



Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Christopher Becker, Owner
New School of Cooking
8690 Washington Boulevard
Culver City, CA 90232

INSTITUTION CODE: 29369850

CITATION NUMBER: 2021071

CITATION ISSUANCE/SERVICE DATE: September 3, 2020

DUE DATE: October 2, 2020

FINE AMOUNT: \$ 2,550.00

ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Christopher Becker, Owner of New School of Cooking (Institution) located at, 8690 Washington Boulevard, Culver City, CA 90232, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) section 94936; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

On February 25, 2020, Bureau staff conducted an unannounced Compliance inspection at the Institution. Bureau staff reviewed student files and found material violations related to Student Tuition Recovery Fund (STRF) supporting documentation and School Performance Fact Sheets (SPFS).

Additionally, in accordance with CEC Section 94885(a)(6) and (9), and 5, CCR Section 71745(a)(6) an institution shall document that it has at all times sufficient assets and financial resources to do the following:

- 1) For an institution not participating in Title IV of the federal Higher Education Act of 1965 (hereafter Title IV), maintain a ratio of current assets¹ 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

¹ 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. 5, CCR Section 71745(a)(6)

2) For an institution participating in Title IV, meet the composite score requirements of the U.S. Department of Education.

According to the Bureau's records reviewed on or about February 25, 2020, the Institution does participate in Title IV, therefore it must meet the composite score requirements of the U.S. Department of Education.

On February 25, 2020, the Bureau received financial statements for the year ending December 31, 2019. The Institution's composite score of 0.92 demonstrates that the Institution fails to maintain a composite score of 1.50 or higher.

In addition, all institutions are required to submit a Student Tuition Recovery Fund (STRF) Assessment Reporting Form to the Bureau no later than the last day of the month following the close of the quarter.

Pursuant to CEC section 94923(a) The Student Tuition Recovery Fund relieves or mitigates economic loss suffered by a student while enrolled in an institution not exempt from this article pursuant to Article 4 (commencing with section 94874), who, at the time of his or her enrollment, was a California resident or was enrolled in a California residency program, prepaid tuition, and suffered economic loss.

The Bureau sends notifications/reminders to all approved institutions 30 days prior to close of each quarter.

As of September 2, 2020, the Institution has not submitted the STRF Assessment Reporting Forms for the 3rd and 4th quarters of 2019, and 1st and 2nd quarters of 2020.

Lastly, all institutions are required to pay annual fee within 30 days of the date on which the Institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval. An institution shall pay its annual fee in addition to any other applicable fees.

Pursuant to CEC section 94930.5 (g). effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000) for each campus.

As of September 3, 2020, the Bureau has not received the annual fee or late payment penalty for the 2019 calendar year from the Institution.

VIOLATION(S)

1.	Violation: CEC Section 94902(a)(b)(1) - General Enrollment Requirements <i>“(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.</i>

*(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."*

CEC Section 94912 – Signature Initials Required

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

Bureau staff reviewed student files and found that the SPFS in the student files were not signed and dated by students.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, of how the Institution will maintain future compliance with CEC sections 94902 and 94912.

Assessment of Fine

The fine for this violation is \$1,000.00

2.

Violation:

5, CCR Section 76140(a)(b) – Record-Keeping Requirements

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

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

Bureau staff requested the supporting documentation to substantiate the data reported on the STRF Assessment Reporting Form, however, Institution staff stated that the Institution does not maintain the supporting documentation.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, of how the Institution will maintain future compliance with 5, CCR section 76140.

Assessment of Fine

The fine for this violation is \$1,500.00

3.

Violation:

CEC Section 94885(a)(6) and (9)– Minimum Operating Standards

"(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur: [...]

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

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

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.”

For the reasons stated above, the institution is in violation of these sections of law.

