



Bureau for Private Postsecondary Education
1747 N. Market Blvd. Ste 225 Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818
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MODIFIED CITATION:
ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Jeff Malmuth, Owner
iLearn Institute
870 Market Street, Ste. 579
San Francisco, CA 94102

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1819060
MODIFIED CITATION ISSUANCE/SERVICE DATE: February 26, 2020
MODIFIED DUE DATE: March 27, 2020
FINE AMOUNT: \$ 5,000.00
ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Modified Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Modified Citation is hereby issued to Jeff Malmuth, Owner of iLearn Institute (Institution) located at 870 Market Street, Ste 446, San Francisco, CA 94102, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

The Bureau previously issued Citation: Assessment of Fine and Order of Abatement No. 1819060 to the Owner of the Institution on November 29, 2018, which was appealed by the Institution and subsequently withdrawn without prejudice on February 14, 2020.

VIOLATION

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p><u>Violation:</u> CEC 94886. Approval to Operate Required <i>“Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter.”</i></p> <p>CEC 94817.5. Approved to Operate or Approved <i>“Approved to operate” or “approved” means that an institution has received authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs.”</i></p> <p>CEC 94868. To Offer to the Public</p>

“To offer to the public” means to advertise, publicize, solicit, or recruit.”

CEC 94869. To Operate

“To operate” means to establish, keep, or maintain any facility or location in this state where, or from which, or through which, postsecondary educational programs are provided.”

Bureau staff received and reviewed seven student enrollment agreements and invoices submitted to Hartford and American Claims Management by the Institution that confirmed the institutional charges exceeded \$2,500.00. The Bureau also received evidence that the Institution was receiving California retraining funds that violated the exempt status, CEC section 94874(f).

Order of Abatement:

The Bureau orders that the Institution cease to operate as a private postsecondary educational institution. The Institution must discontinue recruiting or enrolling students and cease all instructional services and advertising in any form or type of media, including the website www.ilearninstitute.com and any other websites not identified here that are associated with the Institution, until such time as an approval to operate is obtained from the Bureau. The Institution must disconnect all telephone service numbers including but not limited to (888) 845-3276 and (415) 362-7005 that are associated with DCA until such time as an approval to operate is obtained from the Bureau. To comply with the Order of Abatement the Institution must submit a school closure plan to the Bureau pursuant to California Education Code section 94926. The Institution must provide a roster of each student currently enrolled at the Institution. The roster must include the names of the students, their contact information (including phone number, email address, and physical address), the programs in which they are enrolled, the amount paid for the programs.

Modified Order of Abatement:

The Institution will not charge institutional fees (which include charges for equipment, such as computers) that total more than \$2,500 for each educational program. If the Institution plans to increase their institutional charges to more than \$2,500, Institution will submit an Application for an Approval to Operate with the Bureau.

Assessment of Fine:

The fine for this violation is \$25,000.00

The modified administrative fine for this violation is \$5,000.00

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$5,000.00

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$5,000.00** for the violations described above.

Payment must be made to the Bureau by March 27, 2020.

PAYMENT OF ADMINISTRATIVE FINE

The Institution shall pay the civil penalty in the amount of \$5,000.00 by way of cashiers' check or money order. The payment shall be mailed to:

Cheryl Lardizabal, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd. Ste. 225
Sacramento, CA 95834

The civil penalty must be paid to the Bureau by March 27, 2020. Payment of an administrative citation is not an admission of guilt or liability.

The Institution gives up the right to an administrative hearing and all other rights accorded by the California Administrative Procedure Act and other applicable laws. The Institution's failure to pay the modified citation civil penalty pursuant to the terms of this settlement will result in this matter being referred to collection and will result in the full original penalty being imposed and due in full. The Bureau for Private Postsecondary Education may file an Amended Modified Citation for the failure of conditions required of the Institution.

CONTACT INFORMATION

If you have any questions regarding this Modified Citation, or desire further information, please contact Cheryl Lardizabal, Citation Analyst, at (916) 574-8968 or Cheryl.Lardizabal@dca.ca.gov.

"Original signature on file"

"2/26/2020"

Christina Villanueva
Discipline Manager

Date

Enclosure

- Declaration of Service by Certified and First-Class Mail
- Payment of Fine