

1 ROB BONTA
Attorney General of California
2 JOSHUA A. ROOM
Supervising Deputy Attorney General
3 CARTER OTT
Deputy Attorney General
4 State Bar No. 221660
455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
Telephone: (415) 510-3485
6 Facsimile: (415) 703-5480
E-mail: Carter.Ott@doj.ca.gov
7 *Attorneys for Complainant*

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

13 In the Matter of the Statement of Issues
14 Against:

15 **MICRO-EASY COMPUTER**
16 **ENTERPRISES, INC.**
17 **dba MICRO-EASY VOCATIONAL**
18 **INSTITUTE**
19 **2300 El Portal Dr., Suite C**
20 **San Pablo, CA 94806**

21 **Institution Code No. 0703041**

22 Respondent.

Case No. BPPE22-540

OAH No. 2022120291

**FIRST AMENDED STATEMENT OF
ISSUES**

23 **PARTIES**

24 1. Deborah Cochrane (Complainant) brings this First Amended Statement of Issues
25 solely in her official capacity as the Chief of the Bureau for Private Postsecondary Education
26 (Bureau), Department of Consumer Affairs.

27 2. On or about August 14, 2020, the Bureau received an Application for Renewal of
28 Approval to Operate and Offer Educational Programs for Non-Accredited Institutions from
Micro-Easy Computer Enterprises, Inc., a California corporation doing business as Micro-Easy
Vocational Institute (Respondent). Between October 2020 and June 2022, the Bureau and

1 Respondent exchanged correspondence, documents, and other information related to
2 Respondent’s renewal application. On or about July 11, 2022, the Bureau issued Respondent a
3 Notice of Denial of Application for Renewal of Approval to Operate. On or about August 8,
4 2022, the Bureau received from Respondent a written notice of appeal requesting a hearing
5 regarding the Bureau’s denial of Respondent’s renewal application.

6 **JURISDICTION**

7 3. This First Amended Statement of Issues is brought before the Director of the
8 Department of Consumer Affairs (Director) for the Bureau for Private Postsecondary Education,
9 under the authority of the following laws. All section references are to the California Education
10 Code, unless stated otherwise.

11 4. Section 94817 states:

12 “‘Approval to operate’ or ‘approval’ means the authorization pursuant to this chapter to
13 offer to the public and to provide postsecondary educational programs, as well as the written
14 document issued to an institution signifying its approval to operate.”

15 5. Section 94817.5 states:

16 “‘Approved to operate’ or ‘approved’ means that an institution has received authorization
17 pursuant to this chapter to offer to the public and to provide postsecondary educational
18 programs.”

19 6. Section 94885, subdivision (a) states:

20 “(a) The bureau shall adopt by regulation minimum operating standards for an institution
21 that shall reasonably ensure that all of the following occur:

22 “(1) The content of each educational program can achieve its stated objective.

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

25 “(3) The facilities, instructional equipment, and materials are sufficient to enable students to
26 achieve the educational program’s goals.

27 . . .

28 ////

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

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

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

6 . . .

7 “(9) The institution is maintained and operated in compliance with this chapter and all other
8 applicable ordinances and laws.”

9 7. Section 94886 states:

10 “Except as exempted in Article 4 (commencing with Section 94874) or in compliance with
11 the transition provisions in Article 2 (commencing with Section 94802), a person shall not open,
12 conduct, or do business as a private postsecondary educational institution in this state without
13 obtaining an approval to operate under this chapter.”

14 8. Section 94887 states:

15 “An approval to operate shall be granted only after an applicant has presented sufficient
16 evidence to the bureau, and the bureau has independently verified the information provided by the
17 applicant through site visits or other methods deemed appropriate by the bureau, that the applicant
18 has the capacity to satisfy the minimum operating standards. The bureau shall deny an application
19 for an approval to operate if the application does not satisfy those standards.”

20 9. Section 94891 states, in part:

21 “(a) The bureau shall adopt by regulation the process and procedures whereby an institution
22 may obtain a renewal of an approval to operate.

23 “(b) To be granted a renewal of an approval to operate, the institution shall demonstrate its
24 continued capacity to meet the minimum operating standards.

25 “(c)(1) An institution that is denied renewal of an approval to operate may file an appeal in
26 accordance with the procedures established by the bureau pursuant to Section 94888.

