



**OPEN SESSION
AGENDA ITEM O-401
DECEMBER 2022
COMMITTEE OF BAR EXAMINERS**

DATE: December 2, 2022

TO: Members, Committee of Bar Examiners

FROM: Natalie Leonard, Principal Program Analyst, Office of Admissions

Subject: Hearing and Action under Rule 4.264 on Whether to Impose Probation or Withdrawal of Registration of American Heritage University School of Law

EXECUTIVE SUMMARY

In August 2022, the Committee of Bar Examiners advised American Heritage University School of Law (American Heritage SOL) that it intended to place the law school on probation or withdraw its accreditation because it was not in compliance or not likely to be in compliance with the rules and guidelines for unaccredited law schools. The law school requested a hearing regarding this finding, which will take place before the full Committee on December 3, 2022 starting at 9:00 a.m.

After the hearing, the Committee will consider all information before it and determine whether the law school is in compliance, or the Committee should proceed with its previously noticed plan to determine whether to place the law school on probation or withdraw its registration as an unaccredited law school.

This action is before the Committee following a series of findings of noncompliance over the last two years. The law school's inability to fully respond to four separate Committee actions have led to this hearing: 1) initial response to the law school's periodic inspection; 2) response to the warning letter issued after reviewing the inspection report; 2) response to the Notice of Noncompliance; and 4) the law school's presentation at its noncompliance inspection and verbal response following the inspection.

BACKGROUND

American Heritage SOL is a for-profit registered, unaccredited distance-learning law school headquartered in Rancho Cucamonga, California. The law school is associated with American Heritage University.

According to American Heritage SOL's annual disclosures, the law school enrolled 33 students as of September 15, 2021, and currently enrolls 16 students as of September 15, 2022.

2015 Notice of Noncompliance

In 2015, the Committee issued a Notice of Noncompliance to the Law School that was ultimately resolved successfully. The issues at that time arose after the prior law school dean left on short notice, and many students followed that dean to a new school. American Heritage SOL experienced compliance issues related to problems with information technology, faculty hiring, and concerns related to long-term financial viability as a result of the departure of the school's prior leadership and student body.

After the issue resolved, the law school properly advised prospective and current students of this past Notice of Noncompliance.

Compliance Issues Were Observed Again in 2020

Most recently, the Committee has been evaluating the law school's compliance based on observations from the law school's inspection in December 2020.

Periodic Inspection - December 2020

American Heritage SOL was inspected in December 2020. One month later, in January 2021, the month after the inspection, the law school named a new dean and elevated faculty member Rosa Mosley to that role. It had not been mentioned during the inspection that a new dean was expected, though the school was advised to be sure that the dean had sufficient time to discharge their duties. The State Bar provided extra time for the law school to present follow up information as a result of this transition. Eventually the consultant completed the report, the law school reviewed it, the law school responded, and both the report and response were presented to the Committee.

Warning Letter Issued and Response Requested – December 2021

At its December 2021 meeting, the Committee reviewed the inspection report summarizing the December 2020 inspection, and follow-up information, and the 29 required compliance recommendations in the report along with the three optional recommendations. The Committee also reviewed the law school's response. The Committee adopted the inspection report's recommendations in full and issued a warning letter to the law school. The warning letter

directed the law school to take immediate action to correct the deficiencies noted in the inspection report and to provide notice to the State Bar of the correction within 30 days after the State Bar issued the warning letter. (Rule 4.244(G)(4); [Item O-401, Committee of Bar Examiners' Meeting, Dec. 3, 2021](#)). The law school responded timely to the warning letter. The response showed some progress, including updates to policies in the catalog, and omitted responses for other items.

Notice of Noncompliance Issued – March 2022

The Committee determined that the law school's response to the warning letter was unsatisfactory and issued a Notice of Noncompliance requesting a response within fifteen days. ([Item O-403, Committee of Bar Examiners' Meeting, Mar. 18, 2022](#)). The law school did not respond as requested in April 2022. Rather, the law school submitted a written response on June 17, 2022, one hour after the start of the meeting where the law school's compliance was being discussed. The law school did not explain why it had not previously responded.

Committee Schedules Noncompliance Inspection – June 2022

Because the law school did not respond to the Notice of Noncompliance within the timeframe allowed, the Committee determined that this was unsatisfactory, which required the Committee to set a noncompliance inspection. ([Item O-407, Committee of Bar Examiners' Meeting, Jun. 17, 2022](#)). Staff advised the law school to cover any items in their written response at the noncompliance inspection.

Noncompliance Inspection Conducted - July 2022

The State Bar conducted the noncompliance inspection on July 21, 2022. The inspection team, consisting of Committee member Dr. Don Wilcoxson and State Bar staff member Natalie Leonard, conducted a 75-minute virtual inspection. The inspection team met with Dean Rosa Mosley, as well as law school staff members Pat Ogiamien and Aitua Ogiamien. The law school did not have a specific presentation; instead, they announced that they would respond to any questions from the inspection team regarding the law school's compliance.

Notice of Intent to Impose Probation or Withdrawal of Registration

The Committee reviewed the inspection team's report at its August 2022 meeting. ([Item O-407, Committee of Bar Examiners' Meeting, Aug. 20, 2022](#)). After reviewing the report, the Committee adopted the inspection team's conclusion that the law school was not or was not likely to be in compliance, notified the law school that it intended to impose probation or withdrawal of registration as an unaccredited law school at the Committee's next noticed meeting, absent a request for a hearing (Rule 4.263).

