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7

8 **BEFORE THE**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
9 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**  
**STATE OF CALIFORNIA**

10  
11 In the Matter of the Accusation Against:

Case No. 999514

12 **C & S HEALTH EDUCATION**  
**SERVICES; SAMUEL CARRAWAY,**  
13 **OWNER**  
14 **17405 Chatsworth Street**  
**Granada Hills, CA 91344**

**ACCUSATION**

15 **Institution School Code No. 46576478**

16 Respondent.  
17

18  
19 Complainant alleges:

20 **PARTIES**

21 1. Joanne Wenzel (Complainant) brings this Accusation solely in her official capacity as  
22 the Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs.

23 2. On or about April 27, 2007, the Bureau for Private Postsecondary Education issued  
24 Institution/School Code Number 46576478 to C & S Health Education Services with Samuel  
25 Carraway, Owner (Respondent). The approved programs included four (4) non-degree programs  
26 described as follows: Home Health Aide [42 hours], Limited Phlebotomy Technician (LPT) 101  
27 [20 hours], Nurses Assistant [160 hours] and Phlebotomy Technician 201 [80 hours].

28 ///

1 **JURISDICTION**

2 3. This Accusation is brought before the Director of the Department of Consumer  
3 Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the  
4 following laws. All section references are to the Education Code unless otherwise indicated.

5 4. Section 118, subdivision (b), of the Business and Professions Code provides that the  
6 expiration of a license shall not deprive the Board of jurisdiction to proceed with a disciplinary  
7 action during the period within which the license may be renewed, restored, reissued or  
8 reinstated.

9 **STATUTORY PROVISIONS**

10 5. Business and Professions Code section 22 defines the term "board" to include  
11 "bureau."

12 6. Education Code section 94885<sup>1</sup> states:

13  
14 (a) The bureau shall adopt by regulation minimum operating standards  
15 for an institution that shall reasonably ensure that all of the following occur:(1) The  
content of each educational program can achieve its stated objective.

16 (2) The institution maintains specific written standards for student  
17 admissions for each educational program and those standards are related to the  
particular educational program.

18 (3) The facilities, instructional equipment, and materials are sufficient to  
19 enable students to achieve the educational program's goals.

20 (4) The institution maintains a withdrawal policy and provides refunds.

21 (5) The directors, administrators, and faculty are properly qualified.

22 (6) The institution is financially sound and capable of fulfilling its  
commitments to students.

23 (7) That, upon satisfactory completion of an educational program, the  
24 institution gives students a document signifying the degree or diploma awarded.

25 (8) Adequate records and standard transcripts are maintained and are  
available to students.

26 (9) The institution is maintained and operated in compliance with this

27 <sup>1</sup> California Private Postsecondary Education Act of 2009, California Education Code  
28 sections 94800 et seq.

chapter and all other applicable ordinances and laws.

(b) Except as provided in Section 94885.1, an institution offering a degree must satisfy one of the following requirements:

(1) Accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program by the institution.

(2) An accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of the bureau's issuance of a provisional approval to operate to the institution. The provisional approval to operate to an unaccredited degree-offering institution shall be in compliance with Section 94885.5.

7. Education Code section 94886 states:

“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.”

8. Education Code section 94900 states:

(a) An institution shall maintain records of the name, address, e-mail address, and telephone number of each student who is enrolled in an educational program in that institution.

(b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:

(1) The degree or certificate granted and the date on which that degree or certificate was granted.

(2) The courses and units on which the certificate or degree was based.

(3) The grades earned by the student in each of those courses.

9. Education Code section 94902 states in pertinent part:

....

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

(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.

...

9. Education Code section 94909 states in pertinent part:

(a) Except as provided in subdivision (d), prior to enrollment, an

1 institution shall provide a prospective student, either in writing or electronically, with  
a school catalog containing, at a minimum, all of the following:

2 (2) Except as specified in Article 2 (commencing with Section 94802), a  
3 statement that the institution is a private institution and that it is approved to operate  
by the bureau.

4 (3) The following statements:

5 (A) "Any questions a student may have regarding this catalog that have  
6 not been satisfactorily answered by the institution may be directed to the Bureau for  
Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet  
7 Web site address), (telephone and fax numbers)."

8 (B) "As a prospective student, you are encouraged to review this catalog  
prior to signing an enrollment agreement. You are also encouraged to review the  
9 School Performance Fact Sheet, which must be provided to you prior to signing an  
enrollment agreement."

10 (C) "A student or any member of the public may file a complaint about  
11 this institution with the Bureau for Private Postsecondary Education by calling (toll-  
free telephone number) or by completing a complaint form, which can be obtained on  
12 the bureau's Internet Web site (Internet Web site address)."

13 (4) The address or addresses where class sessions will be held.

14 (5) A description of the programs offered and a description of the  
instruction provided in each of the courses offered by the institution, the requirements  
15 for completion of each program, including required courses, any final tests or  
examinations, any required internships or externships, and the total number of credit  
16 hours, clock hours, or other increments required for completion.

17 (6) If the educational program is designed to lead to positions in a  
profession, occupation, trade, or career field requiring licensure in this state, a notice  
18 to that effect and a list of the requirements for eligibility for licensure.