27 “(2) An institution that has filed an appeal of a denial of a renewal application may continue
28 to operate during the appeal process, but must disclose in a written statement, approved by the

1 bureau, to all current and prospective students, that the institution’s application for renewal of
2 approval to operate was denied by the bureau because the bureau determined the application did
3 not satisfy the requirements to operate in California, that the institution is appealing the bureau's
4 decision, and that the loss of the appeal may result in the institution's closure.

5”

6 **STATUTORY AND REGULATORY PROVISIONS**

7 10. Section 94909 states, in part:

8 “(a) Except as provided in subdivision (d), before enrollment, an institution shall provide a
9 prospective student, either in writing or electronically, with a school catalog containing, at a
10 minimum, all of the following:

11 . . .

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

15 . . .

16 “(15) The following statement:

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

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

28”

1 11. Section 94911, subdivision (h) states:

2 “An enrollment agreement shall include, at a minimum, all of the following:

3 ...

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

6 12. California Code of Regulations, title 5, section 71260 states, in part:

7 “(a) For each program offered, the Form Application 94886 shall contain a description of
8 the facilities and the equipment which is available for use by students at the main, branch, and
9 satellite locations of the institution.

10 ...

11 “(c) The description of the physical facilities shall include building diagrams or campus
12 maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the
13 location of classrooms, laboratories, workshops, and libraries.

14 “(d) The description shall include specifications of significant equipment that demonstrate
15 that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to
16 enable students to achieve the educational objectives of each education program.

17 “(e) For each item of significant equipment, the description shall indicate whether the
18 equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and
19 loaned to be used without charge.

20 “(f) The Form Application 94886 shall contain a list of all permits, certifications, or other
21 evidence of inspections or authorizations to operate required by the jurisdictions within which the
22 institution operates that the institution has obtained, and/or an explanation as to why those
23 permits, certifications, or inspections have not yet been obtained.”

24 13. California Code of Regulations, title 5, section 71475 states, in part:

25 ...

26 “(c) The application for renewal of approval to operate and offer educational programs for
27 non-accredited institutions shall include all of the following:

28 ...

1 “(6) The form of business organization of the institution (e.g., sole proprietorship, general
2 or limited partnership, for-profit corporation, nonprofit corporation, or Limited Liability
3 Corporation). If the institution is incorporated, the institution shall also identify the state within
4 which the institution is incorporated and the date of incorporation, and provide copies of the
5 articles of incorporation and bylaws.

6 . . .

7 “(e) The institution shall submit at the time it applies for renewal current financial
8 statements that meet the requirements of section 74115 as follows: (1) for an institution with
9 annual gross revenues of \$500,000 and over, statements shall be audited; (2) for an institution
10 with annual gross revenues less than \$500,000, statements shall be reviewed.

11 . . .

12 “(r) The institution shall identify and describe, in the application, the educational program it
13 offers, or proposes to offer. If the educational program is a degree program, the institution shall
14 identify the full title which it will place on each degree awarded. If there have been no substantive
15 changes since the last submission, the institution may so state and is not required to submit
16 documentation.

17 . . .

18 “(t) In addition, the institution shall list in the application, the following for each
19 educational program offered unless there have been no substantive changes since the last
20 submission. If there have been no substantive changes made the institution may so state and is not
21 required to provide documentation.

22 “(1) The admissions requirements, including minimum levels of prior education,
23 preparation, or training;

24 . . .

25 “(3) The types and amount of general education required;

26 “(4) The title of the educational programs and other components of instruction offered,
27 including a description of the level of the courses (e.g., below college level, undergraduate level,
28 graduate level);

1 “(5) The mode of instruction;
2 “(6) The graduation requirements.
3 “(7) Whether the educational program is designed to fit or prepare students for employment
4 in any occupation. If so, the application shall identify each occupation and job title to which the
5 institution represents the educational program will lead.

6 “(u) For each educational program that the institution offers or proposes to offer, the
7 application shall contain a statement that the educational program meets the requirements of
8 section 71710, as well as the following unless there have been no substantive changes since the
9 last submission. If there have been no substantive changes made the institution may so state and is
10 not required to provide documentation:

11 “(1) A description of the educational program.

12 “(2) A description of the equipment to be used during the educational program.

