



Bureau for Private Postsecondary Education
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APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

July 6, 2018

Carlos Gonzalez de Villaumbrosia
 Product School
 415 Jackson St., Suite B
 San Francisco, CA 94111

Date of Issuance	Citation Number	Institution Code
July 6, 2018	1718020	Unapproved

On May 25, 2018, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1718020 (Citation) against Carlos Gonzalez de Villaumbrosia, Owner of Product School. In attendance were Yvette Johnson, Enforcement Chief; Karlygash Burkithayeva, Joelle Golda and Keith Zakarin, Attorney.

Pursuant to Business and Professions Code, section 148; California Education Code (CEC), section 94944; and Title 5 of California Code of Regulations (5, CCR), section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1718020.

It is the decision of the Enforcement Chief that on June 14, 2018, Citation No. 1718020 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	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></p> <p>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>

CEC 94868. To Offer to the Public

"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."

CEC 94902. General Enrollment Requirements

(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.

(b) An enrollment agreement is not enforceable unless all of the following requirements are met:

(1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement.

(2) At the time of the execution of the enrollment agreement, the institution held a valid approval to operate.

(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student.

(c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the student.

On May 2, 2016, the Bureau received an Enforcement Referral from CRP. The referral alleges that PS is operating without approval in violation of CEC section 94886.

During the Bureau's investigation, Bureau staff found evidence from PS's website, and through electronic mail correspondence with PS employees that PS is charging \$3,500 in tuition for its Product Manager course which is not exempt under any of the qualifications of CEC section 94874. Bureau staff found evidence that PS may have been operating without approval since incorporating on January 26, 2015. On June 13, 2016, Bureau staff sent PS a letter ordering it to cease operating within 14 days.

On November 11, 2016, PS submitted an Application for Approval to Operate to the Bureau, however that application has not been approved. Therefore, PS is operating without approval and is in violation of CEC section 94886. As of March 28, 2018, PS has an active website at www.productschool.com, advertising multiple locations in California including San Francisco, Silicon Valley, Santa Monica, Los Angeles and Orange County. PS is advertising and offering one educational course for \$3,995 or \$8,995.00 for 3 courses to become a Full Stack Product Manager.

Order of Abatement:

The Bureau orders that PS cease to operate as a private postsecondary educational institution. PS must discontinue recruiting and enrolling students and cease all instructional services and advertising in any form or type of media (including the Internet

web site <https://www.productschool.com/>), until such time as an approval to operate is obtained from the Bureau. PS must disconnect all telephone service numbers associated with PS (including phone number (844) 438-2765) until such time as an approval to operate is obtained from the Bureau. PS must provide a refund to all students enrolled at the school prior to the receiving an approval to operate from the Bureau as the enrollment agreements signed by the students are not enforceable since the school does not have a valid approval to operate. To comply with the Order of Abatement PS must cease operating and 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 PS. The roster must include the name of the student, their contact information (including phone number, email address, and physical address), the program in which they were enrolled, date of enrollment, the amount paid for the program, and the amount the student was refunded.

Assessment of Fine

The fine for this violation is \$100,000.00.

Reason for modification: On May 7, 2018, the Institution received a conditional approval (20708925) through November 7, 2018. The Institution has been working with the Bureau's Licensing Unit to obtain full approval.

The administrative fine for this violation has been modified from \$100,000.00 to \$25,000.00.

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$25,000.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Gurinder Sandhu, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. You *do*, however, have the right to appeal this modified Citation through an Administrative Hearing, *only if* you initially requested one within 30 days from the issuance date of the original citation. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

If you do not wish to appeal this modified Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal - Request for Administrative Hearing within **30 Days** of the date of this decision.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **July 6, 2018**. The order of abatement and payment are due by **August 5, 2018**.

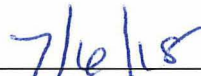
Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Affirmed Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this decision or desire further information, please contact Gurinder Sandhu, Citation Analyst, at (916) 431-6940 or at Gurinder.Sandhu@dca.ca.gov.



Christina Villanueva
Discipline Manager



Date

Enclosures

- Payment of Fine - Waiver of Appeal Rights
- Copy of Citation Order Number
- Withdrawal- Request for Administrative Hearing
- Declaration of Service by Certified and First- Class Mail