



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

February 26, 2019

Karen McCall, Owner
 Financial Recovery Institute
 1014 B. St.
 San Rafael, CA 94901

Date of Issuance	Citation Number	Institution Code
February 26, 2019	1718056	Unapproved

On December 6, 2018, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1718056 (Citation) against Karen McCall, Owner of Financial Recovery Institute. In attendance were Yvette Johnson, Enforcement Chief; and Karen McCall, Owner.

Pursuant to Business and Professions Code, §148; California Education Code (CEC), section 94944; and Title 5 of California Code of Regulations (5, CCR), section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1718056.

It is the decision of the Enforcement Chief that on February 22, 2019, Citation No. 1718056 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></p> <p>CEC Section 94886. Approval to Operate Required <i>"Except as exempted in Article 4 (commencing with § 94874) or in compliance with the transition provisions in Article 2 (commencing with § 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter."</i></p> <p>CEC Section 94817.5. Approved to Operate or Approved <i>"Approved to operate" or "approved" means that an institution has received authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs."</i></p> <p>CEC Section 94868. To Offer to the Public <i>"To offer to the public" means to advertise, publicize, solicit, or recruit."</i></p>

CEC Section 94869. To Operate

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

CEC Section 94902. General Enrollment Requirements

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

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

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

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

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

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

On March 25, 2016, the Bureau received a complaint alleging that the Institution is operating without Bureau approval in violation of CEC section 94886. According to the complainant, the Institution was charging \$25,000 in tuition for one of its courses.

On November 14, 2016, Bureau staff reviewed the Institution's Facebook page at www.facebook.com/pg/FinancialRecoveryInstitute/about/?ref=page_internal. Bureau staff found a description of McCall which says, "Author, Speak, Trainer, I train men & women to build lucrative money coaching practices. <http://www.financialrecovery.com>"

On November 18, 2016, Bureau staff reviewed the Institution's training materials and found instructions on how to become a "Money Coach." Bureau staff also found instructions on how to become a financial counselor, how to help clients understand their attitudes toward money, how to help clients analyze their financial situation, how to arrange a first client appointment, and how to collect payment information.

On November 18, 2016, Bureau staff interviewed McCall and McCall stated that the Institution charges \$6,000, \$7,500, and \$25,000 in tuition for its courses. McCall also stated that she helps her clients establish a business as a "Money Coach" if they are interested.

On January 27, 2017, Bureau staff reviewed one of the Institution's webpages at www.financialrecovery.com/training and found language stating, "Request Information about the Money Coach Training & Mentorship" and "The Financial Recovery Money Coach Training is a program in which you learn new skills and techniques..."

On February 21, 2017, McCall sent Bureau staff a letter with documents attached to it. In one of those documents, McCall stated that she had charged one student \$8,497 and another student \$6,997 in tuition.

On January 23, 2018, Bureau staff watched one of McCall's FRI Vidyard videos at

<https://share.vidyard.com/watch/3s2UBqQh5phTuXVr4EofEe>. According to McCall's statements in that video, the Institution's students are required to purchase an online software package called Money Minder Online. According to McCall's statements in that video, along with software prices from the www.moneyminderonline.com website, the Institution was charging between \$2,551 and \$2,594 in tuition.

On March 20, 2018, Bureau staff reviewed one of the Institution's webpages at www.financialrecovery.com/redesign/ and found that the Institution was offering payment plans for its courses. According to those payment plans, the Institution was charging between \$2,698 and \$2,741 in tuition, inclining the price of its Money Minder Online software.

Order of Abatement:

The Bureau orders that the Institution cease to operate as a private postsecondary educational institution. The Institution must discontinue recruiting or enrolling students and cease all instructional services, and advertising in any form or media, including its website at <https://www.financialrecovery.com/>, and any other websites not listed that are associated with the Institution until such time as an approval to operate from the Bureau. The Institution must disconnect all telephone numbers that are associated with the Institution until such time as an approval to operate from the Bureau. To comply with the Order of Abatement the Institution must submit a school closure plan to the Bureau pursuant to CEC section 94926 and section 94927.5. The Institution must provide a roster of each currently enrolled student at the Institution. The roster must include the name of the student, their contact information (including phone number, email address, and physical address), the program in which they were enrolled, the date of enrollment, the amount paid for the programs and the amount the student was refunded.

Reason for modification: New substantive facts were presented at the conference. The institution is no longer offering courses over \$2,500.00.

The administrative fine for this violation has been modified from \$75,000.00 to \$1,000.00.

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$1,000.00

PENALTY – ASSESSMENT OF A FINE

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

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

APPEAL OF CITATION

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

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

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **February 26, 2019**. The payment is due by **March 28, 2019**.

Failure 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 Gurinder Sandhu, Citation Analyst, at (916) 431-6940 or at Gurinder.Sandhu@dca.ca.gov.



Christina Villanueva
Discipline Manager



Date

Enclosures

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