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

11
12 In the Matter of the Statement of Issues Against:

Case No. 997117

13 **SYLVIA LEE d.b.a.**
CALIFORNIA NURSING ACADEMY

STATEMENT OF ISSUES

14 **Applicant for Approval to Operate for an**
15 **Institution Not Accredited**

16 **Application No. 22160**

17 Respondent.

18
19 Complainant alleges:

20 **PARTIES**

21 1. Laura Metune (Complainant) brings this Statement of Issues solely in her official
22 capacity as the Chief of the Bureau for Private Postsecondary Education ("Bureau"), Department
23 of Consumer Affairs.

24 2. On or about March 24, 2010, the Bureau for Private Postsecondary Education
25 received an Application for an Approval to Operate for an Institution Not Accredited from Sylvia
26 Lee doing business as California Nursing Academy (Respondent). On or about March 12, 2010,
27 Sylvia Lee certified under penalty of perjury to the truthfulness of all statements, answers, and
28 representations in the application. The Bureau denied the application on April 17, 2012.

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JURISDICTION

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

4. Section 94875 provides that the Bureau shall regulate private postsecondary educational institutions through the powers granted, and duties imposed, by the California Private Postsecondary Education Act of 2009 (Ed. Code §§ 94800 et seq.)

5. Section 477 of the Business and Professions Code states:

As used in this division:

"(a) 'Board' includes 'bureau,' 'commission,' 'committee,' 'department,' 'division,' 'examining committee,' 'program,' and 'agency.'

"(b) 'License' includes certificate, registration or other means to engage in a business or profession regulated by this code."

STATUTORY PROVISIONS

6. Section 94886 provides, in pertinent part, that except as exempted in Article 4 (commencing with section 94874), a person shall not open, conduct, or do business as a private postsecondary educational institution without obtaining an approval to operate from the Bureau.

7. Section 94887 states:

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

8. Section 94909 states:

“(a) Prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog containing, at a minimum, all of the following:

(1) The name, address, telephone number, and, if applicable, Internet Web site address of

1 the institution.

2 (2) Except as specified in Article 2 (commencing with Section 94802), a statement that the
3 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 not been
6 satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary
7 Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and
8 fax numbers)."

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

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

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

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

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

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

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

27 (A) Admissions policies, including the institution's policies regarding the acceptance of
28 credits earned at other institutions or through challenge examinations and achievement tests,

1 admissions requirements for ability-to-benefit students, and a list describing any transfer or
2 articulation agreements between the institution and any other college or university that provides
3 for the transfer of credits earned in the program of instruction. If the institution has not entered
4 into an articulation or transfer agreement with any other college or university, the institution shall
5 disclose that fact.

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

12 (C) Probation and dismissal policies.

13 (D) Attendance policies.

14 (E) Leave-of-absence policies.

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

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

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

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

1 seq.).

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

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

10 (15) The following statement:

11 "NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS
12 EARNED AT OUR INSTITUTION

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

22 "(b) If the institution has a general student brochure, the institution shall provide that
23 brochure to the prospective student prior to enrollment. In addition, if the institution has a
24 program-specific student brochure for the program in which the prospective student seeks to
25 enroll, the institution shall provide the program-specific student brochure to the prospective
26 student prior to enrollment.

27 "(c) An institution shall provide the school catalog to any person upon request. In addition,
28 if the institution has student brochures, the institution shall disclose the requested brochures to

1 any interested person upon request.”

2 9. Section 94911 states:

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

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

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

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

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

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

20 (2) The disclosure shall contain the institution's refund policy and a statement that, if the
21 student has received federal student financial aid funds, the student is entitled to a refund of
22 moneys not paid from federal student financial aid program funds.

23 (3) The text shall also include a description of the procedures that a student is required to
24 follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund.

25 (f) A statement specifying that, if the student obtains a loan to pay for an educational
26 program, the student will have the responsibility to repay the full amount of the loan plus interest,
27 less the amount of any refund.

28 (g) A statement specifying that, if the student is eligible for a loan guaranteed by the federal

1 or state government and the student defaults on the loan, both of the following may occur:

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

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

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

9 (i)(1) The following statement: "Prior to signing this enrollment agreement, you must be
10 given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to
11 review prior to signing this agreement. These documents contain important policies and
12 performance data for this institution. This institution is required to have you sign and date the
13 information included in the School Performance Fact Sheet relating to completion rates,
14 placement rates, license examination passage rates, and salaries or wages, prior to signing this
15 agreement."