Law School Seeks a Hearing

On September 6, 2022, the law school timely requested a hearing, taking place today before the full committee. (Rule 4.264). At the law school's request, two hours have been set aside for the law school's presentation, including questions. **Options Available to the Committee Under the Rules**

After the hearing concludes, "the Committee will determine whether the law school is in compliance with these rules . . . based on the entire record, including materials presented at the hearing." (Rule 4.266 (A-B)). If the law school is found to be in compliance, the Committee will notify the law school.

The Committee may place the law school on probation for a specified time if it decides that a law school has not complied or taken adequate steps to comply with these rules but has made perceptible progress toward compliance. (Rule 4.267(A)). "The Committee may impose probation conditions, including interim inspections and progress reports." (Rule 4.267) At least thirty days before the probation expires, the Committee will determine whether sufficient progress has been made toward compliance or whether it will proceed to withdraw the law school's registration. (Rule 4.267).

The Committee may withdraw the law school's registration as an unaccredited law school if the Committee determines that the law school is not in compliance.

DISCUSSION

The law school admits that it has not complied with all of the recommendations adopted by the Committee in the law school's periodic inspection report, as confirmed by the law school's most recent written summary, filed in June 2022. (See Attachment A). It will be important to understand not only whether the law school is able to comply, but also whether the law school is willing to comply. At least 17 of the 32 total recommendations in the December 2020 inspection report require further action.

As a result, if probation is identified as the appropriate next step, it is recommended that the law school be required to take immediate action by specific deadlines.

The law school's outstanding compliance issues can be categorized into four key areas: Ownership and Governance; Financial Stability; Failure to Follow Regulatory Requirements; and Lack of Sound Educational Program.

Ownership and Governance

In 2017, the Committee approved the purchase of the law school by Robert Dabney. As part of that approval, the law school separated itself from American Heritage University, Dabney filed a new corporate registration, and State Bar staff met the new owner during an interim visit in 2018.

By the time of the inspection, the law school indicated that Dabney had been paying in installments, had not fully paid the purchase price, and could not be found. Though he had paid \$500,000 of the \$770,000 purchase price, he did not request a refund or state a reason for departing from the purchase agreement. Due to these events, the law school's governance was also in flux. The law school was advised to file a major change as to the ownership of the law school and surrounding circumstances. Most recently, the University president remarked that the scheduling of this hearing would give the law school time to file this document prior to the hearing, but as of the writing of this agenda item, the law school has not done so.

At different times since the purchase, the law school has asserted that it remains independent and that it has been folded back into the university. The law school has also asserted that the corporate registration by Dabney ended, but it still exists and can be reinstated according to the law school's attorney if Dabney pays the taxes owed, and he may seek refund of his purchase price from the law school. (See Attachment B). In addition, the law school advised that Dabney had stopped paying in 2020 and could not be found, but the law school's financial statements do show payments made between 2020 and 2021.

The major change will help the Committee discharge its regulatory duty by clarifying several issues related to this purchase: 1) who owns this law school; 2) whether the law school must return any of the installments paid by the purchaser and to whom the payments were made; 3) the financial status and viability of the law school after the failed purchase; 4) confirming the new governance structure. To date, the law school has provided inconsistent answers as to whether the school is independent or part of the university, as it has not clearly responded to questions related to the law school's financial resources. The law school provided a letter from its attorney which indicates that that these questions are unsettled as of August 2022. (See Attachment B).

The law school should file a complete and clear motion by a specified deadline if a probationary order is to be considered.

Financial Stability

Regarding finances, questions remain as to the adequacy, transparency, and accuracy of the law school's finances. The law school has not made financial leaders available to answer questions over a period of two years, even when meetings were set for that specific purpose. Financial personnel were specifically requested to attend the December 2020 inspection, the follow-up meeting with the consultant after the inspection, the check-in meeting in May 2022 and the noncompliance inspection in July 2022. Financial personnel did not attend any of these meetings.

The law school's 2022 Annual Report includes audited financial statements for which questions are outstanding. For example, the auditor's opinion addresses the finances of American Heritage University, but then the attached financial detail appears to refer only to the law school, opening a question as to whether these documents belong together. In addition, the audited statements show further payments by Dabney in the 2021 Annual Report, though the law school asserts he cannot be found and is not making payments. Also, when staff asked questions about prior

balance sheets in spring 2021, the law school indicated that it had discovered that the prior three years' worth of financial data was incorrect due to a miscommunication, but has not explained the nature of the miscommunication or what the changes were, despite requests to do so since summer of 2021.

In addition, it does not appear that the law school will be able to continue to operate if Dabney requires repayment of funds, and therefore, this matter must be settled. The law school is operating just above the break-even point, and it does not seem able to support any refund of the partially paid purchase price.

Taken together, these issues raise concern about the sources of funds for the law school and the ability of the law school to continue to operate going forward in a compliant manner.

Failure to Follow Regulatory Requirements

American Heritage SOL has failed to follow State Bar rules and guidelines on multiple occasions.

The law school ignored a direct request from the Committee. Specifically, the law school did not file a response when it was issued a Notice of Noncompliance in March 2020 and directed by the Committee to respond within 30 days. The law school eventually filed a written statement and sent it on June 17, 2022, one hour after the start of the Committee meeting in which the law school's compliance was next to be discussed. The document indicated that many of the recommendations from the periodic inspection of January 2020 had not been completed, and the document lacked supporting evidence for any items that the law school advised were completed.

The law school did not fully inform students and prospective students that it had been issued a Notice of Noncompliance on its disclosures. The law school listed the 2015 Notice of Noncompliance, but not the 2022 Notice. (Rule 4.241(A)(9)). Staff pointed this out to the law school, and the law school is in the process of correcting it.