19 (7) Information regarding the faculty and their qualifications.

20 (8) A detailed description of institutional policies in the following areas:

21 (A) Admissions policies, including the institution's policies regarding the  
acceptance of credits earned at other institutions or through challenge examinations  
22 and achievement tests, admissions requirements for ability-to-benefit students, and a  
list describing any transfer or articulation agreements between the institution and any  
23 other college or university that provides for the transfer of credits earned in the  
program of instruction. If the institution has not entered into an articulation or transfer  
24 agreement with any other college or university, the institution shall disclose that fact.

25 (B) Cancellation, withdrawal, and refund policies, including an  
explanation that the student has the right to cancel the enrollment agreement and  
26 obtain a refund of charges paid through attendance at the first class session, or the  
seventh day after enrollment, whichever is later. The text shall also include a  
27 description of the procedures that a student is required to follow to cancel the  
enrollment agreement or withdraw from the institution and obtain a refund consistent  
28 with the requirements of Article 13 (commencing with Section 94919).

1 (C) Probation and dismissal policies.

2 (D) Attendance policies.

3 (E) Leave-of-absence policies.

4 (9) The schedule of total charges for a period of attendance and an  
5 estimated schedule of total charges for the entire educational program.

6 (10) A statement reporting whether the institution participates in federal  
7 and state financial aid programs, and if so, all consumer information that is required  
8 to be disclosed to the student pursuant to the applicable federal and state financial aid  
9 programs.

10 (11) A statement specifying that, if a student obtains a loan to pay for an  
11 educational program, the student will have the responsibility to repay the full amount  
12 of the loan plus interest, less the amount of any refund, and that, if the student has  
13 received federal student financial aid funds, the student is entitled to a refund of the  
14 moneys not paid from federal student financial aid program funds.

15 (12) A statement specifying whether the institution has a pending petition  
16 in bankruptcy, is operating as a debtor in possession, has filed a petition within the  
17 preceding five years, or has had a petition in bankruptcy filed against it within the  
18 preceding five years that resulted in reorganization under Chapter 11 of the United  
19 States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

20 (13) If the institution provides placement services, a description of the  
21 nature and extent of the placement services.

22 (14) A description of the student's rights and responsibilities with respect  
23 to the Student Tuition Recovery Fund. This statement shall specify that it is a state  
24 requirement that a student who pays his or her tuition is required to pay a state-  
25 imposed assessment for the Student Tuition Recovery Fund. This statement shall also  
26 describe the purpose and operation of the Student Tuition Recovery Fund and the  
27 requirements for filing a claim against the Student Tuition Recovery Fund.

28 (15) The following statement:

“NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND  
CREDENTIALS EARNED AT OUR INSTITUTION

The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer.”

10. Education Code section 94911 states in pertinent part:

An enrollment agreement shall include, at a minimum, all of the

1 following:

2 (a) The name of the institution and the name of the educational program,  
3 including the total number of credit hours, clock hours, or other increment required to  
4 complete the educational program.

5 (b) A schedule of total charges, including a list of any charges that are  
6 nonrefundable and the student's obligations to the Student Tuition Recovery Fund,  
7 clearly identified as nonrefundable charges.

8 (c) In underlined capital letters on the same page of the enrollment  
9 agreement in which the student's signature is required, the total charges for the  
10 current period of attendance, the estimated total charges for the entire educational  
11 program, and the total charges the student is obligated to pay upon enrollment.

12 (d) A clear and conspicuous statement that the enrollment agreement is  
13 legally binding when signed by the student and accepted by the institution.

14 (e) (1) A disclosure with a clear and conspicuous caption, "STUDENT'S  
15 RIGHT TO CANCEL," under which it is explained that the student has the right to  
16 cancel the enrollment agreement and obtain a refund of charges paid through  
17 attendance at the first class session, or the seventh day after enrollment, whichever is  
18 later.

19 . . . .

20 (g) A statement specifying that, if the student is eligible for a loan  
21 guaranteed by the federal or state government and the student defaults on the loan,  
22 both of the following may occur:

23 (1) The federal or state government or a loan guarantee agency may take  
24 action against the student, including applying any income tax refund to which the  
25 person is entitled to reduce the balance owed on the loan.

26 (2) The student may not be eligible for any other federal student financial  
27 aid at another institution or other government assistance until the loan is repaid.

28 (h) The transferability disclosure that is required to be included in the  
school catalog, as specified in paragraph (15) of subdivision (a) of Section 94909.

(i) (1) The following statement: "Prior to signing this enrollment  
agreement, you must be given a catalog or brochure and a School Performance Fact  
Sheet, which you are encouraged to review prior to signing this agreement. These  
documents contain important policies and performance data for this institution. This  
institution is required to have you sign and date the information included in the  
School Performance Fact Sheet relating to completion rates, placement rates, license  
examination passage rates, salaries or wages, and the most recent three-year cohort  
default rate, if applicable, prior to signing this agreement."

(2) Immediately following the statement required by paragraph (1), a line  
for the student to initial, including the following statement: "I certify that I have  
received the catalog, School Performance Fact Sheet, and information regarding  
completion rates, placement rates, license examination passage rates, salary or wage  
information, and the most recent three-year cohort default rate, if applicable, included  
in the School Performance Fact sheet, and have signed, initialed, and dated the  
information provided in the School Performance Fact Sheet."