16 (2) Immediately following the statement required by paragraph (1), a line for the student to
17 initial, including the following statement: "I certify that I have received the catalog, School
18 Performance Fact Sheet, and information regarding completion rates, placement rates, license
19 examination passage rates, and salary or wage information included in the School Performance
20 Fact sheet, and have signed, initialed, and dated the information provided in the School
21 Performance Fact Sheet."

22 (j) The following statements:

23 (1) "Any questions a student may have regarding this enrollment agreement that have not
24 been satisfactorily answered by the institution may be directed to the Bureau for Private
25 Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address),
26 (telephone and fax numbers)."

27 (2) "A student or any member of the public may file a complaint about this institution with
28 the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by

1 completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet
2 Web site address).”

3 (k) The following statement above the space for the student's signature:

4 “I understand that this is a legally binding contract. My signature below certifies that I have
5 read, understood, and agreed to my rights and responsibilities, and that the institution's
6 cancellation and refund policies have been clearly explained to me.”

7 REGULATORY PROVISIONS

8 10. California Code of Regulations, title 5, section 71100, states, in pertinent part:

9 “(a) An applicant seeking approval to operate pursuant to Section 94886 of the Code, other
10 than Approval to Operate by Accreditation pursuant to Section 94890(a)(1) of the Code, shall
11 complete the “Application for Approval to Operate for an Institution Not Accredited,” Form
12 Application 94886 (rev. 2/10). An applicant seeking approval to operate by accreditation pursuant
13 to Section 94890(a)(1) of the Code shall comply with section 71390.

14 “(b) The address of the institution's primary administrative location in California identified
15 by street address. The institution's primary administrative location in California shall be deemed
16 the institution's principal place of business.

17 “(c) An application that fails to contain all of the information required by this article shall
18 render it incomplete.”

19 11. California Code of Regulations, title 5, section 71210, states in pertinent part:

20 “(a) The institution shall identify and describe the educational program it offers, or _____
21 proposes to offer. If the educational program is a degree program, the institution shall identify the
22 full title which it will place on each degree awarded.

23 “(b) In addition to the general title, such as “Bachelor of Arts” or “Master of Science,” each
24 degree title shall include the name of a specific major field of learning involved.

25 “(c) In addition, the institution shall list the following for each educational program offered:

26 (1) The admissions requirements, including minimum levels of prior education, preparation,
27 or training;

28 (2) If applicable, information regarding the ability-to-benefit examination as required by

1 section 94904 of the Code;

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

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

6 (5) The method of instruction;

7 (6) The graduation requirements; and

8 (7) Whether the educational program is designed to fit or prepare students for employment
9 in any occupation. If so, the Form Application 94886 shall identify each occupation and job title
10 to which the institution represents the educational program will lead.”

11 12. California Code of Regulations, title 5, section 71220 states:

12 “For each educational program that the institution offers or proposes to offer, the Form
13 Application 94886 shall contain a statement that the educational program meets the requirements
14 of section 71710, as well as the following:

15 (a) A description of the educational program.

16 (b) A description of the equipment to be used during the educational program.

17 (c) A description of the number and qualifications of the faculty needed to teach the
18 educational program.

19 (d) A projection, and the bases for the projection, of the number of students that the
20 institution plans to enroll in the educational program during each of the three years following the
21 date the Form Application 94886 was submitted.

22 (e) A description of the learning, skills, and other competencies to be acquired by students
23 who complete the educational program.

24 (f) If licensure is a goal of an educational program, a copy of the approval from the
25 appropriate licensing agency if required. A copy of the intent to approve conditioned solely upon
26 institutional approval from the Bureau will also meet this requirement.

27 “Upon request, the institution shall provide to the Bureau copies of the curriculum or
28 syllabi required pursuant to section 71710.”

1 13. California Code of Regulations, title 5, section 71260 states:

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

5 “(b) For facilities that are leased or rented, the Form Application 94886 shall contain the
6 name and address of the lessor or landlord, together with a copy of any use, lease, or rental
7 agreements for the facilities.

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

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

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

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

21 14. California Code of Regulations, title 5, section 71745 states:

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

24 (1) Provide all of the educational programs that the institution represented it would provide.

25 (2) Ensure that all students admitted to its educational programs have a reasonable
26 opportunity to complete the programs and obtain their degrees or diplomas.

27 (3) Maintain the minimum standards required by the Act and this chapter.

28 (4) Pay timely refunds as required by Article 13 of the Act.

1 (5) Pay all operating expenses due within 30 days.