13 “(3) A description of the number and qualifications of the faculty needed to teach the
14 educational program.

15 “(4) A projection, and the bases for the projection, of the number of students that the
16 institution plans to enroll in the educational program during each of the three years following the
17 date the application was submitted.

18 “(5) A description of the learning, skills, and other competencies to be acquired by students
19 who complete the educational program.

20 . . .

21 “(7) Upon request, the institution shall provide to the Bureau copies of the curriculum or
22 syllabi required pursuant to section 71710.

23 . . .

24 “(y)(1) For each program offered, the application shall contain a description of the facilities
25 and the equipment which is available for use by students at the main, branch, and satellite
26 locations of the institution unless there have been no substantive changes since the last
27 submission. If there have been no substantive changes made the institution may so state and is not
28 required to provide documentation.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

...

“(3) The application shall include, in addition to the description of the physical facilities, building diagrams or campus maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

“(4) The description in the application shall include specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to enable students to achieve the educational objectives of each education program unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

“(5) For each item of significant equipment, the description in the application shall indicate whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and loaned to be used without charge unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

“(6) The application shall contain a list of all permits, certifications, or other evidence of inspections or authorizations to operate required by the jurisdictions within which the institution operates that the institution has obtained, and/or an explanation as to why those permits, certifications, or inspections have not yet been obtained unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

...”

14. California Code of Regulations, title 5, section 71700 states:

“The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate.”

1 15. California Code of Regulations, title 5, section 71710, subdivision (c) states:
2 “In order to meet its mission and objectives, the educational program defined in section
3 94837 of the Code shall be comprised of a curriculum that includes:

4 . . .

5 “(c) course or module materials that are designed or organized by duly qualified faculty.

6 For each course or module, each student shall be provided with a syllabus or course outline that
7 contains:

8 “(1) a short, descriptive title of the educational program;

9 “(2) a statement of educational objectives;

10 “(3) length of the educational program;

11 “(4) sequence and frequency of lessons or class sessions;

12 “(5) complete citations of textbooks and other required written materials;

13 “(6) sequential and detailed outline of subject matter to be addressed or a list of skills to be
14 learned and how those skills are to be measured;

15 “(7) instructional mode or methods.”

16 16. California Code of Regulations, title 5, section 71720, subdivision (b) states:

17 “(b) Instructors in an Educational Program Not Leading to a Degree.

18 “(1) An institution shall employ instructors who possess the academic, experiential and
19 professional qualifications to teach, including a minimum of three years of experience, education
20 and training in current practices of the subject area they are teaching. If an instructor does not
21 possess the required three years of experience, education and training in the subject area they are
22 teaching, the institution shall document the qualifications the instructor possesses that are
23 equivalent to the minimum qualifications.

24 “(2) Each instructor shall maintain their knowledge by completing continuing education
25 courses in his or her subject area, classroom management or other courses related to teaching.

26 “(3) The institution shall not employ or continue to employ an instructor who was
27 adjudicated in a judicial or administrative proceeding as having violated any provision of the Act

28 ////

1 or this chapter, or as having committed any act that would constitute grounds for the denial of a
2 license under Section 480 of the Business and Professions Code.”

3 17. California Code of Regulations, title 5, section 71745 states, in part:

4 . . .

5 “(b) At an institution’s request, the Bureau may consider the financial resources of a parent
6 company if the parent company, as defined by section 94853 of the Code, meets and maintains all
7 of the following provisions:

8 “(1) consents in writing to be sued in California;

9 “(2) consents in writing to be subject to the jurisdiction of the Bureau with respect to the
10 institution's regulation under the Act and this Chapter;

11 “(3) designates and maintains an agent for service of process, consistent with section
12 74190;

13 “(4) agrees in writing to pay any refund, claim, penalty, or judgment that the institution is
14 obligated to pay; and

15 “(5) files financial reports, maintains financial records, and consents in writing to permit the
16 inspection and copying of financial records to the same extent as is required of the institution.

17 “(c) An institution shall provide to the Bureau its most current financial statements upon
18 request.”

