



January 17, 2025

VIA EMAIL ONLY

Christopher N. Oberg, PhD
Executive Vice President
WASC Senior College and University Commission
1080 Marina Village Parkway, Suite 500
Alameda, CA 94501
[REDACTED]

Re: WSCUC Correspondence dated November 20, 2024, and December 4, 2024

Dear Dr. Oberg:

This letter will serve as Life Chiropractic College West's ("LCCW" or the "College") response to the WASC Senior College and University Commission's ("WSCUC") correspondence of November 20, 2024, and December 4, 2024, concerning a complaint filed with WSCUC on October 18, 2024, by LCCW President Dr. Ronald Oberstein. To be clear, LCCW and the LCCW Board of Regents (the "Board") take the allegations contained in the complaint, which center around issues critical to the functioning of the College, very seriously. The Board is steadfast in its commitment to upholding the mission and values of the College and of WSCUC.

As an initial matter, it is important to recognize that some of the allegations – particularly those concerning process issues such as amendments to the LCCW Bylaws ("the Bylaws") and the election of Regents – concern events that occurred prior to WSCUC's accreditation review of the College and its' subsequent February 2023 decision to reaffirm LCCW's accreditation. Equally important is that a significant number of the allegations raised by the complaint are generally premised on (a) a lack of actual knowledge by Dr. Oberstein; (b) a misrepresentation or mischaracterization of the scope of Dr. Oberstein's authority; and/or (c) his disagreement with certain actions of the Board. On their own, such faulty premises should be insufficient to justify the allegations made in the complaint, however, as will be demonstrated below, the allegations made in the complaint are also without merit.

The Complaint Concerns the Employer/Employee Relationship

The Board believes that, at its core, the allegations raised in the complaint involve issues that arise solely out of the employer/employee relationship between LCCW and Dr. Oberstein. As such, the Board believes that the allegations generally fall outside the purview of WSCUC. Further, on the advice of our legal counsel, this response will not address the specific personnel issues raised by the complaint. Nevertheless, the Board wishes to be responsive to WSCUC regarding the issues identified in its correspondence.

Fundamental to the complaint are Dr. Oberstein's assertions of perceived presidential authority and decision-making in areas that are not afforded to him under the LCCW Bylaws, his

presidential contract or other relevant documents. Notably, these issues were not raised by Dr. Oberstein during the College's prior accreditation reviews nor during his prior tenure as Chair of the Board. WSCUC is familiar with how LCCW operates and its respect for shared governance while abiding by its corporate documents. Under the LCCW Bylaws, the President of the College is not a member of the Board of Regents. (This was also true when Dr. Oberstein was the Chair of the Board prior to his current service as President). The Bylaws do not require that the Board must seek and receive the approval of the President for certain transactions and/or decisions. The Bylaws do not require that the Board provide notice to the President of Board meetings, interviews or other Board-level decision-making. The Bylaws do not grant the President the right to attend or otherwise participate in Board meetings. Critically, the Bylaws do not grant the President the right or authority to approve or deny proper Board action. However, the complaint broadly asserts that the President does have these rights. This assertion of expanded authority is essentially a dispute over the terms and conditions of Dr. Oberstein's employment and has no bearing on whether LCCW is acting in a manner consistent with WSCUC Standards.

Consistent with WSCUC standards, where appropriate and necessary, the Board engages with the President over issues affecting the administration of the College. There is regular, constructive communication and debate between the Board and Dr. Oberstein (and his proxies) concerning institutional issues. This ongoing dialogue is an element missing from the complaint as Dr. Oberstein has transformed his objections to Board decisions into allegations of malfeasance without any acknowledgment of the respective roles and duties of the President and the Board.

