



Bureau for Private Postsecondary Education
 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
 P.O. Box 980818, West Sacramento, CA 95798-0818
 P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

September 4, 2018

Kamana Academy Incorporated
 Kamana Academy
 4280 Lincoln Blvd
 Marina del Rey, CA 90292

Date of Issuance	Citation Number	Institution Code
September 4, 2018	1718051	55833518

On August 6, 2018 an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement and No. 1718051 (Citation) against Kamana Academy Incorporated, Owner of Kamana Academy. In attendance were Beth Scott, Enforcement Chief; and Marico Mihara, Owner.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1718051.

It is the decision of the Enforcement Chief that on August 17, 2018 Citation No. 1718051 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.	MODIFIED <u>Violation:</u> 5, CCR section 74112(m)(1-9)- Uniform Data-Annual Report, Performance Fact Sheet <i>(m) Documentation supporting all data reported shall be maintained electronically by the institution</i>

for at least five years from the last time the data was included in either an Annual Report or a

Performance Fact Sheet, and shall be provided to the Bureau upon request; and the data for each program shall include at a minimum:

- (1) the list of job classifications determined to be considered gainful employment for the educational program;
- (2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion dates;
- (3) graduate's place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;
- (4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact's phone number and email address, and all written communication with employer verifying student's employment or salary;
- (5) for students who become self-employed, all documentation necessary to demonstrate self-employment;
- (6) a description of all attempts to contact each student or employer;
- (7) any and all documentation used to provide data regarding license examinations and examination results;
- (8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and
- (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.

The Institution failed to provide and maintain documentation to substantiate the data reported in the 2014-2015 School Performance Fact Sheet as required by 5, CCR section 74112. The Institution also failed to provide the policy and procedures for the collection of data to be reported in the 2015-2016 School Performance Fact Sheet.

Order of Abatement:

The Bureau orders the Institution to submit and provide the appropriate supporting documentation to substantiate the data reported on the 2014- 2015 School Performance Fact Sheet. The Bureau also orders the Institution to submit the policy and procedures for the collection of data to be reported to the Bureau in the School Performance Fact Sheet

Assessment of Fine

The fine for this violation is \$5,000.00

Reason for modification: The Institution has come into compliance with the order of abatement.

The administrative fine for this violation has been modified from \$5,000.00 to \$1,000.00.

AFFIRMED

2.

Violation:

5, CCR section 71745(a)(6). Financial Resources.

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

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

On November 10, 2016, Bureau staff reviewed the financial statements submitted with the Institution's 2015 annual report. The Institution failed to maintain sufficient finances to maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater as required by 5, CCR section 71745(a)(6). The statement lists current assets at \$10,252.42 and current liabilities at \$41,220.43, with a current asset to liability ratio of 0.2487 to 1.00.

On October 5, 2017, Bureau staff requested the Institution to provide financial statements for the fiscal year which ended on December 31, 2016.

On October 16, 2017, Bureau staff received and reviewed the financial statements for the fiscal year ending December 31, 2016. The Institution failed to 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 as required by 5, CCR section 71745(a)(6). The statement lists current assets at \$6,708.82 and current liabilities at \$40,000.00, with a current asset to liability ratio of 0.1677 to 1.00.

Order of Abatement:

The Bureau orders the Institution to:

1. Please provide a detailed explanation of all the measures that Kamana Academy is taking to ensure it meets future financial responsibilities.
2. Provide the Bureau with, in electronic format:
 - a) a roster of all currently enrolled students that includes the students: (1) names, (2) addresses, (3) telephone numbers, (4) email addresses, (5) program in which they are enrolled, (6) date of enrollment, (7) total cost of the program, (8) expected date of completion and (9) the total amount the student has paid.

	<p><u>Assessment of Fine</u> The fine for this violation is \$<u>00.00</u></p>
<p>TOTAL MODIFIED ADMINISTRATIVE FINE DUE: <u>\$1000.00</u></p>	

ORDER OF ABATEMENT

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

PENALTY – ASSESSMENT OF A FINE

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

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

APPEAL OF CITATION

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

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

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **September 4, 2018**. The order of abatement and payment are due by **October 4, 2018**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take

all appropriate action to enforce the 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
- Copy of Modified Citation
- Withdrawal- Request for Administrative Hearing