1 (j) The following statements:(1) "Any questions a student may have  
2 regarding this enrollment agreement that have not been satisfactorily answered by the  
3 institution may be directed to the Bureau for Private Postsecondary Education at  
4 (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and  
5 fax numbers)."

6 (2) "A student or any member of the public may file a complaint about  
7 this institution with the Bureau for Private Postsecondary Education by calling (toll-  
8 free telephone number) or by completing a complaint form, which can be obtained on  
9 the bureau's Internet Web site (Internet Web site address)."

10 13. Education Code section 94929.7 states in pertinent part

11 (a) The information used to substantiate the rates and information  
12 calculated pursuant to Sections 94929 and 94929.5 shall do both of the following:

13 (1) Be documented and maintained by the institution for five years from  
14 the date of the publication of the rates and information.

15 (2) Be retained in an electronic format and made available to the bureau  
16 upon request.

17 (b) An institution shall provide a list of employment positions used to  
18 determine the number of graduates employed in the field for purposes of calculating  
19 job placement rates pursuant to this article.

20 11. Education Code section 94930.5 states in pertinent part:

21 . . . .

22 (d) (1) In addition to any fees paid to the bureau pursuant to subdivisions  
23 (a) to (c), inclusive, each institution that is approved to operate pursuant to this  
24 chapter shall remit both of the following:

25 (A) An annual fee for each campus designated by the institution as a  
26 main campus location in California, in an amount equal to 0.45 percent of the  
27 campus' total gross revenue derived from students in California, but not to be less  
28 than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand  
dollars (\$60,000).

12. Education Code section 94931 states in pertinent part:

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

(b) A fee that is not paid on or before the 90th calendar day after the due  
date for payment of the fee shall be subject to a 35 percent late payment penalty fee.

13. Education Code section 94934 states:

(a) As part of the compliance program, an institution shall submit an  
annual report to the bureau, under penalty of perjury, signed by a responsible  
corporate officer, by July 1 of each year, or another date designated by the bureau,

1 and it shall include the following information for educational programs offered in the reporting period:

- 2 (1) The total number of students enrolled by level of degree or for a diploma.
- 3
- 4 (2) The number of degrees, by level, and diplomas awarded.
- 5 (3) The degree levels and diplomas offered.
- 6 94910. (4) The Student Performance Fact Sheet, as required pursuant to Section
- 7 (5) The school catalog, as required pursuant to Section 94909.
- 8 (6) The total charges for each educational program by period of attendance.
- 9
- 10 (7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.
- 11 (8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.
- 12
- 13 (9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

14 **REGULATORY PROVISIONS**

15 14. California Code of Regulations, title 5, division 7.5, section 71660 states:

16 An institution shall notify the Bureau of a non-substantive change including: change of location of less than 10 miles; addition of a program related to the approved programs offered by the institution; addition of a new branch five miles or less from the main or branch campus; addition of a satellite; and change of mailing address. All such notifications shall be made within 30 days of the change and sent to the Bureau, in writing, to the address listed in section 70020.

17

18

19

20 15. California Code of Regulations, title 5, division 7.5, section 71745 states in pertinent part:

21 (a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

22 . . . .

23

24 (6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned

25

26

27

28



1 tuition shall be accounted for in accordance with general accepted accounting  
2 principles.

3 ...

4 (c) An institution shall provide to the Bureau its most current financial  
5 statements upon request.

6 16. California Code of Regulations, title 5, division 7.5, section 71750 states in pertinent  
7 part:

8 (f) The institution shall maintain a cancellation and  
9 withdrawal log, kept current on a monthly basis, which shall include the names,  
10 addresses, telephone numbers, and dates of cancellations or withdrawal of all students  
11 who have cancelled the enrollment agreement with, or withdrawn from, the institution  
12 during the calendar year.

13 17. California Code of Regulations, title 5, division 7.5, section 71800, states in pertinent  
14 part:

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

18 (e) Itemization of all institutional charges and fees including, as  
19 applicable:

- 20 (1) tuition;
- 21 (2) registration fee (non-refundable);
- 22 (3) equipment;
- 23 (4) lab supplies or kits;
- 24 (5) Textbooks, or other learning media;
- 25 (6) uniforms or other special protective clothing;
- 26 (7) in-resident housing;
- 27 (8) tutoring;
- 28 (9) assessment fees for transfer of credits;
- (10) fees to transfer credits;
- (11) Student Tuition Recovery Fund fee (non-refundable);
- (12) any other institutional charge or fee.

18. California Code of Regulations, title 5, division 7.5, section 71810, states in pertinent  
part:

1 (b) The catalog shall contain the information prescribed by Section  
94909 of the Code and all of the following:

2 ...