It is readily apparent from the face of the complaint that a significant majority of Dr. Oberstein's allegations stem predominantly from his mere *disagreement* with the actions of the Board in his capacity as an employee and couches his disagreements with Board decisions as actual violations of the Bylaws and/or the WSCUC Standards. However, the fact remains that these are common disagreements which, in and of themselves, are not "evidence" of non-compliance. Further compounding this critical point is Dr. Oberstein's consistent and repeated admission that he lacks knowledge of the specific processes of the Board (see, e.g., Paragraphs 10, 11, 13, and 15 of the complaint). Yet, Dr. Oberstein attempts to weaponize his lack of personal knowledge as "evidence" that the Board is acting inappropriately. Once again, by the terms of the Bylaws and his presidential contract, Dr. Oberstein is not entitled to participate in all Board functions and decision-making, and this fact should not be utilized against the Board, particularly given the fact that Dr. Oberstein enforced these same requirements when he was the Chair of the Board.

The complaint appears to rely heavily on the reports and actions of various advisors retained solely by Dr. Oberstein. It should be noted that the development of these reports and the opinions of these advisors did not include a review of relevant Board materials (including but not limited to minutes, resolutions and other board documents) or interviews or communications with Board members. As such, the *sole* source of material to support the conclusions developed by the reports are from Dr. Oberstein himself who, as described above, lacks complete information and knowledge concerning Board matters. Thus, at a minimum, these reports should be viewed skeptically as they appear to solely represent and replicate Dr. Oberstein's viewpoints. As a Board, we were disappointed that College funds were expended to create these reports without the Board ever having been asked for input from any of the advisors retained by Dr. Oberstein.

Lastly, the Board strongly disagrees with Dr. Oberstein's statement that he has "exhausted" any grievance procedures available to him as he and the Board are in frequent dialogue focused on resolving his stated concerns.

The Board is in Compliance with WSCUC Standards and the Governing Board Policy

The Board Properly Exercises Its Authority Concerning Use of Funds

The complaint generally asserts that the Board is "misusing" institutional funds (See, e.g. Paragraphs 1, 2, 4, 9, and 10). Again, these allegation stem exclusively from Dr. Oberstein's *opinion* on the use of funds. The complaint makes no affirmative showing that misuse is occurring other than the unsupported assertion that Board approved expenditures are "unnecessary and excessive," (See Paragraph 2).

Section 3.10 of the Bylaws clearly and unequivocally authorize reimbursement for "travel and directly-related expenses incurred by [a Regent] as well as their spouse, significant other and/or immediate family members." Dr. Oberstein may disagree with the amounts and/or purpose of the reimbursement (or the nature of the reimbursement itself) but his disagreement alone is insufficient to base a claim of a violation of the Bylaws and/or WSCUC Standards. Dr. Oberstein also provides no rationale for the assertion that the expenditures are unnecessary or excessive, other than his opinion. Here, the Board is exercising its right under the Bylaws to properly reimburse expenses for College related travel and activities. The Board, with its knowledge of the budget and finances of the College, exercised its fiduciary duty to examine these expenses and ensure that they are reasonable and prudent. Upon receipt of Dr. Oberstein's concerns, the Board asked the Governance Committee to review all expenses to ensure that they were reasonable and prudent. The Governance Committee conducted this review and determined that they were reasonable and prudent.

The complaint also implies that the Board's policy of providing stipends for attendance at Board meetings is violative of the WSCUC Standards and/or the Governing Board Policy (See Paragraph 5 and 6). The WSCUC Governing Board Policy clearly states that compensation of Board members for their attendance at meetings or their service on the Board is permissible. Further, the Governing Board Policy explicitly does not set a "specific monetary limit" on stipends. It is also clear from the Governing Board Policy that the provision of these stipends are not, in and of themselves, a violation of WSCUC Governing Board Policy, and, in fact, are a crucial tool in the development and maintenance of a functional Board.

In approving the stipends, the Board followed the proper procedures as prescribed by the Bylaws. In its judgment, conducted with the advice of outside legal counsel, the Board determined that the stipend was specifically geared to attract and retain Board members and offset any income losses incurred by Board members as a result of their service. Dr. Oberstein provides no evidence to the contrary nor does he provide any evidence (other than his opinion) that the stipends are "excessive and unwarranted." And, again, Dr. Oberstein has no right or authority to disapprove of or reject such Board decision-making nor is the Board required to provide him with knowledge of such decision-making processes.