The law school was cited at its periodic inspection in 2020 because its disclosures also contained computational and other reporting errors. While the law school corrected the errors pointed out by the State Bar, the law school's most recent disclosures filed with the Annual Report were significantly incorrect.

The law school has not filed a required major change regarding its ownership and governance as discussed above. As a result, questions remain as to its ownership, financial stability, and governance structure.

In addition, the law school added a non-JD program without seeking the required prior acquiescence to the Committee. In 2016, the law school was advised in writing that it could not start a non-JD program without prior acquiescence, but it ignored this guidance, advertised a program on its website and enrolled students. The program has now been discontinued, but the law school has not yet refunded tuition paid by the students.

The law school also has failed to make knowledgeable financial personnel familiar with the law school's history available to staff so that they may ask questions required as part of regulatory oversight.

Finally, of the twenty-nine recommendations identified in the original inspection report in December 2020, it appears that, two years later, eighteen remain outstanding or only partially addressed, as was discussed in August. ([Item O-401, Attachment A Inspection Report items 1, 2, 4, 6, 7, 11, 13-16, 18-20, 22, 23, 25, 26, 29, Committee of Bar Examiners' Meeting, Dec. 3, 2021](#)). The recommendations that were completed involved administrative edits. Key outstanding issues were discussed in detail at the Committee's August meeting. ([Item O-407, Committee of Bar Examiners' Meeting, Aug. 20, 2022](#)). These are the major issues related to the topics discussed above.

Lack of Sound Educational Program

The law school's outcomes—graduation rates and passing State Bar exams--call into question whether it provides a sound legal education as required.

The law school does not appear to be able to create a program that offers students a reasonable chance to complete the JD program or obtain an attorney license as required by rule 4.240(E, H).

Results on State Bar exams are consistently well below average. During the period from June 2020 through June 2022, just three 3 of 27 students who took the First-Year Law Students' Exam cumulatively passed the exam.

During that same period, the law school indicated that 49 students were first-year students, but just 27 people took the First-Year Law Students' Examination. We do not know why nearly half of the students did not appear to take the exam when they were required to do so to progress. If they transferred or were academically dismissed, the law school should review its admissions, communications and educational policies to find out why so many are not taking the First-Year Law Students' Exam. Staff is working with the law school to correct issues with their current disclosures to better quantify student retention. (See [American Heritage SOL Jan. 2023 Disclosure pursuant to Ca. Bus. & Prof. Code § 6061.7\(a\)](#)).

The most recent five-year cumulative bar passage rate reported by the school on its most current disclosure is 12.5 percent, but State Bar Staff estimates show a lower figure. Staff is working with the law school to determine the reason for the discrepancy. The law school's two graduates who took the July 2022 bar exam did not pass the exam.

Only a few percent of students who enter American Heritage SOL's program are able to progress beyond the first year. The vast majority either leave or are dismissed, or do not pass the First-Year Law Students' Exam. For example, last year's 1L class had 18 students, but none of them were listed as 2L students in the law school's 2022 Annual Report. Since 2018, just twelve students have reached the fourth year of study. Those students who do progress to the fourth

year or transfer do not appear to have a strong chance of passing the bar exam. Yet, the law school's web page advises prospective students that, "AHUSOL stands out as one of the few reputable distance learning law schools in California for its passage rates on the First Year Law School Examination (FYLSE) and General Bar Examination (GBE) in recent years" on the ahulaw.com home page.

Incorporating Information from the Hearing

At the hearing scheduled for December 3, the Committee will presumably be presented with new information from the law school which it will consider along with the entire record before it prior to making a determination as to how to proceed. Absent a showing of compliance, the Committee may consider a term of probation requiring immediate completion of pending items, or withdrawal of the law school's registration as an unaccredited law school if the law school has not made perceptible progress toward compliance.

Based on the number of unresolved recommendations from the 2020 inspection, the fact that the law school has not clearly responded to questions posed by staff that is necessary for the regulator to perform its regulatory function, the law school's failure to adhere to the rules regarding major changes and approval of new programs, the law school's failure to post accurate disclosure statements, and students' well below-average performance on State Bar exams, the law school does not appear to be in compliance at the time of the writing of this item.

Yet the law school does appear to understand its obligations, which raises the question as to why the law school has not complied and whether it is willing to do so.

RECOMMENDATIONS

It is recommended that the Committee review the entire record including information presented at the hearing. Thereafter, it would be appropriate for the Committee to discuss its next steps, including whether to place the school on probation or proceed with withdrawal of registration. Staff will be available to address any questions and to help the Committee assess the information received at the hearing relative to prior information submitted by the law school.

PROPOSED MOTION

A motion recommendation is withheld at this time pending the information provided in the law school's hearing.