3 (2) A statement of the institution's missions and purposes and the  
4 objectives underlying each of its educational programs;

5 (3) If the institution admits students from other countries, whether visa  
6 services are provided or whether the institution will vouch for student status, and any  
associated charges;

7 (4) Language proficiency information, including: (A) the level of English  
8 language proficiency required of students and the kind of documentation of  
9 proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be  
accepted; and (B) whether English language services, including instruction such as  
ESL, are provided and, if so, the nature of the service and its cost;

10 (5) Whether any instruction will occur in a language other than English  
11 and, if so, the level of proficiency required and the kind of documentation of  
proficiency, such as the United States Foreign Service Language Rating System, that  
will be accepted;

12 (6) The institution's policies and practices regarding any form of  
13 financial aid, including all consumer information which the institution is required to  
disclose to the student under any state or federal financial aid program;

14 (7) The institution's policies and procedures for the award of credit for  
15 prior experiential learning, including assessment policies and procedures, provisions  
for appeal, and all charges that a student may be required to pay;

16 (8) The institution's standards for student achievement;

17 (9) A description of the facilities and of the types of equipment and  
18 materials that will be used for instruction;

19 (10) A description of library and other learning resources and the  
20 procedures for student access to those resources;

21 ...

22 (13) Housing information including all of the following:

23 (B) The availability of housing located reasonably near the institution's  
24 facilities and an estimation of the approximate cost or range of cost of the housing;  
and

25 (C) If the institution has no responsibility to find or assist a student in  
26 finding housing, a clear and conspicuous statement so indicating. A statement that the  
27 program is "non-residential" does not satisfy this subparagraph.

28 (14) Policies on student rights, including the procedure for addressing  
student grievances; and

(15) Policies on the retention of student records.

1 19. California Code of Regulations, title 5, division 7.5, section 71920, states in pertinent  
2 part:

3 . . . .

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

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

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

13 . . . .

14 (3) Copies of all documents signed by the student, including contracts,  
15 instruments of indebtedness, and documents relating to financial aid;

16 (5) In addition to the requirements of section 94900(b) of the Code, a  
17 transcript showing all of the following:

18 (A) The courses or other educational programs that were completed, or  
19 were attempted but not completed, and the dates of completion or withdrawal.

20 . . . .

21 20. California Code of Regulations, title 5, division 7.5, section 71930, states in pertinent  
22 part:

23 . . .

24 (e) All records that the institution is required to maintain by the Act or  
25 this chapter shall be made immediately available by the institution for inspection and  
26 copying during normal business hours by the Bureau and any entity authorized to  
27 conduct investigations.

28 . . .

29 21. California Code of Regulations, title 5, division 7.5, section 74000, states:

30 (a) An institution shall pay the fees established by Article 17 of the Act.  
31 A failure to include a fee with an application or other request renders the application  
32 or request incomplete.

33 . . .

34 (c) A fee that is not paid timely is subject to penalty as set forth in  
35 section 94931 of the Code.

36

1           22. California Code of Regulations, title 5, division 7.5, section 74112, subdivision (m)  
2 states in pertinent part:

3           ...

4                   (m) Documentation supporting all data reported shall be maintained  
5 electronically by the institution for at least five years from the last time the data was  
6 included in either an Annual Report or a Performance Fact Sheet and shall be  
7 provided to the Bureau upon request; the data for each program shall include at a  
8 minimum:(1) the list of job classifications determined to be considered gainful  
9 employment for the educational program;

10                   (2) student name(s), address, phone number, email address, program  
11 completed, program start date, scheduled completion date, and actual completion  
12 date;

13                   (3) graduate's place of employment and position, date employment  
14 began, date employment ended, if applicable, actual salary, hours per week, and the  
15 date employment was verified;

16                   (4) for each employer from which employment or salary information was  
17 obtained, the employer name(s) address and general phone number, the contact  
18 person at the employer and the contact's phone number and email address, and all  
19 written communication with employer verifying student's employment or salary;

20                   (5) for students who become self-employed, all documentation necessary  
21 to demonstrate self-employment;

22                   (6) a description of all attempts to contact each student or employer;

23                   (7) any and all documentation used to provide data regarding license  
24 examinations and examination results;

25                   (8) for each student determined to be unavailable for graduation or  
26 unavailable for employment, the identity of the student, the type of unavailability, the  
27 dates of unavailability, and the documentation of the unavailability; and

28                   (9) the name, email address, phone number, and position or title of the  
institution's representative who was primarily responsible for obtaining the students'  
completion, placement, licensing, and salary and wage data, the date that the  
information was gathered, and copies of notes, letters or emails through which the  
information was requested and gathered.

29           23. California Code of Regulations, title 5, division 7.5, section 74110, states in pertinent  
30 part:

31                   (a) The annual report required by Section 94934 of the Code shall  
32 include the information required by sections 94929.5 and 94934 for all educational  
33 programs offered in the prior calendar year, and all of the following for the prior  
34 calendar year:(1) Information regarding institutional branch campuses, including  
35 addresses and programs offered at each campus, if applicable;

36                   (2) Information regarding satellite locations, including addresses and

1 with which campus(es) the satellite location is affiliated, if applicable;

2 (3) Name of institutional accreditors for each branch and satellite  
3 campus, and for each such campus at which any programs have programmatic  
4 accreditation, the names of the programmatic accreditor for each such program, and  
5 effective dates for each programmatic accreditation, if applicable;

6 (4) Information regarding participation in state and federal student loan  
7 and grant programs, including the total amount of funding received from each source  
8 for those students enrolled in an approved California school regardless of their state  
9 of residency;

10 (5) Information regarding participation in other public funding programs,  
11 including the amount of funding received from each public funding source; for  
12 purposes of this section, public funding is any financial aid paid on behalf of students  
13 or directly to an institution from any public source, such as the Workforce Investment  
14 Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of  
15 the Code of Federal Regulations or any other financial aid program that is intended to  
16 help students pay education-related expenses, including tuition, fees, room and board,  
17 and supplies for education; and

18 (6) The total percentage of institutional income that comes from any  
19 public funding sources.