In a similar fashion, the complaint also attempts to characterize the consulting contract with Cameron Hastings as inappropriate. However, the complaint omits or chooses to ignore relevant facts. First, Section 6.1 of the Bylaws permits agents of the Corporation (i.e. Board members) to enter into contracts on behalf of LCCW. Second, during the term of the contract, Mr. Hastings did not serve as a Board member – despite the complaint's implicit suggestion of a conflict. Lastly, the complaint asserts that the President's knowledge and approval was necessary to effectuate the contract which, as described above, is not the case since the

Bylaws grant the Board the authority, independent of the President, to enter into such contracts. While a Board might confer with its President on such a contract, here, the contract was necessary for the advancement of the strategic goals of the College and included duties outside the scope of volunteer Board members and the regular duties of the Administration. There is nothing about this agreement that is in violation of the Bylaws or WSCUC Standards.

In sum, Dr. Oberstein is free to disagree with the Board's exercise of its authority and, in fact, clearly does so. However, his disagreement, in and of itself, is wholly insufficient to sustain the allegations raised in the complaint. The Board plainly and consistently acts within its authority and with a keen awareness and application of its fiduciary responsibilities.

The Board Properly Performs Its Essential Functions and Is In Compliance with the Bylaws

The complaint generally asserts that the Board fails to "perform essential functions." Yet again, these allegations are based on incomplete information or knowledge, assert authority that is beyond the scope of the President, and misrepresent Board action.

First and foremost, the Board, on January 9, 2025, following protracted delays during which Dr. Oberstein asserted veto rights over the Board's ability to pass the budget, approved the 2024-2025 College budget. While the complaint characterizes the budget approval process as applying "pressure" on the President, the process is simply a result of the Board exercising its fiduciary responsibilities in the budgeting process. The complaint's assertions in this regard are consistent with its tendency to ascribe malevolent motives to the normal exercise of Board authority and diligence. It appeared that there was a fundamental misunderstanding by Dr. Oberstein that the Board, in the exercise of its fiduciary obligations and consistent with WSCUC's standards, maintained the final authority over the budget.

As is its obligation, the Board diligently acts in a manner that is in accordance with its Bylaws. The complaint asserts that the Board is out of compliance with the Bylaws in the composition and size of its Board. Yet, Section 3.2 of the Bylaws states that the "number of Regents shall not be less than five (5) or more than twenty (20)." Presently, *as conceded in the complaint*, the Board has six members. The complaint furthermore implies that the currently constituted Board lacks the requisite skill and experience to be in compliance with WSCUC standards but, again, provides absolutely no evidence of this claim. The only apparent basis for this allegation is, once again, Dr. Oberstein's opinion based primarily on the departure of a prior Regent, which is insufficient to support such allegations. The complaint makes no specific demonstration that any present Board member, individually, or the Board as a whole, lacks the requisite experience and skill to properly exercise their duties and obligations. Further, no one ever asked the Board about its ongoing efforts to develop the Board, through the retention of AGB and its outreach to potential members. Regarding the gender issue, the Board respectfully asks that WSCUC consider the fact that it recently lost two very highly regarded female Board members – one who passed away, the other who left due to an inability to balance her obligations with Board membership (the very thing the stipend was designed to address).

The Board properly follows all procedures and protocols related to Board action including, but not limited to, amendment of the Bylaws. For example, in 2021, when the Bylaws were amended to adjust Board term lengths and other related issues, the Board, in accordance with the advice of outside legal counsel, adhered to the California Non-Profit Code's procedures for amending the Bylaws, including providing proper notice and following the required voting procedures. The complaint provides no evidence that this is not the case. Furthermore, upon the 2021 amendment of the Bylaws to address the above, the Board reset the terms of Board members – a proper exercise of its authority. Subsequent election(s) of Board members have followed the processes proscribed by the Bylaws. The complaint fails to provide any evidence

that this is not the case other than Dr. Oberstein's statement that he was not consulted concerning their election which, again, is not required and is perhaps a remnant of his expectations as a Board Chair.