19 18. California Code of Regulations, title 5, section 71810, subdivision (b)(1) states:

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

22 “(1) The specific beginning and ending dates defining the time period covered by the
23 catalog;”

24 19. California Code of Regulations, title 5, section 74115, subdivision (d) states:

25 “(d) ‘Current’ with respect to financial statements means completed no sooner than 120
26 days prior to the time it is submitted to the Bureau, and covering no less than the most recent
27 complete fiscal year. If more than 8 months will have elapsed between the close of the most

28 ////

1 recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no
2 less than five months of that current fiscal year.”

3 **SECOND CAUSE FOR DENIAL OF APPLICATION**

4 (Articles of Incorporation and Bylaws)

5 20. Respondent’s renewal application is subject to denial on the grounds that it fails to
6 offer details regarding its form of business organization. (Educ. Code §§ 94885, subd. (a)(9) and
7 94891, subd. (b); and Cal. Code Regs., title 5, §§ 71700 and 71475, subd. (c)(6).) In particular,
8 Respondent failed to offer any documents or information establishing how Micro-Easy Computer
9 Enterprises, Inc. is related to Micro-Easy Vocational Institute.

10 **THIRD CAUSE FOR DENIAL OF APPLICATION**

11 (Student Agreements)

12 21. Respondent’s renewal application is subject to denial on the grounds that it does not
13 include a compliant enrollment agreement. (Educ. Code §§ 94885, subd. (a)(2) and (a)(9) and
14 94891, subd. (b); and Cal. Code Regs., title 5, §§ 71700). In particular:

15 c. Respondent’s requisite transferability disclosure, in its enrollment agreement, is
16 incomplete and not entirely legible. (Educ. Code §§ 94909, subd. (a)(15) and 94911, subd. (h).)

17 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

18 (Instruction and Degrees Offered)

19 22. Respondent’s renewal application is subject to denial on the grounds that it fails to
20 provide details regarding educational programs, admission requirements, graduation
21 requirements, and faculty. (Educ. Code §§ 94885, subs. (a)(1), (2), (3), (5), (7) and (9), and
22 94891, subd. (b); and Cal. Code Regs., title 5, § 71700).

23 a. Respondent failed to identify and describe the educational program (or
24 programs) it offers or proposes to offer. (Cal. Code Regs., title 5, § 71475, subd. (r).)

25 b. Respondent failed to list the admissions requirements, including minimum
26 levels of prior education, preparation, or training, for each educational program offered. (Cal.
27 Code Regs., title 5, § 71475, subd. (t)(1).)

28 //

1 c. Respondent failed to list the types and amount of general education required for
2 each educational program offered. (Cal. Code Regs., title 5, § 71475, subd. (t)(3).)

3 d. Respondent failed to list the title of the educational programs and other
4 components of instruction offered for each educational program offered. (Cal. Code Regs., title
5 5, § 71475, subd. (t)(4).)

6 e. Respondent failed to list the mode of instruction for each educational program
7 offered. (Cal. Code Regs., title 5, § 71475, subd. (t)(5).)

8 f. Respondent failed to list the graduation requirements for each educational
9 program offered. (Cal. Code Regs., title 5, § 71475, subd. (t)(6).)

10 g. Respondent failed to identify each occupation and job title to which the
11 institution represents the educational program will lead. (Cal. Code Regs., title 5, § 71475, subd.
12 (t)(7).)

13 h. Respondent failed to identify the duly qualified faculty that designed or
14 organized the proposed course or module materials. (Cal. Code Regs., title 5, § 71710, subd. (c).)

15 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

16 (Description of Educational Program)

17 23. Respondent's renewal application is subject to denial on the grounds that it failed to
18 provide details to show that its educational programs satisfy minimum operating standards.
19 (Educ. Code §§ 94885, subds. (a)(1), (a)(2), (a)(3), (a)(5), (a)(7) and (a)(9), and 94891, subd. (b);
20 and Cal. Code Regs., title 5, §§ 71700). In particular:

21 a. Respondent failed to provide a description of the educational program, for each
22 educational program that it proposes to offer. (Cal. Code Regs., title 5, § 71475, subd. (u)(1).)

23 b. Respondent failed to provide compliant syllabi for each educational program it
24 intends to offer. (Cal. Code Regs., title 5, §§ 71475, subd. (u)(7) and 71710, subd. (c).)

25 c. Respondent failed to provide a description of the equipment to be used for each
26 educational program it intends to offer. (Cal. Code Regs., title 5, § 71475, subd. (u)(2).)