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

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

14 (1) consents in writing to be sued in California;

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

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

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

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

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

24 15. California Code of Regulations, title 5, section 71760 states: “Each institution shall
25 develop and maintain adequate procedures used by the institution to assure that it is maintained
26 and operated in compliance with the Act and this Division.”

27 16. California Code of Regulations, title 5, section 71800 states:

28 “In addition to the requirements of section 94911 of the Code, an institution shall provide to

1 each student an enrollment agreement that contains at the least the following information:

2 (a) The name and address of the institution and the addresses where instruction will be
3 provided.

4 (b) Period covered by the enrollment agreement.

5 (c) Program start date and scheduled completion date.

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

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

10 (1) tuition;

11 (2) registration fee (non-refundable);

12 (3) equipment;

13 (4) lab supplies or kits;

14 (5) Textbooks, or other learning media;

15 (6) uniforms or other special protective clothing;

16 (7) in-resident housing;

17 (8) tutoring;

18 (9) assessment fees for transfer of credits;

19 (10) fees to transfer credits;

20 (11) Student Tuition Recovery Fund fee (non-refundable);

21 (12) any other institutional charge or fee.

22 (f) Charges paid to an entity other than an institution that is specifically required for
23 participation in the educational program.”

24 17. California Code of Regulations, title 5, section 71810 states:

25 “(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which
26 shall be updated annually. Annual updates may be made by the use of supplements or inserts
27 accompanying the catalog. If changes in educational programs, educational services, procedures,
28 or policies required to be included in the catalog by statute or regulation are implemented before

1 the issuance of the annually updated catalog, those changes shall be reflected at the time they are
2 made in supplements or inserts accompanying the catalog.

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

5 (1) The specific beginning and ending dates defining the time period covered by the
6 catalog;

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

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

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

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

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

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

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

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

28 (10) A description of library and other learning resources and the procedures for student

1 access to those resources;

2 (11) If the institution offers distance education, the approximate number of days that will
3 elapse between the institution's receipt of student lessons, projects, or dissertations and the
4 institution's mailing of its response or evaluation.

5 (12) A description of all student services;

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

7 (A) Whether the institution has dormitory facilities under its control;

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

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

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

15 (15) Policies on the retention of student records."

16 18. California Code of Regulations, title 5, section 74115 states:

17 "(a) This section applies to every set of financial statements required to be prepared or filed
18 by the Act or by this chapter.

19 "(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income
20 statement, and a cash flow statement, and the preparation of financial statements, shall comply
21 with all of the following:

22 (1) Audited and reviewed financial statements shall be conducted and prepared in
23 accordance with the generally accepted accounting principles established by the American
24 Institute of Certified Public Accountants by an independent certified public accountant who is not
25 an employee, officer, or corporate director or member of the governing board of the institution.

26 (2) Financial statements prepared on an annual basis as required by section 74110(b) shall
27 be prepared in accordance with the generally accepted accounting principles established by the
28 American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual

1 financial statements as required under generally accepted accounting principles for nonprofit
2 organizations.

3 (3) The financial statements shall establish that the institution meets the requirements for
4 financial resources required by Section 71745.

5 (4) If an audit performed to determine compliance with any federal or state student financial
6 aid program reveals any failure to comply with the requirements of the program and the
7 noncompliance creates any liability or potential liability for the institution, the financial
8 statements shall reflect the liability or potential liability.

9 (5) Any audits shall demonstrate that the accountant obtained an understanding of the
10 institution's internal financial control structure, assessed any risks, and has reported any material
11 deficiencies in the internal controls.

12 (c) Work papers for the financial statements shall be retained for five years from the date of
13 the statements and shall be made available to the Bureau upon request.

14 (d) "Current" with respect to financial statements means completed no sooner than 120
15 days prior to the time it is submitted to the Bureau, and covering no less than the most recent
16 complete fiscal year. If more than 8 months will have elapsed between the close of the most
17 recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no
18 less than five months of that current fiscal year."

19 FIRST CAUSE FOR DENIAL OF APPLICATION

(Exemplars of Student Agreements)

20 (Ed. Code § 94911 and Cal. Code Regs., tit. 5, § 71100, subd. (a)-(c))

21 19. Respondent's application for an Approval to Operate for an Institution Not Accredited
22 is subject to denial under section 94911 for failing to provide an exemplar of a student enrollment
23 agreement that meets the statutory and regulatory requirements. Respondent thus submitted an
24 incomplete application under California Code of Regulations, title 5, section 71100, subdivisions
25 (a) to (c).