20 (b) In addition to the information required by section 94934 and this  
21 section provided under penalty of perjury, the institution shall have annual financial  
22 statements prepared for the institution's prior fiscal year and signed under penalty of  
23 perjury, and shall submit a hard copy under separate cover of such statements in  
24 conjunction with its annual report. The form, content and mode of preparation of  
25 financial statements shall comply with Section 74115 of this Division. The Bureau  
26 may request that the institution immediately make available for inspection to a  
27 representative of the Bureau, these financial statements at the offices of the  
28 institution.

(c) An institution shall file its annual report by December 1st. The  
Bureau may extend the period for filing if the institution demonstrates evidence of  
substantial need but in no case longer than 60 days. The institution shall not change  
the date of its filing its annual report because of a change in the fiscal year without  
the Bureau's approval.

(d) The annual report shall be electronically filed by submitting the  
information required by section 94934 of the Code and this section via the online  
form provided on the Bureau's website, electronically attaching, as directed, the  
School Performance Fact Sheet, the enrollment agreement, and the school catalog.

24 24. California Code of Regulations, title 5, division 7.5, section 76120, states in pertinent  
25 part:

26 (a) Each qualifying institution shall collect an assessment of zero dollars  
27 (\$ 0) per one thousand dollars (\$ 1,000) of institutional charges, rounded to the  
28 nearest thousand dollars, from each student in an educational program who is a  
California resident or is enrolled in a residency program. For institutional charges of  
one thousand dollars (\$ 1,000) or less, the assessment is zero dollars (\$ 0).

25. California Code of Regulations, title 5, division 7.5, section 76140, states :

1 (a) A qualifying institution shall collect and maintain records of student  
2 information to substantiate the data reported on the STRF Assessment Reporting  
3 Form and records of the students' eligibility under the Fund. Such records shall  
4 include the following for each student:

- 5 (1) Student identification number,
- 6 (2) First and last names,
- 7 (3) Email address,
- 8 (4) Local or mailing address,
- 9 (5) Address at the time of enrollment,
- 10 (6) Home address,
- 11 (7) Date enrollment agreement signed,
- 12 (8) Courses and course costs,
- 13 (9) Amount of STRF assessment collected,
- 14 (10) Quarter in which the STRF assessment was remitted to the Bureau,
- 15 (11) Third-party payer identifying information,
- 16 (12) Total institutional charges charged, and
- 17 (13) Total institutional charges paid.

18 (b) The qualifying institution shall maintain the data required under this section in an  
19 electronic format that is readily available and open to inspection by the Bureau upon  
20 request. The institution shall make the records immediately available to a Bureau  
21 representative conducting a site inspection or, upon written request, shall provide a  
22 copy within 14 calendar days of the request. All records shall be provided to the  
23 Bureau in an intelligible and orderly manner and in an electronic format.

24 26. California Code of Regulations, title 5, division 7.5, section 76215, states in pertinent  
25 part:

26 (a) A qualifying institution shall include the following statement on both  
27 its enrollment agreement for an educational program and its current schedule of  
28 student charges:

"You must pay the state-imposed assessment for the Student Tuition  
Recovery Fund (STRF) if all of the following applies to you:

1. You are a student in an educational program, who is a California  
resident, or are enrolled in a residency program, and prepay all or part of your tuition  
either by cash, guaranteed student loans, or personal loans, and

2. Your total charges are not paid by any third-party payer such as an  
employer, government program or other payer unless you have a separate agreement  
to repay the third party.

1           You are not eligible for protection from the STRF and you are not  
required to pay the STRF assessment, if either of the following applies:

2           1. You are not a California resident, or are not enrolled in a residency  
3           program, or

4           2. Your total charges are paid by a third party, such as an employer,  
5           government program or other payer, and you have no separate agreement to repay the  
6           third party."

7           (b) In addition to the statement described under subdivision (a) of this  
8           section, a qualifying institution shall include the following statement on its current  
9           schedule of student charges:

10           "The State of California created the Student Tuition Recovery Fund  
11           (STRF) to relieve or mitigate economic losses suffered by students in educational  
12           programs who are California residents, or are enrolled in a residency programs  
13           attending certain schools regulated by the Bureau for Private Postsecondary and  
14           Vocational Education.

15           You may be eligible for STRF if you are a California resident or are  
16           enrolled in a residency program, prepaid tuition, paid the STRF assessment, and  
17           suffered an economic loss as a result of any of the following:

18           1. The school closed before the course of instruction was completed.

19           2. The school's failure to pay refunds or charges on behalf of a student to  
20           a third party for license fees or any other purpose, or to provide equipment or  
21           materials for which a charge was collected within 180 days before the closure of the  
22           school.