ATTACHMENTS LIST

- A. Public Comment from American Heritage University School of Law – June 17, 2022
- B. Letter from Attorney Analyzing Law School Purchase Plan – August 8, 2022

NOTICE OF NONCOMPLIANCE TO AMERICAN HERITAGE UNIVERSITY SCHOOL OF LAW

March 22, 2022

Pursuant to Rule 4.260, of the State Bar of California's Unaccredited Law School Rules ("Rules"), the Committee of Bar Examiners ("Committee") finds that American Heritage University School of Law ("American Heritage"), a registered unaccredited distance law school, is not in compliance with Rules and the Guidelines for Unaccredited Law School Rules ("Guidelines"):

Guideline 1.2: The law school must clearly state the entity status of the law school and any shareholders or partners in the ownership entity, and provide copies of all required paperwork, such as registration with the Secretary of State, local business license, and evidence of taxes paid, if any. The law school must also provide a fictitious business name certificate for the law school and list its agent for service of process. In addition, the law school must clearly state and document the status of its now-cancelled purchase agreement with Richard Dabney, as well as whether any funds paid as part of that purchase must be reimbursed and how any such reimbursement will affect the law school.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of the inspection, the law school was in the process of selling the law school to Mr. Robert Dabney. This process, now cancelled, left the law school out of compliance with guideline 1.2	<p>To bring itself into compliance guideline 1.2, the law school has documentation to show the following:</p> <ul style="list-style-type: none"> Entity Status of the Law School including shareholders/partners Copies of registration with the secretary of state Local business licenses Evidence of taxes paid Provide a fictitious business name certificate for the law school and agent for service of process Documentation of status of the law school sale with Robert Dabney including any potential reimbursements 	The law school is the process of demonstrating its full compliance with guidelines 1.2 and will actively document evidence and submit to the Committee as they become available.

Guideline 1.9: The law school must cease admitting students into the non-JD program and delete references to that program in its publications. The law school must advise whether it has any partnerships, agreements, or collaborations with any other institution either directly or through American Heritage University and whether the law school or University provides course content in law to other schools, locally or internationally. As this report was being finalized, the law school submitted an application that will be reviewed.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
<p>At the time of the inspection, the law school listed a Non-Bar JD program on its website and enrolled several students into the program. This act placed the law school in non-compliance with guideline 1.9.</p> <p><i>While the law school ceased admission and deleted references to the Non-Bar JD program, one student remained active in the program. The law school was indecisive on dismissing the student due to the time and progress the student had already completed. The law school also believed it could have acquired the Non-Bar JD program in time to keep the student enrolled.</i></p>	<p>To bring itself into compliance with guideline 1.9, the law school has executed to following:</p> <ol style="list-style-type: none"> 1. Held a meeting with all admissions, academic, administrative staff, and faculty to advise of the termination of the Non-Bar JD program. 2. Ceased admitting students into the Non-Bar JD program 3. Deleted all references to the program from all its publication which includes its website, catalog, and social media platforms 4. Submitted an application to acquire the Non-Bar JD program (pending decision from the Committee) 5. The law school does not have any partnerships, agreement, or collaborations with any other institution. The university does not provide course content to other law schools. 	<p>The law school is now in full compliance with guideline 1.9</p>

Guideline 1.9: The law school must adopt, publish, and implement lawful policies and procedures for handling requests for accommodations, and give notice to students those accommodations given by the law school may differ from those given by the State Bar.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of the inspection, the law school's policies and procedures for handling requests for accommodations and notices to students who the accommodations applied to, were not properly published and implemented.	<ul style="list-style-type: none">• Revised its Americans with Disabilities Act• Revised its Financial Aid Disclosures (Title V)• Revised its Family Educational Rights and Privacy Act of 1974• Revised its Confidentiality and Privacy Policy• Revised its policies and procedures for handling requests for accommodations. A notice has been provided to all students that the accommodations given by the law school may differ from those given by the State Bar• Updated its website to reflect revised policies• Updated its catalog to reflect revised policies• Updated its application for admissions to inform prospective students	The law school is now in full compliance with guideline 1.9

Links

1. Revised ADA: [ADA Act.pdf](#)

Guideline 1.9: The law school must correct the data on the disclosure form required by California Business and Professions Code section 6061.7(a), including correcting the calculation of the bar exam pass rates of its graduates, and properly noting the undergraduate GPAs for entering students. It must also post that disclosure on its website on its Admissions page as required by the statute.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of the inspection, the law school had incorrect data on the disclosure form required by California Business and Professions Code section 6061.7(a). The calculation of the bar exam passage rates and the undergraduate GPAs for entering students were incorrect.	To bring itself into full compliance, the law school has: <ul style="list-style-type: none">• Corrected calculation of the bar exam passage rates of the law school graduates and properly noted the undergraduate GPAs for entering students on the disclosure form.• Ensured the proper disclosure is posted as required by the law on the "Admissions" page of the website: https://ahulaw.com/admissions/ and also under the "Admission" drop-down menu on the website as required by the rule.	The law school is now in full compliance with guideline 2.9(f)

Guideline 1.9: The law school must revise its policy on payments and release of student records to conform to California Civil Code section 1788.9 et seq.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was not aware of this updated policy on payments and release of student records to conform to California Civil Code section 1788.9 et seq	<p>The law school revised its policy on payments and release of student records to conform to California Civil Code section 1788.9 et seq</p> <p>Effective since March, 2022, the law school will no longer:</p> <ul style="list-style-type: none">• Refuse to provide a transcript for a current or former student on the grounds that the student owes a debt.• Condition the provision of a transcript on the payment of a debt, other than a fee charged to provide the transcript.• Charge a higher fee for obtaining a transcript, or provide less favorable treatment of a transcript request because a student owes a debt.• Use transcript issuance as a tool for debt collection.	The law school is now in full compliance with guideline 1.9

Links:

1. Revised California Civil Code: [California Civil Code.pdf](#)

Guideline 2.1: The law school must be forthright and complete in its communications with the State Bar, including providing accurate financial information, providing access to the finance staff, and providing this information timely.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was out of compliance with guideline 2.1	<p>To bring itself into compliance, the law school has:</p> <ol style="list-style-type: none">1. Re-evaluated its reporting system and structure2. Held meetings with staff to improve communication and handle reports in a timelier manner as they relate to the Committee with matters of finance	The law school is now in full compliance with guideline 2.1