26 SECOND CAUSE FOR DENIAL OF APPLICATION

(Instruction and Degrees Offered)

27 (Cal. Code Regs., tit. 5, §§ 71210, subd. (a)-(c), and 71100, subd. (a)-(c))

28 20. Respondent's application for an Approval to Operate for an Institution Not Accredited

1 is subject to denial under California Code of Regulations, title 5, section 71210, subdivisions (a)
2 to (c), for failing to provide the required supporting documentation regarding instruction and
3 degrees offered, as required Form Application 94886 section 12. Respondent thus submitted an
4 incomplete application under California Code of Regulations, title 5, section 71100, subdivisions
5 (a) to (c).

6 THIRD CAUSE FOR DENIAL OF APPLICATION

(Description of Each Educational Program)

7 (Cal. Code Regs., tit. 5, §§ 71220, subd. (a)-(f), and 71100, subd. (a)-(c))

8 21. Respondent's application for an Approval to Operate for an Institution Not Accredited
9 is subject to denial under California Code of Regulations, title 5, section 71220, subdivisions (a)
10 to (f), for failing to provide sufficient supporting documentation regarding each educational
11 program offered, as required by Form Application 94886 section 13. Respondent thus submitted
12 an incomplete application under California Code of Regulations, title 5, section 71100,
13 subdivisions (a) to (c).

14 FOURTH CAUSE FOR DENIAL OF APPLICATION

(Financial Resources and Statements)

15 (Cal. Code Regs., tit. 5, §§ 71745, 74115, and 71100, subd. (a)-(c))

16 22. Respondent's application for an Approval to Operate for an Institution Not Accredited
17 is subject to denial under California Code of Regulations, title 5, sections 71745 and 74115 for
18 failing to provide reviewed financial statements that comply with regulatory requirements.
19 Respondent thus submitted an incomplete application under California Code of Regulations, title
20 5, section 71100, subdivisions (a) to (c).

21 FIFTH CAUSE FOR DENIAL OF APPLICATION

(Facilities and Equipment)

22 (Cal. Code Regs., tit. 5, §§ 71260 and 71100, subd. (a)-(c))

23 23. Respondent's application for an Approval to Operate for an Institution Not Accredited
24 is subject to denial under California Code of Regulations, title 5, section 71260, for failing to
25 provide sufficient documentation regarding the institution's facilities and equipment, as required
26 by Form Application 94886 section 17. Respondent failed to provide: updated lease agreements
27 for the San Mateo and San Francisco offices; a clear diagram for the San Mateo office; updated
28 Business Tax Registration for the San Francisco office; and Business License for the San Mateo

1 Office. Respondent thus submitted an incomplete application under California Code of
2 Regulations, title 5, section 71100, subdivisions (a) to (c).

3 SIXTH CAUSE FOR DENIAL OF APPLICATION

4 (Catalog)

(Ed. Code § 94909 and Cal. Code Regs., tit. 5, §§ 71810 and 71100, subd. (a)-(c))

5 24. Respondent's application for an Approval to Operate for an Institution Not Accredited
6 is subject to denial under Education Code section 94909 and California Code of Regulations, title
7 5, section 71810, for failing to provide a catalog that meets the statutory and regulatory
8 requirements. Respondent thus submitted an incomplete application under California Code of
9 Regulations, title 5, section 71100, subdivisions (a) to (c).

10 SEVENTH CAUSE FOR DENIAL OF APPLICATION

11 (Self Monitoring Procedures)

(Cal. Code Regs., tit. 5, §§ 71760 and 71100, subd. (a)-(c))

12 25. Respondent's application for an Approval to Operate for an Institution Not Accredited
13 is subject to denial under California Code of Regulations, title 5, section 71760, for failing to
14 provide policy and procedures regarding self-monitoring. Respondent thus submitted an
15 incomplete application under California Code of Regulations, title 5, section 71100, subdivisions
16 (a) to (c).

17 PRAYER

18 THEREFORE, Complainant requests that a hearing be held on the matters alleged in this
19 Statement of Issues and that following the hearing, the Director of the Department of Consumer
20 Affairs issue a decision:

- 21 1. Denying the application of Sylvia Lee d.b.a. California Nursing Academy for
22 Approval to Operate for an Institution Not Accredited;
23 2. Taking such other and further action as deemed necessary and proper.

24 DATED: October 16, 2012


LAURA METUNE

25 Chief
26 Bureau for Private Postsecondary Education
27 Department of Consumer Affairs
28 State of California
Complainant

SF2012401679