

LOS ANGELES

Daily Journal

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— SINCE 1888 —

PUBLISHED DAILY EXCEPT ON SUNDAYS IN LOS ANGELES AND THE COUNTY OF LOS ANGELES

TUESDAY,
JUNE 7, 2005
VOL. 118 NO. 109

www.dailyjournal.com

915 EAST FIRST STREET, LOS ANGELES, CA 90012 (213) 229-5300

\$2.50

Law School Faces Financial Ruin, Accreditation Agency Reports

By Draeger Martinez

Daily Journal Staff Writer

West Los Angeles School of Law and its paralegal program face a financial collapse by December unless enrollment or tuition rates rise sharply, the school's accreditation agency charged in a recent report.

The report prompted school faculty and staff to urge Attorney General Bill Lockyer on Monday to investigate the school immediately and intervene in its affairs. The attorney general's spokesman could not immediately be reached for comment.

The Daily Journal obtained a copy of the Western Association of Schools and Colleges' report that stems from a "special visit" in April by Association officials to the university, which encompasses the law school and the paralegal program.

The report paints a bleak picture riddled with mismanagement, potential conflicts of interest and the prospect that the school could be forced to drop federal student financial-aid programs.

"The university has no reserves and no borrowing power, except from members

of the Board of Trustees and friends of the institution," Association evaluators Robert Allison and Margaret Fieweger wrote in the report. "The short-term loans secured at present from board members require that [school president Robert Brown] remain in his current position, a stipulation that may lead to a violation of [Association] ethical principles."

The report notes that when the U.S. Department of Education audited UWLA in 2004, it gave the school a score of 0.1 on its scale of financial responsibility, barely above the minimum possible. The DOE requires schools maintain a score of 1.5 to remain eligible for federal aid programs, and as the Association report noted, "a loss of student financial aid would be disastrous for the students enrolled in the program as well as UWLA."

Brown said in an interview Monday that the technical nature of the Association's report makes the school appear worse off than it is.

"We have plans in place to address

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those issues, and we are working with [the Association] and the Department of Education to address those concerns," Brown said. "While the school has problems to overcome, the Board of Trustees and the administration have measures in place to insure the financial integrity and viability of this institution."

The report pointed out 11 major problems, including: the school lacks the cash flow to sustain its operations; has operated at a deficit each of the last five years, with scant hope of immediate improvement; fundraising has essentially dried up; and campus morale has nosedived after unexpected tuition hikes and the firing of three of the school's eight fulltime law professors.

While Brown deemed the problems manageable, he also hired the crisis management firm Tellem Worldwide to draft a public relations campaign to improve the school's image.

The two-page document titled "Crisis Management Plan" and dated May 24 also was obtained by the Daily Journal. In it, Tellem offers no advice for the university's financial problems or faculty turmoil. Instead, the public relations firm urges the school to "pre-empt any negative story that might occur with a positive outreach"

and to "put the onus on the complainers to be part of the solution."

Brown admitted he signed a retainer agreement with Tellem but denied that he asked for a crisis management plan. Tellem principal Susan Tellem said the document is not a full-fledged public relations campaign but merely is an overview of ways the school can address its image problems.

"Apparently there is a student that received, inappropriately, a copy of an overview that dealt with public relations that would help the university get out into the public and interviewed by area papers and TV and radio stations," Tellem said in a telephone interview. "I have not developed a crisis plan for them. Any such plan I would do would be much more detailed."

Although representatives of Lockyer's office could not be reached for comment, Andrew Kopkin, chair of the university's faculty Senate, said he contacted the attorney general's office on Monday by email, then notified the Association and the state Committee of Bar Examiners in a letter cosigned by associate dean Kathi Cervi, who represented the school's staff.

The letter states that "highly questionable activities" by Brown, Dave Wolff, the CFO and Vice President of the University, and the Board of Trustees merit investigation. It adds that Trustees have

"refused to investigate why and how, under the current leadership, the university has been reduced to the verge of financial ruin. The Board has also refused to seriously consider any outside offers of help," Kopkin and Cervi wrote.

The most prominent outside offer came from litigator and UWLA alumnus Edmond Nassirzadeh, who led efforts to arrange a \$1 million revolving-credit line to keep the school open. The offer came with the non-negotiable condition that Brown and Wolff step down, which Nassirzadeh said led to its rejection.

"We got a rejection letter from the trustees dated May 25, 2005. It said the Trustees unanimously voted to reject the offer and its conditions," Nassirzadeh said in a telephone interview. "The next step for our group is waiting to see what kind of response the faculty and students will get from the Attorney General's office."

Despite all the tumult, Kopkin believes the school still has hope.

"The university is going through a tremendous challenge, but the faculty, staff, students and alumni are united to see it through and improve things," Kopkin said in a phone interview. "Based on the great goodwill between these constituencies, I'm fundamentally very optimistic about the future of the school."