Guideline 2.1-2.3: The law school must review and, as necessary, revise its publications, disclosures, financial statements, and other submissions to the State Bar to ensure that all information provided is accurate, consistent, current, and complete; the current materials require extensive updates.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was out of compliance with Guidelines 2.1 – 2.3.	To bring itself into compliance, the law school has: <ul style="list-style-type: none">• Reviewed and revised its catalog and website• Reviewed and revised its disclosures on its website• Revised its disclosure statements• Revised its FYLSE and GBE passage rates• Revised all applicable policies and procedures	The law school is now in full compliance with guideline 2.1 – 2.3

Links:

1. Disclosure Statement: [Student Disclosure Statements.pdf](#)

Guideline 2.2(B): The law school must revise its refund policy to provide clear and consistent examples, state that a refund or refund accounting will be provided within thirty days, and provide a working link to the refund form.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school had mismatching refund policies and a broken link to the refund form	<p>For the law school to fix its compliance with Guidelines 2.2B, the law school has revised and updated its refund policy for consistency and provided examples as follows:</p> <ul style="list-style-type: none">• Reviewed and revised refund policy• Explanation of method of calculation• Refund Form & working link• Fixed the broken link	The law school is now in full compliance with guideline 2.2(B)

Video Demonstrating Compliance: [Refund-Video.mp4](#)

Guideline 2.8: The law school must revise the student discipline policy for clarity and to conform to all guideline requirements.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school's discipline policy lacked clarity and did not conform to all guidelines.	<p>For the law school to be in full compliance with Guidelines 2.8, the law school has revised its student discipline policy for clarity and fairness as follows:</p> <ul style="list-style-type: none">• Reviewed and revised student discipline to include cancellation of an examination, denial of course credit, suspension, and dismissal policies. The policy also provides an opportunity for hearing before a panel that includes members of the faculty, administration, and students. (See EXHIBIT 9a)• Revised its list of all charges (See EXHIBIT 9b)	The law school is now in full compliance with guideline 2.8

Video Demonstrating Compliance: [Discipline Policy.mp4](#)

Guideline 2.9(B)(2): The law school must revise the Catalog to give notice of the circumstances in which Pass/Fail grading is used.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school's Catalog did not present a clear notice of the circumstances in which Pass/Fail grading is used.	The catalog has been revised to present clear notice to current and prospective students of the circumstances in which P/F grading is used	The law school is now in full compliance with guideline 2.9(B)(2)

Video Demonstrating Compliance: [Pass Fail.mp4](#)

Guideline 2.9(B)-(D): To bring itself into compliance, the law school must establish a written policy on authentication of student work and adequately authenticate student work.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was not fully in compliance with this guideline.	<p>For the law school to continue its compliance with Guidelines 2.9(B)-(D), the law school has revised its policy on the authentication of student work as follows:</p> <ul style="list-style-type: none">• Examinations and Grading Policy• Authenticity of Student Work: The law school has implemented a proctoring system through its LMS to authenticate student work. When a student is ready to take an examination, they MUST provide their name, email address, phone number, and mailing address to match what is on file. A passcode will be provided via text or email depending on what the student chooses in order to start the examination. Another passcode will be required at the end of the examination. The student's login IP address will be documented. <p>Proctoring is required for the following exams:</p> <ul style="list-style-type: none">• All First-Year final examinations• All upper-level final examinations	The law school is now in full compliance with guideline 2.9(B) – (D)

Video Demonstrating Compliance: [Student Verification.mp4](#)

Guideline 2.9(F): The law school must adopt, publish, and implement procedures to allow students to inspect and copy examination materials as required by the guideline.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school's policies and procedures to allow student to inspect and copy examination materials as required by Guideline 2.9(F) was not explicit.	To bring itself into compliance with guideline 2.9(f), since the inspection, the law school as done the following: <ol style="list-style-type: none">1. Adopted, published and implemented new policies and procedures that allow students to inspect and copy examination2. Completely revised its entire collection of essay questions and MBEs for all core courses3. Notice is provided in every examination in the LMS4. Policy has been listed in the catalog5. Notice has also been given to all faculty and staff	The law school is now in full compliance with guideline 2.9(f)

Video Demonstrating Compliance: [Policy to Request Exam Answers.mp4](#)

Guideline 2.9(H): The law school must revise its grade review policy to incorporate the allowable grounds and evidentiary standards required by the guideline.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school’s grade review policy did not meet the allowable grounds and evidentiary standards as required by the guideline.	To bring itself into compliance with guideline 2.9(h), the law school has revised its grade review policy. The revised policy is stated in the academic catalog.	The law school is now in full compliance with guideline 2.9(h)

Video Demonstrating Compliance: [Grade Review.mp4](#)

Guideline 3.1: The law school must identify the financial staff including the CFO, make that staff available to answer questions, and make all required financial information available including past results, projections, resources available, and financial relationship to American Heritage University and other parties. The law school must provide a timely, complete, and audited financial statement annually.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
<p>At the time of the inspection, the law school utilized the services of Mr. Frank Wiesner and its book keeper, Mr. Og Ogiamien, who responsibility is to manage the books on a daily basis and submit reports to Mr. Wiesner for auditing and projections.</p> <p>Delayed submissions of reports to Mr. Wiesner and miscommunication, put the law school out of compliance with guideline 3.1.</p>	<p>To bring itself into compliance with guideline 3.1, the law school has appointed a new CFO. This CFO will be available to:</p> <ol style="list-style-type: none">1. Answer all questions and make all required financial information available including past results, projections, and resources available to run the law school. <p>In addition, the law school has adopted polices and procedures to provide timely and complete audited financial statements moving forward.</p>	<p>The law school is the process of demonstrating its compliance with guideline 3.1</p>

