

July 8, 2020

Dr. Allan Cahoon
Interim President
Sofia University
1069 East Meadow Circle
Palo Alto, CA 94303

Dear President Cahoon:

During its June 2020 meeting, the WASC Senior College and University Commission (WSCUC) considered a proposal and amended record submitted by Sofia University (Sofia) for a Change of Ownership to Beitou Holdings (Canada) Ltd. 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 teleconference on May 17, 2019 and an on-site visit to the Sofia campus in Palo Alto, CA on July 26, 2019. At its November 2019 meeting, the Structural Change Committee of the Commission reviewed the original Structural Change application materials, the visiting team report, and additional materials which had been requested to supplement the proposal. It deferred action pending receipt of supplemental information.

At its February 2020 meeting, the Commission deferred a decision on the proposed Change of Ownership pending receipt of the U.S. Department of Education's pre-acquisition review letter. The Commission also issued a Warning, after it was determined that Sofia had transferred shares of Sofia SPC to another corporate entity, Education First, without first providing advance notice or seeking WSCUC's advance approval through the submission of a substantive change proposal. The Commission found that this was not in compliance with the WSCUC *Substantive Change Policy*, CFR 1.8, or the *Core Commitment to Institutional Integrity, Sustainability, and Accountability*.

The Structural Change Committee on June 22, 2020 met with institutional representatives and reviewed materials submitted by Sofia that clarified the set of transactions, including the Education First transaction, that would culminate in 100% ownership of Sofia SPC by Beitou Holdings (Canada) Ltd. The materials submitted by Sofia also addressed the impact of this set of transactions on institutional control, governance and finances. The Structural Change Committee referred to the full Commission its recommendation that the change be approved and the Warning be removed.

After deliberation, the Commission acted to:

1. Receive the Structural Change Committee recommendation.

2. Approve the proposed Change of Ownership to Beitou Holdings (Canada), Ltd., to include the set of transactions now incorporated in the perfected record, to 100% ownership by Beitou.
3. Remove the Warning.
4. Continue with the next scheduled WSCUC interactions:
 - A. Special Visit in fall 2020, the subjects of which were detailed in the February 26, 2020 action letter and any further communication regarding the SV from WSCUC.
 - B. Offsite review in fall 2021 and Accreditation Visit in spring 2022.
5. Require a post-implementation visit within six months of implementation of the changes to address the recommendations of the Substantive Change panel.

Sofia must secure all required regulatory approvals as of the closing and notify WSCUC as they are received, along with notifying WSCUC of any conditions imposed by other regulators.

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

Finally, the Commission wishes to express its appreciation to Sofia University for its 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,



Jamiene S. Studley
President

JSS/jkh

cc:

Phillip Doolittle, Commission Chair
David Figuli, Chair, Sofia University Board of Trustees
Stuart Sigman, Accreditation Liaison Officer
Mark Goor, Vice President
John Hausaman, Director of Substantive Change and Committee Relations

