



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Farid Assemi, Owner
Farshid and Sonia Assemi, Owners
Darius Assemi, Owner
California Health Sciences University
120 North Clovis
North Clovis, CA 93612

INSTITUTION CODE: 40231830
CITATION NUMBER: 2223002
CITATION ISSUANCE/SERVICE DATE: July 14, 2022
DUE DATE: August 13, 2022

FINE AMOUNT: \$5,000.00

ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Citation 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 Farid Assemi, Farshid Assemi, Sonia Assemi, and Darius Assemi,, Owners of California Health Sciences University (Institution) located at 120 North Clovis, North Clovis, CA 93612, pursuant to California Education Code (CEC) Section 94936 and Title 5 of the California Code of Regulations (5, CCR) Sections 75020, 75030, 75040, and 75050, for the violations described below.

BACKGROUND

On November 18, 2022, Bureau staff conducted an unannounced Compliance inspection at the Institution. Bureau staff reviewed the Institution’s financial statements for the calendar year 2020-2021, in addition to the supporting documentation to substantiate the data reported on the 2019-2020 School Performance Fact Sheet (SPFS). As a result, two potential material violations were found.

Furthermore, 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
- 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 November 18, 2021, the Institution does not participate in Title IV, therefore it:

- Must 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.

On November 18, 2021, the Bureau received financial statements for the year ending June 30, 2021, from the Institution. The Institution's ratio of 0.65 demonstrates that the Institution fails to maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater.

VIOLATION(S)

#	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>Violation:</u> CEC Section 94885(a)(6) and (9)- Minimum Operating Standards <i>"(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur: [...]</i> <i>(6) The institution is financially sound and capable of fulfilling its commitments to students. [...]</i> <i>(9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws."</i></p> <p>5, CCR Section 71745(a)(6)- Financial Resources. <i>"(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following: [...]</i> <i>(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."</i></p> <p>For the reasons stated above, the institution is in violation of these sections of law.</p> <p><u>Order of Abatement:</u></p>

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)

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 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

2.

Violation:

5, CCR Section 74112 (m)(1)(2)(3)(4)(5)(6)(7)(8)(9) – Uniform Data – Annual Report, Performance Fact Sheet

“(m) Documentation supporting all data reported shall be maintained electronically by the institution 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.”

During the inspection, Bureau staff requested the supporting documentation to substantiate the data reported for the 2019-2020 calendar year SPFS. Institution staff stated that they only had the SPFS data available for one of the Institution’s programs.

Later that day, Institution staff provided Bureau staff with a flash drive as well as a 2020 Alumni

	<p>Survey. Bureau staff reviewed the flash drive and survey and found that it did not contain all of the required SPFS data points in accordance with 5, CCR Section 74112(m)(1-9). In addition, Bureau staff asked Institution staff if the Institution tracked, collected, and maintained SPFS data, in which the Institution staff stated they did not. By the end of the inspection, the Institution could not provide complete SPFS data for any of the Institution's program.</p> <p>The SPFS data the Institution provided to the Bureau was determined to be missing sections 74115 (m)(2-9).</p> <p><u>Order of Abatement:</u> The Bureau orders the Institution to submit the missing items from the supporting documentation to substantiate the data reported on the SPFS for all programs. In addition, the Bureau orders the Institution to submit a written policy, or procedure, of how future compliance will be maintained in accordance with 5, CCR Section 74112.</p> <p><u>Assessment of Fine</u> The fine for this violation is <u>\$5,000.00</u></p>
	TOTAL ADMINISTRATIVE FINE DUE: \$5,000.00

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(s) 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 **August 13, 2022**, 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 **July 14, 2022**. Evidence of compliance with the order(s) of abatement shall be due by **August 13, 2022**.

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) 574-7429 or Gabriella.Perez@dca.ca.gov

“Original Signature on File”

“7/14/2022”

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