23           3. The school's failure to pay or reimburse loan proceeds under a  
24           federally guaranteed student loan program as required by law or to pay or reimburse  
25           proceeds received by the school prior to closure in excess of tuition and other costs.

26           4. There was a material failure to comply with the Act or this Division  
27           within 30 days before the school closed or, if the material failure began earlier than  
28           30 days prior to closure, the period determined by the Bureau.

          5. An inability after diligent efforts to prosecute, prove, and collect on a  
judgment against the institution for a violation of the Act."

          However, no claim can be paid to any student without a social security  
number or a taxpayer identification number.

#### COST RECOVERY

27           27. Section 125.3 of the Code provides, in pertinent part, that the Board may request the  
28           administrative law judge to direct a licentiate found to have committed a violation or violations of  
the licensing act to pay a sum not to exceed the reasonable costs of the investigation and  
enforcement of the case, with failure of the licentiate to comply subjecting the license to not being

1 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be  
2 included in a stipulated settlement.

3 **FIRST CAUSE FOR DISCIPLINE**

4 (Failure to Timely File Annual Report )

5 28. Respondent is subject to disciplinary action under section 5, California Code of  
6 Regulations (CCR) sections 74110 subdivisions (a) through (d) and California Education Code  
7 (CRC) section 94934 subdivision (a)(1) through (9) in that Respondent institution failed to timely  
8 file its Annual Reports commencing with the 2014 Annual Report.

9 **SECOND CAUSE FOR DISCIPLINE**

10 (Failure to Submit Financial Statements )

11 29. Respondent is subject to disciplinary action under section 5, CCR section 71745  
12 subdivisions (a)(6) and (c) and 71930 subdivision (e) in that the institution failed to maintain and  
13 submit financial statements to the Bureau that demonstrate that the institution has sufficient  
14 assets and financial resources to maintain a ratio of current assets to current liabilities of 1.25 to  
15 1.0 or greater.

16 **THIRD CAUSE FOR DISCIPLINE**

17 (Failure to Submit Annual Fee and Late Payments)

18 30. Respondent is subject to disciplinary action under CEC sections 94930.5 subdivision  
19 (d)(1)(A), 94931 subdivision (a) and (b) and 5, CCR 74000 subdivision (a) and (c) in that the  
20 institution has not submitted to the Bureau the 2015 annual fee nor the late payment penalty fee.

21 **FOURTH CAUSE FOR DISCIPLINE**

22 (Failure to Meet Minimum Operating Standards – Student Tuition Recovery Fund (STRF))

23 31. Respondent is subject to disciplinary action under 5, CCR section 76140 subdivision  
24 (a)(1)-(13) and (b), 71930 subdivision (e) 76130, and 76120 subdivision (a) in that the institution  
25 failed to comply with record keeping requirements as follows:

26 32. The Institution failed to submit quarterly STRF assessment forms to the Bureau  
27 commencing with the 1st quarter of 2014 and continuing through the 3<sup>rd</sup> quarter of 2016.

28



1 33. The Bureau is unable to determine if the institution collected and/or accurately  
2 calculated STRF fees for qualifying students who enrolled in 2013 and 2014.

3 **FIFTH CAUSE FOR DISCIPLINE**

4 (Failed to Obtain Approval for Change of Location)

5 34. Respondent is subject to disciplinary action under CEC section 71660 in that the  
6 institution failed to obtain authorization from the Bureau before adding a satellite location.  
7 Respondent institution had been approved to operate at 17405 Chatsworth Street, Granada Hills,  
8 CA 91344, however Respondent has not requested approval for its additional location of 17411  
9 Chatsworth Street, Suite 101, Granada Hills, CA 91344.

10 **SIXTH CAUSE FOR DISCIPLINE**

11 (Failure to Maintain Student Records )

12 35. Respondent is subject to disciplinary action in that student records reviewed during an  
13 announced institution visit on September 25, 2014 failed to comply with the minimum standards  
14 as follows:

15 36. Three (3) student files reviewed during the September 25, 2014 institution visit do  
16 not contain high school diplomas or equivalency or documentation of successful completion of an  
17 ability-to-benefit test. [5, CCR 71920 subdivision (b)(1)(A) ]

18 37. Two (2) graduate student files reviewed during the September 25, 2014 institution  
19 visit do not contain certificates of completion, records of the courses and units on which the  
20 certificates were based, or the grades earned by the students in each of the courses. [CEC 94900  
21 subdivision (b)(1)-(3)]

22 38. Two (2) graduate student files reviewed during the September 25, 2014 institution  
23 visit do not contain transcripts. [5, CCR 71920 subdivision (b)(5)(A)]

24 **SEVENTH CAUSE FOR DISCIPLINE**

25 (Failure to Maintain Records - Documentation to Support Performance Fact Sheet )

26 39. Respondent is subject to disciplinary action for failure to maintain records for the  
27 institution as follows:

1 40. Respondent failed to submit documentation to support its 2012 Student Performance  
2 Fact Sheet data and information [5, CCR 74112 subdivision (m), and 5, CCR 71930 subdivision  
3 (e) CEC 94929.7 subdivision (a)(1)and (2), and (b)]

