



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

April 1, 2021

California Preparatory College, Inc., Owner
California Preparatory College
1250 E. Cooley Dr.
Colton, CA 92324

Date of Issuance	Citation Number	Institution Code
April 1, 2021	2021175	54190071

On February 19, 2021, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 2021175 (Citation) against California Preparatory College, Inc., Owner of California Preparatory College (Institution). In attendance were Beth Scott, Enforcement Chief, Michael Kanotz, Department of Consumer Affairs Legal Counsel, Gene Edelbach, CEO, and Joel Peterson, Vice President and Attorney for Institution.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 2021175.

It is the decision of the Enforcement Chief that on March 18, 2021, Citation No. 2021175 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>MODIFIED</u></p> <p><u>Violation:</u> 5, CCR Section 71770 (a)(1) – Admissions Standards and Transferred Credits Policy <i>“(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:</i> <i>(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.”</i></p>

5, CCR Section 71920 (b)(1)(A) – Student Records

“(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;”

On July 14, 2017, Bureau staff received D.P.'s student file. The file failed to include verification of high school completion, equivalency, or other documentation establishing the student's ability to do college level work, such as a successful completion of an Ability to Benefit (ATB) exam upon admissions. According to Institution staff, the Institution does not require a high school diploma or ATB exam for students that plan to, or could, earn a GED in a year.

Order of Abatement:

The Bureau orders the Institution to submit a written policy, or procedure, of how future compliance with 5, CCR sections 71770 (a)(1) and 71920 (b)(1)(a) will be maintained.

Reason for modification: New substantive facts were presented at the conference. The Institution is exempt. The Order of Abatement is removed.

Assessment of Fine

The fine for this violation is \$1,501.00

The administrative fine for this violation has been modified from \$1,501.00 to \$100.00.

2. **MODIFIED**

Violation:

5, CCR Section 71800 (d) – Enrollment Agreement

“In addition to the requirements of section 94911 of the Code, an institution shall provide to each student an enrollment agreement that contains at the least the following information:

(d) Date by which the student must exercise his or her right to cancel or withdraw, and the refund policy, including any alternative method of calculation if approved by the Bureau pursuant to section 94921 of the Code.”

CEC Section 94902 (a)(b)(1)(2)(3) – 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.”

CEC Section 94912 – Signature, Initials Required

“Prior to the execution of an enrollment agreement, the information required to be disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be signed and dated by the institution and the student. Each of these items shall also be initialed and dated by the student.”

Violation: 5, CCR section 71800 (d):

On July 14, 2017, Bureau staff received D.P.’s Enrollment Agreement. The Enrollment Agreement failed to include the date by which the student must exercise his or her right to cancel or withdraw.

Violation: CEC sections 94902(a)(b)(1)(3) and 94912:

The Enrollment Agreement failed to contain the student’s signature as well as initials and date to show that the student received a catalog and School Performance Fact Sheet (SPFS). Additionally, the Enrollment Agreement failed to include the student’s signature and date on the required information to be disclosed in the SPFS.

Violation: CEC section 94902 (b)(2):

According to the Enrollment Agreement dated February 2, 2015, the student enrolled in the Associate of Arts Degree in Business Administration program. The Associate of Arts in Business Administration Program was not approved by the Bureau until October 25, 2018. Therefore, the Institution did not hold a valid approval to operate the program.

Order of Abatement:

The Bureau orders the Institution to submit a written policy, or procedure, of how future compliance with 5, CCR section 71800 (d) and CEC sections 94902 (a)(b)(1)(2)(3) and 94912 will be maintained.

Reason for modification: New substantive facts were presented at the conference. The Institution is exempt. The Order of Abatement is removed.

Assessment of Fine

The fine for this violation is \$1,000.00

The administrative fine for this violation has been modified from \$1,000.00 to **\$250.00.**

3.

MODIFIED

Violation:

CEC Section 94920 (e) – Mandatory Cancellation, Withdrawal, and Refund Policies

“An institution that does not participate in the federal student financial aid programs shall do all of the following:

(e) The institution shall pay or credit refunds within 45 days of a student’s cancellation or withdrawal.”

Only July 14, 2017, Bureau staff received D.P.’s student file and found the following:

- An Official Withdrawal Form dated November 11, 2015, that did not include any signatures.
- A Fall 2015 Statement showing D.P. had a \$3,750.00 credit balance.
- A Fall 2016 Statement showing D.P. had a \$3,750.00 credit balance.

