



August 9, 2017

ID Code 00039183(MC)

VIA E-MAIL AND OVERNIGHT DELIVERY

acics@herguanuniversity.edu

Mr. John Wynn-Nguyen
Owner
Herguan University
595 Lawrence Expressway
Sunnyvale, CA 94085

Subject: Withdrawal of Accreditation by Suspension Action

Dear Mr. Wynn-Nguyen:

At its August 2017 meeting, the Council considered the following critical components of the institution's ongoing compliance with, and expectations of, the *Accreditation Criteria*:

1. Following its second review of the institution's show-cause directive, the institution was directed, in its April 27, 2017, letter to provide evidence that it is able to continue to operate and maintain sufficient enrollment to support academic quality and financial viability. A response was required to the Council by July 15, 2017. However, to date, the institution has failed to respond to the directive, which, as outlined in the communication, may result in a withdrawal by suspension action (**Section 2-3-402**).
2. With ongoing concerns with the institution's operations, the Council directed a special unannounced visit to the institution, to evaluate the academic and administrative activities. This visit took place on June 10, 2017, from which a report was communicated to the institution on June 27, 2017. As articulated in the report, the team found no evidence of any academic activity since January 2017, when all students enrolled on an F-1 visa had to withdraw and transfer to other institutions. Further, there was no evidence of administrative staff assigned to the institution to facilitate operations. The institution did not respond to this report, and therefore, the Council questions if the institution has sufficient residential enrollment and enrollment in each program to enable ACICS to assess the continued educational effectiveness of those programs and the institution as a whole (**Section 1-2-100(d)**).
3. ACICS was informed on July 11, 2017, by the institution's former owner, Mr. Ying Qiu Wang that he had sold, as of June 3, 2017, 100 percent of his shares to you. A transfer of ownership or a change in the control of an institution is a substantial change that must be approved by the Council before continuation of accreditation can occur. Therefore, the institution has failed to comply with the Council's substantive change requirements (**Section 2-2-400**).

4. As a result of failing to appropriately complete the change of ownership process, the institution's grant of accreditation was immediately and automatically discontinued as of June 3, 2017, in accordance with Section 2-2-403(a). The institution was given the opportunity to apply for reinstatement of accreditation, with information to that effect provided to the institution's legal representative on Friday, July 28, 2017. However, an application for reinstatement has not been received, and having made significant changes without notice in its ownership and control, the institution is subject to an order of suspension (**Section 2-3-402(c)**).
5. The institution's Annual Financial Report (AFR) which was due on June 30, 2017, has not been submitted (**Section 2-1-802**).

Council Action

Therefore, the Council acted to **withdraw the institution's accreditation by suspension** in light of the institution's multiple failures to demonstrate ongoing compliance with the *Accreditation Criteria*.

The institution has the right to appeal this decision to the Review Board of Appeals. The Council must be notified, in writing, within ten (10) business days of receipt of this notice if institution desires to appeal this decision to the Review Board. The appeal notification must include payment in the amount of \$10,000. The Council's decision is final if the appeal notice and appropriate fee are not provided within the ten business days of your receipt of this notice. If the institution elects to appeal this action to the Review Board and remits the appropriate fee by the established deadline, then the institution will remain accredited through the length of the appeal, and more detailed appeal procedures and information will be forwarded to the institution.

If the institution elects not to appeal this action, the institution must submit any comments regarding this decision to the Council office within two weeks of the date of this letter. Should the institution choose to submit any comments, these comments will be included in the summary detailing the reasons for the Council's decision that will be made available to the U.S. Secretary of Education, the appropriate State licensing or authorizing agency, and the public through www.acics.org.

Institutional Teach-Out Plan

Further, to ensure that students will receive an appropriate outcome in the event of campus closure, the campus must provide the Council with an Institutional Teach-out Plan, utilizing the **online Request for Institutional Teach-out Plan application** in the Member Center. This Institutional Teach-out Plan must be completed as part of the institution's intent to appeal the withdrawal by suspension action.

Mr. John Wynn-Nguyen

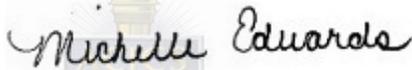
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The Council expects that the institution will take the appropriate steps to assist its students through any transition to successfully complete their programs in an orderly manner. The institution is advised that Section 2-3-900 of the ACICS *Accreditation Criteria* stipulates that the Council may bar any person or entity from being an owner or senior manager of an ACICS-accredited institution if that person or entity was an owner or manager of an institution that loses its accreditation as a result of a denial or suspension action or that closes without providing a teach-out or refunds to students matriculated at that time of closure.

Please contact Ms. Katie Morrison at kmorrison@acics.org or (202) 336-6783 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Edwards". The signature is written in black ink and is positioned to the right of a small, faint watermark logo of a torch.

Michelle Edwards
President

- c: Ms. Cathy Sheffield, Accreditation and State Liaison, U.S. Department of Education
(aslrecordsmanager@ed.gov)
- Ms. Martina Fernandez-Rosario, San Francisco/Seattle School Participation Team –
Region IX (martina.fernandez-rosario@ed.gov)
- Ms. Leeza Rifredi, California Bureau for Private Postsecondary Education
(Leeza.Rifredi@dca.ca.gov)
- Ms. Joanne Wenzel, California Bureau for Private Postsecondary Education
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- Mr. Louis Farrell, Department of Homeland Security (louis.farrell@dhs.gov)