California Code of Regulations, title 5, section 71710 states, in part:

6 “(a) In order to meet its mission and objectives, the educational program defined in Section
7 94837 of the Code shall be comprised of a curriculum that includes:

8 ...

9 “(3) Course or module materials that are designed or organized by duly qualified faculty.

10 For each course or module, each student shall be provided with a syllabus or course outline that
11 contains:

12 ...

13 “(C) Length of the educational program;

14 “(D) Sequence and frequency of lessons or class sessions;

15 ...

16 “(4) If degree granting, require research of an appropriate degree that utilizes a library and
17 other learning resources;

18 “(5) Specific learning outcomes tied to the sequence of the presentation of the material to
19 measure the students' learning of the material; and

20 “(6) Evaluation by duly qualified faculty of those learning outcomes.”

21 17. California Code of Regulations, title 5, section 71715 states, in part:

22 ...

23 “(c) Direct instruction requires the physical presence of one or more students and one or
24 more faculty members at the same location. Direct instruction includes instruction presented in a
25 classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning
26 settings consistent with the mission, purposes, and objectives of the institution.

27 “(d) Distance education as defined in section 94834 of the Code, does not require the
28 physical presence of students and faculty at the same location but provides for interaction

1 between students and faculty by such means as telecommunication, correspondence, electronic
2 and computer augmented educational services, postal service, and facsimile transmission. In
3 addition to the other requirements of this chapter and the Act, an institution offering distance
4 education shall:

5 . . .

6 “(3) ensure that the materials and programs are current, well organized, designed by faculty
7 competent in distance education techniques and delivered using readily available, reliable
8 technology;

9 . . .

10 “(5) maintain clear standards for satisfactory academic progress;

11 “(6) timely complete student evaluations of learning outcomes by duly qualified faculty,
12 which are appropriate for use with the distance education methods used, and evaluated by duly
13 qualified faculty.

14 “(7) employ a sufficient number of faculty to assure that (A) the institution's response to, or
15 evaluation of, each student lesson is returned to the student within 10 days after the lesson is
16 received by the institution; and (B) the institution's response to, or evaluation of, each student
17 project or dissertation is returned to the student within the time disclosed in the catalog; and

18 “(8) shall maintain a record of the dates on which lessons, projects, and dissertations were
19 received and responses were returned to each student.”

20 18. California Code of Regulations, title 5, section 71740, subdivision (d)(2) states:

21 “(d) An institution that depends for library and other learning resources primarily on other
22 institutions' collections and resources not in its possession shall do all of the following:

23 . . .

24 “(2) Provide students and faculty with access to the regular services of a professional
25 librarian or information specialist experienced in the electronic retrieval of information, who shall
26 provide support for faculty in curriculum matters and actively serve as a resource guide for both
27 graduate and undergraduate students.”

28 ////

1 19. California Code of Regulations, title 5, section 74117 states:

2 "In addition to the requirement in Section 94913(b) of the Code, an institution that
3 maintains a website shall provide on the homepage of that website clear and conspicuous links to
4 all the items required in Section 94913(a) of the Code."

5 **COST RECOVERY**

6 20. Section 94937, subdivision (a) states that the "bureau may seek reimbursement
7 pursuant to Section 125.3 of the Business and Professions Code."

8 21. Business and Professions Code section 125.3 provides, in part, that the Bureau may
9 request the administrative law judge to direct a licentiate found to have committed a violation or
10 violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation
11 and enforcement of the case, with failure of the licentiate to comply subjecting the license to not
12 being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs
13 may be included in a stipulated settlement.

14 **PART I – RESPONDENT'S WEBSITE**

15 22. Respondent maintains a website for its school, located at www.svuca.org.
16 Respondent's website, in part, reads "Full Financial Aid Available." But Respondent is not
17 accredited and therefore financial aid is not available to cover student tuition.

18 23. In addition, a review of Respondent's website showed that it does not contain student
19 brochures provided by Respondent as well as a link to the Bureau's website.

20 **FIRST CAUSE FOR DISCIPLINE**

21 (Prohibited Business Practice – Untrue or Misleading Statement)

22 24. Respondent subjected its Approval to Operate to discipline for making untrue or
23 misleading statements. (Educ. Code §§ 94937, subd. (a)(2) and 94897, subds. (j)(2) and (q)). As
24 stated in paragraph 22, above:

25 a. Respondent made an untrue or misleading statement related to financial
26 information, including information or records relating to the student's eligibility for student
27 financial aid at the institution, in violation of Section 94897, subdivision (j)(2).

28 ////

1 b. Respondent made a material untrue or misleading statement to a student or
2 prospective student under the institution's authority or the pretense or appearance of the
3 institution's authority, in violation Section 94897, subdivision (q).