On July 19, 2017, Bureau staff requested that the Institution give D.P. a full refund.

Between August 22, 2017 and December 30, 2019, the Bureau worked with the Institution to ensure the student was issued a proper refund. On May 6, 2020, and May 13, 2020, the Institution refunded D.P. in the amounts of \$6,700.00 and \$2,1770.00 respectively.

The Institution failed to issue refunds within 45 days of a student's cancellation or withdrawal.

Order of Abatement:

The Bureau orders the Institution to submit a written policy, or procedure, of how future compliance with CEC section 94920(e) will be maintained.

Reason for modification: New substantive facts were presented at the conference. The Institution is exempt. The Order of Abatement is removed.

Assessment of Fine

The fine for this violation is \$250.00

The administrative fine for this violation has been modified from \$250.00 to \$100.00.

4. **MODIFIED**

Violation:

5, CCR Section 76130 (a-e)- Collection and Submission of Assessments

"(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.

(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

(c) The STRF Assessment Reporting Form shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and

(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and

(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and

(4) The total number of students who signed their enrollment agreement in a previous reporting period, were eligible for STRF, and who made their first payment during the current reporting period; and

(5) Total amount of institutional charges after rounding each student's institutional charges to the nearest \$1,000, for all eligible STRF students whose STRF assessment was collected in the reporting

period; and

(6) Current contact telephone number of the person preparing the form; and

(7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.

(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.

(e) Submission of all prior reports and assessments required by this section is a condition of renewal.”

The Institution has failed to submit STRF Assessment Reporting Form for the following quarter:

- Third Quarter of 2020.

On September 18, 2020, the Institution was notified via mail at 1250 E. Cooley Dr., Colton, CA 92324, that the STRF Assessment Reporting Form for the 3rd quarter of 2020 was due.

On November 10, 2020, the Bureau notified Institution staff via email that the STRF Assessment Reporting Form for the 3rd quarter of 2020 was due. As of January 14, 2021, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

Order of Abatement:

The Bureau orders that the Institution submit the delinquent STRF Assessment Reporting Form with the STRF Assessments collected from students for the quarter listed above. The information provided shall comply with “Record Keeping Requirements” Pursuant to 5, CCR section 76140.

Reason for modification: New substantive facts were presented at the conference. The Institution is exempt. The Order of Abatement is removed.

Assessment of Fine

The fine for this violation is \$50.00

The administrative fine for this violation has been modified from \$50.00 to \$00.00.

5. **AFFIRMED**

Violation:

5, CCR Section 74006(a) and (b) - Annual Fee

“(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval. (b) An institution shall pay its annual fee in addition to any other applicable fees.”

CEC Section 94930.5 (g)- Fee Schedule

“(g) Notwithstanding subdivision (d), effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000) for each campus.”

CEC Section 94931(a)- Late Payment

“(a) A fee that is not paid on or before the 30th calendar day after the due date for payment of the fee shall be subject to a 25 percent late payment penalty fee.”

2020 Annual Fee and Late Payment Penalty Fee

The Institution has failed to pay its annual fee and late payment penalty fee for calendar year 2020.

On September 1, 2020, the Institution was notified, Invoice # 900352204, via mail at 1250 E. Cooley Dr., Colton, CA 92324, stating that the annual fee for calendar year 2020 was due on October 1, 2020.

On November 16, 2020, the 1st Delinquency Notice (Invoice # 900353965) was sent via mail at 1250 E. Cooley Dr., Colton, CA 92324, stating that the annual fee for calendar year 2020 was due on October 1, 2020.

As of January 14, 2021, the Bureau has not received the annual fee nor the late payment penalty fee from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit its annual fees for calendar year 2020 in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(g). In addition, the Institution must pay all late payment penalty fees.

Assessment of Fine

The fine for this violation is \$00.00

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$450.00

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:

Nicole Mitchell, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. 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.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **April 1, 2021**. The Order of Abatement and payment are due by **May 1, 2021**.

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 Modified 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 Nicole Mitchell, Citation Analyst, at Nicole.Mitchell@dca.ca.gov.

“Original Signature on File”

“4/1/2021”

Christina Villanueva
Discipline Manager

Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Declaration of Service by Certified and First-Class Mail