Guideline 3.3: AHSL’s governance and administrative structure must be clearly, fully, and accurately described to the Committee in order to demonstrate to the Committee whether or not the structure appears adequate to support the JD program.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of the inspection, the law school was operating under the governance of American Heritage Corporation.	To bring itself into compliance with guideline 3.1, the law school is in the process of establishing its own governance.	The law school is the process of demonstrating its compliance with guideline 3.3

Guideline 4.7: The law school must advise instructors of their duty to continually strive to improve their teaching skills.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school did not fully implement professional development opportunities for its instructors to be in full compliance with guideline 4.7.	To bring itself into compliance with guideline 3.1, the law school has adopted and revised its professional development programs for instructors which have been designed to improve their teaching skills.	The law school is the process of demonstrating its compliance with guideline 4.7 and will actively document all professional development activities

Guidelines 4.8 and 4.9: The law school must adopt, publish, and implement a policy and procedures for the regular evaluation of instructors as required by the guidelines, document a timeline for implementation, and present evidence that the policy has been fully implemented.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was not in full compliance with guidelines 4.8 and 4.9.	<p>To bring itself into full compliance with guidelines 4.8 and 4.9, the law school has done the following:</p> <ol style="list-style-type: none">1. Adopted and published new policies and procedures for regular evaluation of instructions as required by the guidelines2. Designed a timeline for implementation3. Proof of evidence	The law school is now in full compliance with guidelines 4.8 and 4.9

Guideline 5.3(C)(1): The law school must revise its attendance policy to correctly state that 80 percent attendance is required per course, along with all other course requirements, in order for a student to earn credit for a class. While students may watch archived courses in certain instances, the law school must ensure and document that each student's course instruction includes at least 135 interactive hours per year, rather than taped instruction.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of the inspection, the law school was out of compliance with attendance policies set forth by guideline 5.3(C)(1)	<p>To bring itself into full compliance with guideline 5.3(C)(1), the law school has revised its policy to state that 80 percent attendance is required per course, along with all other course requirements, in order for a student to earn credit for a class.</p> <p>In addition, the law school:</p> <ol style="list-style-type: none">1. Will no longer use taped instruction and require live lectures for every course2. The law school has updated this policy in its catalog and its website	The law school is now in full compliance with guidelines 5.3(C)(1)

Video Demonstrating Compliance: [Attendance Policy.mp4](#)

Guidelines 5.3(C)(2), 5.19, and 2.9(B)(4): The law school must revise its Catalog to state its academic standards clearly, consistently, and as required by the guidelines, with respect to academic standing, advancement, advancement on probation, dismissal, and graduation. Further, AHSL must set a GPA for graduation that meets the guideline’s “reasonable basis” standard, and in doing so should consider the success of its students and graduates on Committee-administered exams.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was not in full compliance with the guidelines 5.3(C)(2), 5.19, and 2.9(B)(4)	<p>To bring itself into full compliance with guidelines 5.3(C)(2), 5.19, and 2.9(B)(4), the law school has:</p> <ol style="list-style-type: none"> 1. Revised its catalog to state its academic standard clearly and consistently as required by the guideline to reflect academic standing, advancement, advancement on probation, dismissal and graduation. 2. Set a GPA for graduation that meets the guideline’s reasonable basis standard. 3. Taken the Committee’s advise regarding the success of its students and graduates to use Committee-administered exams. 	The law school is now in full compliance with guidelines 5.3(C)(2), 5.19, and 2.9(B)(4)

Links

1. Academic Standards: [Academic Standards.pdf](#)

Guideline 5.6: The law school must adopt and implement procedures to ensure that guideline requirements are followed with respect to special circumstance exemptions.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school's policy and procedures were not aligned with the guideline requirement of 5.6.	<p>To bring itself into compliance with Guideline 5.6, the law school has defined, adopted, and implemented the following special circumstances and the procedures to follow:</p> <ol style="list-style-type: none">1. Definition of Special Circumstances and who meets the requirements2. Procedure to grant any exemption which requires prior approval of the Educational Standards Department of the Office of Admissions of the State Bar of California.3. Record keeping policy of all requests including approval or disapproval	The law school is now in full compliance with guidelines 5.6

Video Demonstrating Compliance: [Special Circumstance.mp4](#)

Guidelines 5.11 and 2.3: The law school must revise its curriculum to make elective opportunities available, revise its Catalog course descriptions to indicate that not all courses are given each year, and eliminate descriptions for courses the law school does not plan to offer in the next two years.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school's curriculum did not make elective opportunities available. The law school's catalog did not clarify which courses are given each year.	For the law school to be in compliance with Guidelines 5.11 and 2.3, the law school has: <ol style="list-style-type: none">1. Revised its curriculum to make opportunities for electives and a note that not all courses are given each year.2. Because the law school, at any given period in its admissions period, can enrollment students in need of any of its course offerings, a notice to prospective students that a course may not be offered is attached to each course. (See EXHIBIT 21a)3. Eliminated courses that it does not plan to offer in the next two years.	The law school is now in full compliance with guidelines 5.11 and 2.3

Links

1. Electives: [Elective.pdf](#)

Guideline 5.12: The law school must revise its curriculum to provide instruction in the practical skills enumerated in the guideline as well as Rule 4.240(F).