4 **SECOND CAUSE FOR DISCIPLINE**

5 (Website Requirements)

6 25. Respondent subjected its Approval to Operate to discipline in that Respondent's
7 institution website fails to contain clear and conspicuous links to all the items required by Section
8 94913(a). (Educ. Code §§ 94937, subd. (a)(2) and 94913, subds. (a)(3) and (a)(4); and Cal. Code
9 Regs., title 5, section 74117.) In particular, as stated in paragraphs 22 and 23, above,
10 Respondent's website fails to provide the following:

11 a. Student brochures offered by the institution, as required by Section 94913,
12 subdivision (a)(3); and

13 b. A link to the Bureau's Internet website, as required by Section 94913,
14 subdivision (a)(4).

15 **PART II – INSTRUCTION AND PROGRAMS**

16 26. In issuing Respondent's Approval to Operate, the Bureau granted Respondent
17 provisional approval to offer, provide instruction in, and award a Masters of Science Degree in
18 Computer Science via either direct instruction or hybrid instruction. Direct instruction "requires
19 the physical presence of one or more students and one or more faculty members at the same
20 location. Direct instruction includes instruction presented in a classroom, seminar, workshop,
21 lecture, colloquium, laboratory, tutorial, or other physical learning settings consistent with the
22 mission, purposes, and objectives of the institution." (Cal. Code Reg., title 5, § 71715, subd. (c).)

23 27. Hybrid instruction means a mix of direct instruction and distance education. Distance
24 education "means transmission of instruction to students at a location separate from the
25 institution" "by such means as telecommunication, correspondence, electronic and computer
26 augmented educational services, postal service, and facsimile transmission." (Educ. Code
27 §94834; and Cal. Code Reg., title 5, § 71715, subd. (d).)

28 ////

1 28. Schools offering distance education use various online systems (referred to as
2 "Learning Management Systems" or "LMS") to create, distribute, and manage the delivery of
3 educational content. Schools offering distance education also may choose to offer a livestream of
4 their instruction via a real-time video streaming software program (or "Livestream") such as
5 Zoom. The Bureau previously approved Respondent's use of an LMS called "Moodle"¹ and a
6 Livestream program called "Big Blue Button"² to provide distance education.

7 29. In or about July 2023, Bureau staff conducted an evaluation of Respondent's distance
8 education methods, and found the following issues of concern:

9 a. No instructional materials were found in the LMS. The textbook is identified,
10 and the syllabus is posted; however, there are no accessible project prompts, exams, or other
11 formal assessments. There is no observable evidence that "LMS is used for [. . .] required
12 completion of course assignments and projects," as Respondent indicated when it obtained its
13 Approval to Operate.

14 b. It is not clear what a student is required to do because there do not appear to be
15 any recent posts showing assignments or clarifications. Also, on or about July 27, 2023, via
16 Respondent's Livestream, Bureau staff observed a professor asking a student repeatedly what
17 work the student had done in a way that seemed to imply neither the professor nor the student
18 were clear about what should have been completed during the previous week.

19 c. Neither assessments nor a mechanism for formal assessment was observed;
20 there were no assignments identified or deadlines noted in the LMS.

21 d. The gradebook shows only these categories: Projects (a single-graded event), a
22 Midterm, and a Final, totaling 100%. No actual required assessments, assignments, or deadlines
23 were noted in the LMS.

24 e. Outside of a brief disclosure in the syllabus that "[a]ll students are encouraged
25 to use library-collected reference books," there is no evidence of a research requirement being
26 articulated or enforced.

27 ¹ https://docs.moodle.org/404/en/About_Moodle

28 ² <https://bigbluebutton.host/rtmp-live-streaming/>

1 f. Via Respondent's Livestream, the Bureau staff observed a professor (AT)
2 providing instruction by narrating his work on SQL database coding and entries and occasionally
3 interacting with the one student in attendance. AT reviewed the student's work aloud and
4 explained why it was not "perfect." AT had an extremely casual, improvised presentation style
5 with no set structure or evident lecture outline. The portion of the class session observed was
6 more like a lab session than a lecture.

7 g. The length of recorded sessions shows class is only meeting weekly for one to
8 two hours on average. That is not sufficient class time for the units conferred as the classes are
9 not meeting between 6:00 to 9:00 p.m. as scheduled, and three hours of lecture per week for 15
10 weeks is required for a three-unit course.