Lastly, the complaint generally asserts that the Board fails to follow the Bylaws and College procedures with regards to conflict of interest reporting, committee processes, and performance reviews. As a whole, these allegations stem predominantly from Dr. Oberstein's conceded *lack of knowledge*. His lack of knowledge, especially in instances where the Board is not obligated to provide information to him, and the tendency of the complaint to characterize permissible Board action in the worst possible light, is not evidence that the Board is not following the Bylaws or College procedures. In fact, the Board, regularly and in a fashion consistent with the Bylaws, holds required committee meetings at the required intervals and follows conflict of interest requirements.

The Board consistently strives to conduct regular performance evaluations, including evaluation of the President. Despite the assertions in the complaint, the Board has conducted timely and regular evaluations of Dr. Oberstein – in addition to informal reviews of performance during regular dialogue between the Board and Dr. Oberstein. At no point, as alleged by the complaint, has the Board falsified or otherwise misrepresented any performance evaluations. Additionally, as noted above, the Board and Dr. Oberstein are in regular communication about his performance specifically and the performance of the College more generally.

The overarching theme that runs through the complaint is consistent: it attempts to characterize isolated events – e.g. certain Board responses to the required Conflict of Interest forms – as indicative of the greater whole. This strategy should be rejected because (a) the events described are consistent with College and Board policy not adverse to it; (b) there is no evidence provided that the incidents themselves demonstrate that policies are not being followed; and (c) it is a continuation of a strategy of falsely inferring Board non-compliance from occurrences that are straightforwardly in compliance with the Bylaws and WSCUC Standards.

Status of Initiatives Contained in WSCUC's March 2023 Letter

The Board is engaged in various initiatives to address the issues raised in WSCUC's March 2023 letter. The Board is presently working with expert consultants from AGB to expand governance training efforts and support onboarding efforts of new Regents. Further, the Board is continuing in its efforts to recruit additional Board members with a specific emphasis on experience in higher education, finance and real estate. Though the Board has gone through several applications, it has not been able to add additional Regents as of the writing of this letter. However, this effort presently continues.

The Board continues to develop a Board Strategic Plan for the purpose of the creation of the next overall College Strategic Plan. The Board has also been focused on the development and implementation of a revenue diversification project to assist LCCW. Additionally, the Board has retained outside consultants and has created an ad hoc Board committee to further pursue these endeavors.

Conclusion

The LCCW Board of Regents takes seriously its fiduciary role and strives to uphold and maintain the highest standards. As is evidenced by the 2023 reaccreditation by WSCUC, LCCW and its Board are committed to adhering to WSCUC Standards and Policies. The Board and the College have a long history of working with WSCUC to move LCCW forward and continue to meet its values and mission. Dr. Oberstein is free to disagree with the Board's exercise of its authority and utilize proper avenues to address his concerns. However, his disagreements, in

and of themselves, is wholly insufficient to sustain the allegations raised in the complaint. Furthermore, Dr. Oberstein's lack of knowledge and/or awareness of certain Board decision-making processes is, again, not a demonstration that the Board is in violation of the Bylaws or WSCUC policies. The Board, guided by AGB's governance experts and experienced external counsel, plainly and consistently acts within its authority and with a keen awareness and application of its fiduciary responsibilities while recognizing the constant need for evaluation and development of best practices.

While it is unfortunate that disagreement and conflict exist between the Board and the President, these disagreements are not a demonstration that the Board is failing to meet its obligations under the Bylaws or WSCUC Standards and Policies. Please let me know if you have any questions or would like any further information.

Sincerely,

A handwritten signature in black ink that reads "Amit Nanda D.C." The signature is written in a cursive, flowing style.

Dr. Amit Nanda
Chair, LCCW Board of Regents