27 /////

28 /////

1 d. Respondent failed to provide a description of the number and qualifications of
2 the faculty needed to teach its educational programs. (Cal. Code Regs., title 5, § 71475, subd.
3 (u)(3).)

4 e. Respondent failed to provide a projection, and the bases for the projection, of
5 the number of students that the institution plans to enroll in each of the educational programs
6 during each of the three years following the date the application was submitted. (Cal. Code
7 Regs., title 5, § 71475, subd. (u)(4).)

8 f. Respondent failed to provide a description of the learning, skills, and other
9 competencies to be acquired by students who complete its educational programs. (Cal. Code
10 Regs., title 5, § 71475, subd. (u)(5).)

11 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

12 (Financial Resources and Statements)

13 24. Respondent's renewal application is subjected to denial on the grounds that
14 Respondent's submitted financial statements, for the fiscal year ending December 31, 2021, are
15 not compliant. In particular, Respondent was required to provide its "current" financial
16 statements, but:

17 a. the financial statements Respondent submitted are not "current," as defined by
18 California Code of Regulations, title 5, section 74115, subdivision (d). (Cal. Code Regs., title 5,
19 §§ 71475, subd. (e); 71745, subd. (c); and 74115, sub. (d).)

20 b. the financial statements Respondent submitted are for Micro-Easy Computer
21 Enterprises, Inc. But Respondent failed to offer any documents or information establishing how
22 Micro-Easy Computer Enterprises, Inc. is related to Micro-Easy Vocational Institute. If Micro-
23 Easy Computer Enterprises, Inc. is a parent company of Micro-Easy Vocational Institute,
24 Respondent did not request that the Bureau consider the parent company's finances. (Cal. Code
25 Regs., title 5, §§ 71475, subd. (e); 71745, subds. (b) and (c).)

26 ////

27 ////

28 ////

24 educational objectives of each education program. (Cal. Code Regs., title 5, §§ 71260, subd. (d)
25 and 71475, subd. (y)(4).)

26 e. Respondent failed to provide, for each item of significant equipment, whether
27 the equipment is owned, leased, rented, or licensed for short-term or long-term, or owned by

28 ////

1 another and loaned to be used without charge. (Cal. Code Regs., title 5, §§ 71260, subd. (e) and
2 71475, subd. (y)(5).)

3 f. Respondent failed to provide a list of all permits, certifications, or other
4 evidence of inspections or authorizations to operate required by the jurisdictions within which the
5 institution operates that the institution has obtained, and/or an explanation as to why those
6 permits, certifications, or inspections have not yet been obtained. (Cal. Code Regs., title 5, §§
7 71260, subd. (f) and 71475, subd. (y)(6).)

8 **NINTH CAUSE FOR DENIAL OF APPLICATION**

9 (Catalog)

10 27. Respondent's renewal application is subject to denial on the grounds that it does not
11 include a compliant school catalog. (Educ. Code §§ 94885, subds. (a)(1) and (a)(9), and 94891,
12 subd. (b); and Cal. Code Regs., title 5, § 71700).

13 a. Respondent's proposed catalog does not contain the updated specific beginning
14 and ending dates defining the time period covered by the catalog. (Cal. Code Regs., title 5, §
15 71810, subd. (b)(1).)

16 b. Respondent's proposed catalog does not state the type of federal and/or state
17 financial aid available to students, and does not state the consumer information that is required to
18 be disclosed to students pursuant to the applicable federal and state financial aid programs.
19 (Educ. Code § 94909, subd. (a)(10).)

20 **PRAYER**

21 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
22 and that following the hearing, the Director of the Department of Consumer Affairs issue a
23 decision:

24 1. Denying the Application for Renewal of Approval to Operate and Offer Educational
25 Programs for Non-Accredited Institutions of Micro-Easy Computer Enterprises, Inc., doing
26 business as Micro-Easy Vocational Institute; and

27 //

28 //

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

2. Taking such other and further action as deemed necessary and proper.

DATED: 3/3/2023

“Original Signature on File”
DEBORAH COCHRANE
Chief
Bureau for Private Postsecondary
Education
Department of Consumer Affairs
State of California
Complainant

SF2022401656 / 43591423.docx