Order of Abatement:

The Bureau orders the institution to:

1. Submit a detailed plan to address its financial shortfalls and to meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR section 71745(a)(6)
2. In addition, please provide an explanation of all measures to be taken by the Institution to ensure it meets future financial responsibilities.
3. Please provide the Bureau with, in electronic format:
 - a) a roster of all currently enrolled students that includes the student (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 and (8) the total amount the student has paid.

Assessment of Fine

The fine for this violation is \$00.00

4.

Violation:

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

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

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

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

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

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

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

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

(2) Total number of students eligible for STRF who signed enrollment agreements for educational

- programs during the reporting period; and
- (3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and
- (4) The total number of students who signed their enrollment agreement in a previous reporting period, were eligible for STRF, and who made their first payment during the current reporting period; and
- (5) Total amount of institutional charges after rounding each student's institutional charges to the nearest \$1,000, for all eligible STRF students whose STRF assessment was collected in the reporting period; and
- (6) Current contact telephone number of the person preparing the form; and
- (7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.
- (d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.
- (e) Submission of all prior reports and assessments required by this section is a condition of renewal.”

The Institution has failed to submit STRF Assessment Reporting Forms for the following quarters:

- Third and Fourth Quarters of 2019; and
- First and Second Quarter of 2020

On September 18, 2019, the Institution was notified via mail at 817 Stratford Avenue, South Pasadena, CA 91030, that the STRF Assessment Reporting Form for the 3rd quarter of 2019 was due. As of September 2, 2020, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On December 17, 2019, the Institution was notified via mail at 817 Stratford Avenue, South Pasadena, CA 91030, that the STRF Assessment Reporting Form for the 4th quarter of 2019 was due. As of September 2, 2020, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On March 24, 2020, the Institution was notified via mail at 817 Stratford Avenue, South Pasadena, CA 91030, that the STRF Assessment Reporting Form for the 1st quarter of 2020 was due. As of September 2, 2020, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On June 18, 2020, the Institution was notified via mail at 817 Stratford Avenue, South Pasadena, CA 91030, that the STRF Assessment Reporting Form for the 2nd quarter of 2020 was due. As of September 2, 2020, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

Order of Abatement:

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

Assessment of Fine

The fine for this violation is \$50.00

2. **Violation:**
5, CCR Section 74006(a) and (b) - Annual Fee

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

CEC Section 94930.5 (g)- Fee Schedule

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

CEC Section 94931(b)- Late Payment

“(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.”

The Institution has failed to pay its annual fee and late payment penalty for calendar year 2019.

On September 3, 2019, the Institution was notified, Invoice # 900344214, via mail at 817 Stratford Avenue, South Pasadena, CA 91030, stating that the annual fee for calendar year 2019 was due on October 1, 2019.

On November 19, 2019, the Institution was notified, Invoice # 900345951, via mail at 817 Stratford Avenue, South Pasadena, CA 91030, stating that the annual fee for calendar year 2019 was due on October 1, 2019.

On January 15, 2020, the Institution was notified, Invoice # 900345951, via mail at 817 Stratford Avenue, South Pasadena, CA 91030, stating that the annual fee for calendar year 2019 was due on October 1, 2019.

As of September 3, 2020, the Bureau has not received the annual fee from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit its annual fees for calendar year 2019 in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(g). In addition, the Institution must pay all late payment penalty fees.

Assessment of Fine

The fine for this violation is \$00.00

TOTAL ADMINISTRATIVE FINE DUE: \$2,550.00

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$2,550.00** for the violations described above.

Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC section 94936 and 5, CCR section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference **and/or** Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference **and/or** an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference **and/or** an administrative hearing is signed by you and delivered to the Bureau by **October 2, 2020**, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **September 3, 2020**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **October 2, 2020**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

Payment of the administrative fine and/or written request for appeal must be mailed to:

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

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this 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 Citation, or desire further information, please contact Gabriella Perez, Citation Analyst, at (916) 574-8969 or Gabriella.Perez@dca.ca.gov.

"Original signature on file"

"9/2/2020"

Christina Villanueva
Discipline Manager

Date

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First-Class Mail