

July 12, 2021

Marco Johnson
President
University of Antelope Valley
44055 North Sierra Hwy
Lancaster, CA 93534

Dear President Johnson:

During its June 25, 2021 meeting, the WASC Senior College and University Commission (WSCUC) considered a proposal submitted by University of Antelope Valley (UAV) for a Change of Ownership from you and Sandra Johnson to Genius Group, Ltd. (GGL). This change is a Structural Change, defined by WSCUC Substantive Change policy as a change in mission, ownership, legal status, or control.

Consideration of this Structural Change follows submission by the institution of a proposal and its subsequent review by a panel of the Substantive Change Committee via video conference on March 26, 2021, submission of additional information requested by the panel, and a remote visit conducted by video meetings with representatives from UAV and GGL on dates between April 23 and May 6, 2021.

During its June 2021 meeting, the Structural Change Committee of the Commission reviewed the original Structural Change application materials, additional materials that were requested to supplement the original proposal, the visiting team report, and an institutional response to the team report.

The Structural Change Committee referred to the Commission its recommendation that the Change of Ownership be approved subject to WSCUC receiving written assurance that GGL will provide sufficient financial assistance to UAV in the event of revenue and/or enrollment shortfalls or other financial gap in order to ensure compliance with WSCUC Standards (CFR 3.4), and that the approval is contingent upon essential control and leadership remaining in place of GGL after completion of the initial public offering of stock of GGL, as WSCUC understands GGL may pursue an initial public offering of stock following the closing of the Change of Ownership.

After deliberation, the Commission acted to:

1. Receive the Structural Change Committee recommendation.
2. Approve the Change of Ownership to Genius Group, Ltd subject to WSCUC receiving, prior to the closing of the transaction, written assurance that GGL will provide sufficient financial assistance to UAV in the event of revenue and/or enrollment shortfalls or other financial gap to ensure compliance with WSCUC Standards (CFR 3.4).
3. Noted that the approval is based on representations by GGL in its proposal that essential control and leadership will remain with GGL after completion of the planned initial public offering of stock of GGL. Any deviation from this proposal and representations must be reported to WSCUC in a new proposal for a change of control which must be approved by WSCUC in advance of an IPO.
4. Require a post-implementation site visit within six months of implementation of the proposed change.

The Commission endorsed the following recommendations to be addressed at the September 2021 Accreditation Visit:

1. Develop a short and long-term transition and financial plan and a budgeting process to ensure a smooth and seamless transition to new ownership and minimize disruption to students, staff, faculty, and institutional processes. (CFRs 3.4, 3.7, 4.6)
2. Continue to implement a communication plan and share relevant information with all key stakeholders and constituents at the appropriate time regarding the transaction. (CFR 1.7)
3. Continue to move forward with deliberate and comprehensive institutional planning and strategic planning and engage key stakeholders involved in governance at the university. (CFRs 3.4, 3.7, 4.6)
4. Ensure that the Board has sufficient members with relevant community, higher education and financial expertise to support highly functioning Board Committees (for key executive, audit, academic affairs, budget and finance, and planning responsibilities), and that it is capable of guiding the institution through its next phase of transition to new ownership, and able to act independently and meet WSCUC Standards. (CFRs 3.6, 3.7, 3.9)
5. Ensure institutional corporate legal documents and bylaws clarify the appropriate responsibilities of the board of trustees and the board of directors. (CFRs 3.6, 3.7, 3.9)
6. Strengthen the institutional research function and create resources with experience and expertise with data, analytics, and methodology. (CFR 4.2)
7. Review of the selection process of a new CEO to assure adherence to WSCUC Standards (CFR 3.9).
8. Review of the role and structure of the Board of Trustees to assure governance of the institution consistent with WSCUC Standards and Governing Board Policy (CFR 3.9 & WSCUC Governing Board Policy).

9. Faculty role in academic oversight of programmatic changes, as well as faculty capacity, qualifications, and involvement in curriculum development and shared governance (CFRs 2.1 & 3.10).

A response to these recommendations is to be submitted to WSCUC by August 6, 2021, one month prior to the Accreditation Visit.

It is the responsibility of UAV to notify the Commission immediately of the completion of the transaction and the completion of all other necessary approvals for implementation of this change. Upon closing of the transaction, UAV must report immediately any material modification or changes in the proposed terms to WSCUC to determine if further review or action is necessary. It is also UAV's responsibility to remain in compliance with state and federal law as the change is implemented.

This letter will be posted on the WSCUC website in accordance with WSCUC Commission policy. If UAV would like to respond to the Commission's findings, a link to your response will be posted on the WSCUC website.

Finally, the Commission wishes to express its appreciation for UAV's cooperation during this Structural Change review. WSCUC is committed to an accreditation process that adds value to institutions while contributing to public accountability, and we thank you for your continued support of this process.

Please contact me if you have any questions or comments about this letter or the action of the Commission.

Sincerely,



Jamienna S. Studley
President

CC: Phillip Doolittle, WSCUC Chair
Crystal Stephens, Accreditation Liaison Officer
David Vierra, Chair, University of Antelope Valley Board of Trustees
Members of the WSCUC Substantive Change Panel
John Hausaman, WSCUC Assistant Vice President
Susan Opp, WSCUC Vice President