4 41. As of a institution visit on September 25, 2014, student files and enrollment packets  
5 inspected by the Bureau did not contain a SPFS initialed by the student subject to disciplinary  
6 action under section [5, CCR 71920 subdivision (b)(3) and CEC 94902 subdivision (b)(3)]

7 42. Respondent failed to maintain for inspection a log containing required information for  
8 students who have withdrawn from the institution and/or who have cancelled their enrollment  
9 agreements. [5, CCR 71750 subdivision (f) and 5, CCR 71930 subdivision (e)]

10 **EIGHTH CAUSE FOR DISCIPLINE**

11 (Failure to Comply with Minimum Requirements for School Catalog )

12 43. Respondent is subject to disciplinary action for failing to comply with minimum  
13 requirements for the 2014-2016 Certified Nursing Assistant and a Home Health Aide  
14 (CNA/HHA) institution catalog as follows:

15 44. The 2014-2016 CNA/HHA institution catalog does not include a statement that the  
16 institution is a private institution and that it is approved by the Bureau. [CEC 94909(a)(2)]

17 45. The 2014-2016 CNA/HHA institution catalog does not include the required verbatim  
18 language that directs the student to the Bureau for unanswered questions. The institution catalog  
19 does not list the Bureau's current contact information. The institution incorrectly directs the  
20 student to the Bureau for Private Postsecondary and Vocational Education at 1625 N. Market  
21 Blvd., Sacramento, CA 95834, which entity and address no longer exists. The Bureau's correct  
22 address is 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833. [CEC 94909(a) (3) (A)]

23 46. The 2014-2016 CNA/HHA institution catalog does not contain any statement that  
24 encourages the student to review the institution catalog and SPFS prior to signing an enrollment  
25 agreement. [CEC 94909(a)(3)(B)]

26 47. The 2014-2016 CNA/HHA institution catalog states, "Student complaints, oral or  
27 written, shall be directed to the Institution Director, (C&S Health Education Services, 17405  
28 Chatsworth Street, Granada Hills, CA 91344." The institution catalog requires student

1 complaints to be directed to the Institution Director and does not contain the verbatim language  
2 that refers individuals wishing to file a complaint about the institution to the Bureau. [CEC  
3 section 94909(a)(3)(C)]

4 48. The 2014-2016 CNA/HHA institution catalog does not provide a description of  
5 instruction provided and requirements for completion of each program. The institution catalog  
6 does not list the description of the HHA program. [CEC 94909(a)(6)]

7 49. The 2014-2016 CNA/HHA institution catalog does not list any faculty information or  
8 Qualifications. [CEC 94909(a)(7)]

9 50. The 2014-2016 CNA/HHA institution catalog does not contain an admissions policy  
10 regarding acceptance of credits earned at other institutions or through challenge examinations and  
11 achievement tests, admissions requirements for ability-to-benefit students, and a list describing  
12 any transfer or articulation agreements between the institution and any other college or university  
13 that provides for the transfer of credits earned in the program of instruction [CEC  
14 94909(a)(8)(A)].

15 51. The 2014-2016 CNA/HHA institution catalog states, "[a]ll monies will be refunded if  
16 the student cancels within three (3) business days after signing the Registration and Enrollment  
17 Agreement and making initial payment ... " The cancellation and refund policy listed in the  
18 institution catalog does not comply with the code sections that state that the student has the right  
19 to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the  
20 first class session, or the seventh day after enrollment, whichever is later. [CEC 94909(a) (8)(B)]

21 52. The 2014-2016 CNA/HHA institution catalog does not contain a detailed description  
22 of institutional probation and dismissal policies. [CEC 94909(a)(8)(C)]

23 53. The 2014-2016 CNA/HHA institution catalog does not contain a detailed description  
24 of institutional policies regarding leave of absence. [CEC 94909(a)(8)(E)]

25 54. The 2014-2016 CNA/HHA institution catalog and 2013-2015 LPT/CPT institution  
26 catalog do not contain list or a schedule of total charges for a period of attendance and an  
27 estimated schedule of total charges for the entire educational program. [CEC 94909(a)(9)]

28

1           55. The 2014-2016 CNA/HHA institution catalog does not contain a statement reporting  
2 whether the institution participates in federal and state financial aid programs and if so, all  
3 consumer information that is required to be disclosed to the student pursuant to the applicable  
4 federal and state financial aid programs.. [CEC 94909(a)(10)]

5           56. The 2014-2016 CNA/HHA institution catalog does not contain a statement specifying  
6 that, if a student obtains a loan to pay for an educational program, the student will have the  
7 responsibility to repay the full amount of the loan plus interest, less the amount of any refund.  
8 Also, if the student has received federal student financial aid funds, the student is entitled to a  
9 refund of the moneys not paid from federal student financial aid program funds. [CEC  
10 94909(a)(11)]

11           57. The 2014-2016 CNA/HHA institution catalog and 2013-2015 LPT/CPT institution  
12 catalog do not specify whether the Institution has a pending petition in bankruptcy, is operating as  
13 a debtor in possession, has filed a petition within the preceding five years, or has had a petition in  
14 bankruptcy filed against it within the preceding five years that resulted in reorganization under  
15 Chapter 11 of the United States Bankruptcy Code. [CEC 94909(a)(12)]