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school's curriculum did not provide instruction on practical skills enumerated in the guidelines as well as rule 4.240(f)	For the law school to be in compliance with Guideline 5.12 and Rule 4.240(F), the law school has revised its curriculum to include Competency Training of course work designated to teach practice-based skills and competency training. These courses will teach and develop those skills needed by a licensed attorney to practice law in an ethical and competent manner.	The law school is the process of demonstrating its compliance with guideline 5.12 and Rule 4.240(f) and will actively document evidence and submit to the Committee as they become available

Guidelines 5.17 and 5.18: The law school must review and, as necessary, revise its grading practices to improve the validity, consistency, and reliability of its grades. This revision will give students a more realistic assessment of their likely success on Committee-administered exams. Further, the law school must take steps to verify the identity of test takers so it can verify whether the work turned in represents the student's own work. This ensures that any grade awarded represents the accurate, valid, reliable, and consistent evaluation required by Guideline 5.17. Additionally, this addresses the need to quickly identify and disqualify those students who have demonstrated they are not qualified to continue under Guideline 5.18.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was not in full compliance with guidelines 5.17 and 5.18	<p>For the law school to be in compliance with Guidelines 5.17 and 5.18, the law school has done the following:</p> <ol style="list-style-type: none"> 1. Reviewed and revised its grading practices by implementing grading rubrics on each course 2. Implemented Proctoring on all examinations 3. Perform monthly academic assessment to quickly identify and disqualify those students who have demonstrated that they do not meet the law school's scholastic standards. 	The law school is now in full compliance with guidelines 5.11 and 2.3

Video Demonstrating Compliance: [Student Verification.mp4](#)

Guidelines 5.35 and 2.3: The law school must adopt, implement, and publish transfer credit policies and procedures. This ensures students have notice of the transfer credit limit, and that all guideline requirements are followed with respect to the granting of transfer credit.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was not in full compliance with guidelines 5.35 and 2.3	<p>For the law school to be in compliance with Guidelines 5.12 and 2.3, the law school has adopted, implemented, revised and published its transfer credit policies and procedures. The revisions will reflect the following:</p> <ol style="list-style-type: none">1. Transfer credit limitations2. No duplicate credit for course repetition within the law school or from a different law school <p>Refer to the links for the adopted and revised transfer credit policies and procedures</p>	The law school is now in full compliance with guidelines 5.35 and 2.3

Links

1. Transfer students: [Transfer Students.pdf](#)

Guideline 6.3: The law school must provide legal research instruction in both electronic and hardcopy publications.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school was partially in compliance since it provided legal research instruction electronically but not in hardcopy publications.	To bring itself into full compliance with Guideline 6.3, the law school has set in motion, the following: <div>1. Provide hardcopy publications of textbooks and legal research documents</div>	The law school is the process of demonstrating its full compliance with guideline 6.3 and will actively document evidence and submit to the Committee as they become available

Guidelines 8.1-8.3: It is strongly recommended that this school be required to provide audited financial statements for the foreseeable future. Also, the law school must describe the sources of its other revenue and explain how it will improve financial performance and finance its operations as it reduces expenses in line with its resources.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
<p>At the time of inspection, the law school was owned by American Heritage Corporation. The primary source of revenue comes from the corporation which houses two schools; the school of business and the school of law.</p>	<p>To bring itself into compliance with Guidelines 8.1 – 8.3, the law school is in the process of separating from American Heritage Corporation and be established as its own entity to effectively adhere to the requirements of the Guidelines as follows:</p> <ul style="list-style-type: none"> • 8.1: The law school currently provides all educational services and ensures all students admitted do complete the JD program (meeting the requirements of § 6060(h) of the California Business and Professions Code) and completing all required hours of study and courses. • 8.2: Given the current ownership of the law school by American Heritage Corporation, the assets and funds are shared in part. Tuition, fees, and other charges collected from students are categorized as revenue – all of which is used to provide a sound program of legal education. • 8.3: In compliance with this Guideline, the law school submits its financial affairs to the Committee in the format prescribed by the Committee in its annual report. In full compliance with this Guideline, the law school will forward a copy of any financial reports it submits to an accrediting agency or governmental authority when such takes place. 	<p>The law school is the process of demonstrating its full compliance with guidelines 8.1 – 8.3 and will actively document evidence and submit to the Committee as they become available.</p>

Guideline 9.1: The law school must review and revise its record-keeping processes to ensure that all required records are prepared and maintained as required by guideline.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school compliance with guidelines 9.1 was in need of a revision.	<p>To bring itself into full compliance with the guideline, the law school has:</p> <ol style="list-style-type: none">1. Reviewed its record-keeping processes to ensure that all required records are prepared and maintained as required by the guideline:<ul style="list-style-type: none">(A) Applications(B) Record of Admissions:(C) Student Files:(D) Transcripts:(E) Class Records:(F) Examinations and Grade Tabulations:(G) Administrative Personnel:(H) Faculty Personnel:(I) Faculty Minutes:(J) Board Minutes:(K) Operating Records:(L) Catalogs, Bulletins, and Brochures:(M) Committee Correspondence:(N) Inspections by Agencies Other Than the Committee:(O) Reports to be Regularly Made (Annual Compliance Report, Admission Certification, Annual Financial Report, Disclosure Statement, and Exemptions where applicable)	The law school is now in full compliance with guidelines 9.1

Video Demonstrating Compliance: [Records.mp4](#)

Link: [Student Checklist Form.docx](#)

Guideline 9.1(D): The law school must adopt, publish, and implement a compliant policy on changes to transcript entries. The school must adopt and implement procedures to ensure that transcripts of transfer students contain all required information. Lastly, the law school must correct the transcripts of all current transfer students to conform to guideline requirements.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of inspection, the law school did not have the proper adopted and published compliant policy on changes to transcript entries as required by guideline 9.1(D).	To bring itself into compliance, the law school has adopted, published and implemented a compliant policy for changes to transcript entries to ensure that transcripts of transfer students contain all required information (See EXHIBIT 28a).	The law school is the process of demonstrating its full compliance with guidelines 9.1(D) and will actively document evidence and submit to the Committee as they become available.