11 **THIRD CAUSE FOR DISCIPLINE**

12 (Distance Education Instruction)

13 30. Respondent subjected its Approval to Operate to discipline for failing to offer
14 distance education instruction in compliance with California Code of Regulations, title 5, section
15 71715. (Educ. Code § 94937, subd. (a)(2); and Cal. Code Regs., title 5, § 71715, subds. (d)(3),
16 (d)(5), (d)(6), (d)(7), and (d)(8).) In particular:

17 a. As stated in paragraph 29, subparagraphs (a) and (f), above, Respondent fails to
18 ensure that the materials and programs are current, well organized, designed by faculty competent
19 in distance education techniques as required by California Code of Regulations, title 5, section
20 71715, subdivision (d)(3).

21 b. As stated in paragraph 29, subparagraph (b), above, Respondent fails to
22 maintain clear standards for satisfactory academic progress as required by California Code of
23 Regulations, title 5, section 71715, subdivision (d)(5).

24 c. As stated in paragraph 29, subparagraph (c), above, Respondent fails to timely
25 complete student evaluations of learning outcomes by duly qualified faculty, which are
26 appropriate for use with the distance education methods used, and evaluated by duly qualified
27 faculty as required by California Code of Regulations, title 5, section 71715, subdivision (d)(6).

28 ////

d. As stated in paragraph 29, subparagraph (d), above, Respondent fails to employ a sufficient number of faculty to ensure that (a) the institution's response to, or evaluation of, each student lesson is returned to the student within 10 days after the lesson is received by the institution; and (b) the institution's response to, or evaluation of, each student project or dissertation is returned to the student within the time disclosed in the catalog as required by California Code of Regulations, title 5, section 71715, subdivision (d)(7).

e. As stated in paragraph 29, subparagraph (d), above, Respondent fails to maintain records of the dates on which lessons, projects, and dissertations were received and responses were returned to each student as required by California Code of Regulations, title 5, section 71715, subdivision (d)(8).

FOURTH CAUSE FOR DISCIPLINE

(Inadequate Curriculum)

31. Respondent subjected its Approval to Operate to discipline in that Respondent's curriculum fails to comply with the requirements of California Code of Regulations, title 5, section 71710, subdivision (a). (Educ. Code § 94937, subd. (a)(2) and; Cal. Code Regs., title 5, § 71710, subds. (a)(3)(C), (a)(4), (a)(5), and (a)(6).) In particular:

a. As stated in paragraph 29, subparagraph (a), above, Respondent's curriculum fails to include specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material as required by California Code of Regulations, title 5, section 71710, subdivision (a)(5).

b. As stated in paragraph 29, subparagraph (a), above, Respondent's curriculum fails to include evaluation by duly qualified faculty of learning outcomes as required by California Code of Regulations, title 5, section 71710, subdivision (a)(6).

c. As stated in paragraph 29, subparagraph (e), above, although Respondent's curriculum is degree-granting, the curriculum fails to require research of an appropriate degree that utilizes a library and other learning resources as required by California Code of Regulations, title 5, section 71710, subdivision (a)(4).

///

1 d. As stated in paragraph 29, subparagraph (g), above, Respondent's syllabus
2 posted in its LMS misrepresents the sequence and frequency of lessons or class sessions, and
3 therefore the length of the educational programs in violation of California Code of Regulations,
4 title 5, section 71710, subdivisions (a)(3)(C) and (a)(3)(D).

5 **PART III – RESPONDENT'S LIBRARY AND OTHER LEARNING RESOURCES**

6 32. Because Respondent offers degree-granting programs, it is required to provide a
7 library and other learning resources pursuant to California Code of Regulations, title 5, section
8 71740. While Respondent relies primarily on online library and other learning resources, it does
9 not have a librarian or information specialist to assist with those resources.

10 **FIFTH CAUSE FOR DISCIPLINE**

11 (Failure to Employ Librarian)

12 33. Respondent subjected its Approval to Operate to discipline for failing to provide
13 students and faculty with access to the regular services of a professional librarian or information
14 specialist experienced in the electronic retrieval of information, who shall provide support for
15 faculty in curriculum matters and actively serve as a resource guide for both graduate and
16 undergraduate students. (Educ. Code § 94937, subd. (a)(2) and; and Cal. Code Regs., title 5, §
17 71740, subd. (d)(2).) The circumstances are set forth in paragraph 32, above.

18 **PRAYER**

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

22 1. Revoking or suspending Approval to Operate Institution Non-Accredited Number
23 42693428, issued to Respondent American Innovation University;

24 2. Ordering Respondent American Innovation University to pay the Bureau for Private
25 Postsecondary Education for the reasonable costs of the investigation and enforcement of this

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28 ///

1 case, pursuant to Section 94937, subdivision (c) and Business and Professions Code Section
2 125.3; and

3 3. Taking such other and further action as deemed necessary and proper.
4

5 DATED: 6/26/2024

Deborah Cochrane

DEBORAH COCHRANE

Chief

Bureau for Private Postsecondary
Education

Department of Consumer Affairs
State of California

Complainant

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