16           58. The 2014-2016 CNA/HHA institution catalog does not specify whether the institution  
17 provides a placement service, a description of the nature, and extent of the placement services.  
18 [CEC 94909(a)(13)]

19           59. The 2014-2016 CNA/HHA institution catalog and 2013-2015 LPT/CPT institution  
20 catalog do not list a description of the student's rights and responsibilities with respect to the  
21 STRF. [CEC 94909(a)(14)]

22           60. The 2014-2016 CNA/HHA institution catalog does not contain any statement  
23 regarding the transferability of credits and credentials. The 2013-2015 LPT/CPT institution  
24 catalog states, "NOTICE CONCERNING TRANSFERABILITY OF UNITS AT OUR  
25 INSTITUTION " Units/hours you earn in our Phlebotomy 101, 201 or the Phlebotomy 201  
26 Course will not be transferable to any other college or university in the near future even though  
27 you earned at C & S Health Education Services. In addition, if you earn a diploma or certificate in  
28 our Phlebotomy 201 Course or Phlebotomy 201 Course, in most cases it probably will not serve

1 as a basis for obtaining a degree at a college or university." The institution catalog does not  
2 contain the required verbatim in CEC section 94909(a)(15) that informs the student that the  
3 acceptance of the certificate earned at C & S Health Education Services is at the complete  
4 discretion of the institution to which he/she may seek to transfer. [CEC 94909(a)(15)]

5 61. The 2014-2016 CNA/HHA institution catalog does not contain a statement of the  
6 institution's missions and objectives: language proficiency information; whether any instruction  
7 will occur in a language other than English; the institution's policies and practices regarding any  
8 form of financial aid; and the institution's policies and procedures for the award of credit for prior  
9 experiential learning. [5, CCR 71810(b)(2),(4)-(7)]

10 62. The 2014-2016 CNA/HHA institution catalog does not provide a description of the  
11 facilities and types of equipment and materials used for instruction. The institution catalog does  
12 not describe its library or other learning resources and procedures for student access to those  
13 resources. [5, CCR 71810(b)(9)-(10)]

14 63. The 2014-2016 CNA/HHA institution catalog does not list the availability of housing  
15 and the estimation of the approximate cost or range of cost of the housing. [5, CCR  
16 71810(b)(13)(B)]

17 64. The 2014-2016 CNA/HHA institution catalog does not contain its policy on student  
18 rights. [5, CCR 71810(b)(14)]

19 **NINTH CAUSE FOR DISCIPLINE**

20 (Failure to Meet Minimum Requirements for Enrollment Agreements)

21 65. Respondent is subject to disciplinary action under section CEC 94911 in that the  
22 enrollment agreements for the institution fail to meet the minimum standards as follows:

23 66. The template enrollment agreement and the enrollment agreements in the student files  
24 do not include the total number of credit hours required to complete the educational program.  
25 [CEC 94911(a)]

26 67. The template enrollment agreement and the enrollment agreements in the student files  
27 do not list the non-refundable charges and STRF fees. [CEC 94911(b)]

28

1           68. The template enrollment agreement and the enrollment agreements in the student files  
2 do not list the estimated total charges for the entire educational program and the total charges the  
3 student is obligated to pay upon enrollment and the verbiage isn't underline and in capital letters  
4 or on the same page as the student's signature. [CEC 94911(c)]

5           69. The template enrollment agreement and the enrollment agreements in the student files  
6 do not contain the required verbatim statement: "Students Right to Cancel." Additionally, the  
7 enrollment agreements indicate, "The student has a right to a full refund of all charges less the  
8 amount of the Pre-Registration fee if he/she cancels this agreement prior to on the first day of  
9 instruction." The enrollment agreements do not indicate that the student has the right to cancel  
10 and obtain a refund or charges paid through attendance at the first class session, or the seventh  
11 day after enrollment, whichever is later. [CEC 94911(e)(1)]

12           70. The template enrollment agreement and the enrollment agreements in the student files  
13 do not include the disclosures regarding federal or state loans. [CEC 94911(g)(1) and (2)]

14           71. The template enrollment agreement and the enrollment agreements in the student files  
15 do not contain the required transferability disclosure. [CEC 94911(h)]

16           72. The template enrollment agreement and the enrollment agreements in the student files  
17 do not contain the required statements or a line for the students to acknowledge that they received  
18 the institution catalog, SPFS, and brochures prior to signing their enrollment agreement. [CEC  
19 94911(i)(1) and (2)]

20           73. The template enrollment agreement and the enrollment agreements in the student files  
21 do not include any statement that directs the students to the Bureau for unanswered questions and  
22 for filing a complaint to the Bureau. [CEC 94911(j)(1) and (2)]

23           74. The template enrollment agreement and the enrollment agreements in the student files  
24 do not list the date by which the students have the right to cancel or withdraw. [5, CCR 71800  
25 (d)]

26           75. The template enrollment agreement and the enrollment agreements in the student files  
27 do not contain an itemization of any of the institutional charges and fees. [5, CCR 71800(e) (1)-  
28 12]