Rule 4.240(K): Overall, the law school must affirmatively provide accurate and complete financial information, for both past and future projections, and grant access to those responsible for financial matters. The law school must provide the State Bar with complete and clear audited financial statements annually and respond promptly, fully, and clearly. The law school must also demonstrate how it intends to remain solvent to provide the services it represents.

The Law School Response

At the time of inspection	What has happened since the inspection	Where we are now
At the time of the inspection, the law school was not in full compliance with Rule 4.240(K)	<p>To bring itself into compliance, the law school has appointed a Chief Financial Officer. Upon the State Bar's request, this acting CFO will available to:</p> <ul style="list-style-type: none"> • Answer questions • Provide all required financial information available including past results • Provide audited financial statements • Provide the law school's resources available and other financial relationship available to the university <p>In addition, the law school will commit to providing timely, complete, and audited financial statements annually to the State Bar.</p>	The law school is now in full compliance with Rule 4.240(K)



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June 16, 2022

Professor Tony Ogiamien
American Heritage University School of Law

RE: ASSET PURCHASE AGREEMENT WITH ROBERT DABNEY ET AL

Dear Professor Tony Ogiamien;

We have had a chance to review the documents you forwarded to us, including the Asset Purchase Agreement, with amendments between American Heritage and Robert Dabney, as well as correspondence with the State Bar of California regarding the change of ownership.

Several portions of the APA, particularly paragraphs 1, 4,b(a) and (2) and 4.4 make certain performance of the contract subject to approval of the APA by the State Bar. Paragraph 23 stipulates that if the APA is not approved then the contract will be null and void by mutual agreement of the parties. As such, if the APA was never approved by the State Bar, then the agreement is null and void. In that event, both parties will be returned to their original position, i.e. American Heritage keeps the school and the Dabneys get all monies paid toward the transaction back.

However, our review shows that the Change in Ownership was approved by the State Bar on March 15, 2017. The approval by the State Bar removes the condition precedent for performance of the agreement by the parties. On the face of it, the agreement itself is valid. On regular contract principles, it contains all the necessary elements for a contract. This appears to be an arms length transaction between the parties. There is offer, acceptance and consideration. There appears to be no issue of duress or undue influence or other factors that invalidate the contract. As the sale of asset of a law school, there may be other requirements to validate the contract. We view the fact that the State Bar approved the transaction as indication that any special requirements to validate the contract of sale of assets of a law school were satisfied.

From the discussions with the Dabneys subsequent to the transaction, there may have been issues of misrepresentation of facts during the negotiations, but we do not see any such evidence. Even if there was, it has to be shown, that but for the misrepresentation, American Heritage would not have entered into the transaction.

As a valid contract, it is enforceable by either party and the remedies available to each party is determined accordingly. As purchasers, the Dabneys continue to have an interest in the property, subject to any rights that American Heritage had under the law. As the aggrieved party, the remedies available to American Heritage are to follows

1. Sue for monetary damages for failure of the Dabneys to complete the transaction. In that case, the Dabneys still have the opportunity to pay what is due under the contract and obtain the school
2. Sue for rescission of the contract. In this instance, American Heritage invalidates the contract as if it never existed, based on fraud, misrepresentation or other invalidating factor. American Heritage as part of rescission would have to refund to the Dabneys any consideration paid for the contract.
3. Retain the school as mitigation of their damages and then sue for any resulting damages.

Whether the failure of the Dabneys to pay for the sums called for in the contract mean they have forfeited any interest in the school, is a question of fact that has to be determined after all the facts are ascertained. That the Dabneys have not requested a refund does not necessarily mean they cannot do so, depending on what action American Heritage decides to take.

We checked on the website of the Secretary of State, and it shows that the registration of the school by the Dabney is inactive based on an FTB suspension. An FTB suspension can be cured by the payment of any taxes due by the incorporating entity. There is no statutory period for them to do so.

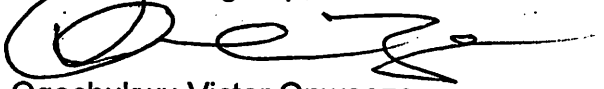
In summary,

- a. The APA is a valid contract
- b. The condition precedent to the contract was removed by the approval of the State Bar on March 15, 2017.
- c. The APA remains valid and subject to enforcement by either side. The Dabneys still have the right to pay the sums due under the contract and take over the school
- d. American Heritage can sue for rescission of the contract, in which case they have to refund to the Dabneys what consideration the Dabney paid to American Heritage
- e. Alternatively, American Heritage can retain the school in mitigation and sue for damages, if any can be proved from the failure of the Dabneys to consummate the contract.

Please note that any action American Heritage decides to take is subject to any applicable statute of limitations that we have not analyzed in this opinion.

Very truly yours

Onwaeze Law group, APC

A handwritten signature in black ink, appearing to read 'Ogochukwu Victor Onwaeze', written over the printed name.

Ogochukwu Victor Onwaeze

OVO/ea