

1 XAVIER BECERRA
Attorney General of California
2 LINDA L. SUN
Supervising Deputy Attorney General
3 KATHERINE MESSANA
Deputy Attorney General
4 State Bar No. 272953
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6311
6 Facsimile: (213) 897-2804
Attorneys for Complainant
7

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

10
11 In the Matter of the Statement of Issues
Against:

Case No. 1002663

12 **VOCATIONAL TECHNICAL SCHOOL;**
13 **JULIO CARDOZA**

STATEMENT OF ISSUES

14 Application for Renewal of Approval to
15 Operate an Institution Non-Accredited
Applicant

16 Institution Code: 1928221

17 Respondent.

18
19 Complainant alleges:

20 **PARTIES**

21 1. Dr. Michael Marion, Jr. (Complainant) brings this Statement of Issues solely in his
22 official capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau),
23 Department of Consumer Affairs.

24 2. On or about April 8, 2013, the Bureau received an Application for Renewal of
25 Approval to Operate an Institution Non-Accredited from Vocational Technical School; Julio
26 Cardoza (Respondent). On or about March 22, 2013, Respondent certified under penalty of
27 perjury to the truthfulness of all statements, answers, and representations in the application. On
28 or about July 20, 2016, the Bureau sent a deficiency letter to Respondent. On or about October

1 25, 2016, the Bureau sent a deficiency letter to Respondent with a deadline of November 9, 2016.
2 Respondent failed to respond by November 9, 2016. The Bureau denied the application on March
3 8, 2017.

4 JURISDICTION

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

8 STATUTORY PROVISIONS

9 4. Business and Professions Code section 22 defines the term "board" to include
10 "bureau."

11 5. Section 94891, subdivision (b) of the Education Code states:

12 "(b) To be granted a renewal of an approval to operate, the institution
13 shall demonstrate its continued capacity to meet the minimum operating standards."

14 6. Section 94906, subdivision (a) of the Education Code states:

15 "(a) An enrollment agreement shall be written in language that is easily
16 understood. If English is not the student's primary language, and the student is unable
17 to understand the terms and conditions of the enrollment agreement, the student shall
18 have the right to obtain a clear explanation of the terms and conditions and all
19 cancellation and refund policies in his or her primary language."

20 7. Section 94908 of the Education Code states:

21 "Any information or statement required by this article to be included in
22 the catalog, School Performance Fact Sheet, or enrollment agreement shall be printed
23 in at least the same size font as the majority of the text in that document."

24 8. Section 94897 of the Education Code states, in pertinent part:

25 "An institution shall not do any of the following:

26 ...

27 (i) Use a name in any manner improperly implying any of the following:

28 (1) The institution is affiliated with any government agency, public or
private corporation, agency, or association if it is not, in fact, thus affiliated.

(2) The institution is a public institution.

(3) The institution grants degrees, if the institution does not grant
degrees."

1 9. Section 94911 of the Education Code states:

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

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

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

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

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

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

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

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

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

(g) A statement specifying that, if the student is eligible for a loan
guaranteed by the federal or state government and the student defaults on the loan,
both of the following may occur:

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

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

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

(i) (1) The following statement: 'Prior to signing this enrollment

1 agreement, you must be given a catalog or brochure and a School Performance Fact
2 Sheet, which you are encouraged to review prior to signing this agreement. These
3 documents contain important policies and performance data for this institution. This
4 institution is required to have you sign and date the information included in the
5 School Performance Fact Sheet relating to completion rates, placement rates, license
6 examination passage rates, salaries or wages, and the most recent three-year cohort
7 default rate, if applicable, prior to signing this agreement.'

8 (2) Immediately following the statement required by paragraph (1), a line
9 for the student to initial, including the following statement: 'I certify that I have
10 received the catalog, School Performance Fact Sheet, and information regarding
11 completion rates, placement rates, license examination passage rates, salary or wage
12 information and the most recent three-year cohort default rate, if applicable, included
13 in the School Performance Fact sheet, and have signed, initialed, and dated the
14 information provided in the School Performance Fact Sheet.'

15 (j) The following statements:

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

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

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

25 'I understand that this is a legally binding contract. My signature below
26 certifies that I have read, understood, and agreed to my rights and responsibilities, and
27 that the institution's cancellation and refund policies have been clearly explained to
28 me.'"

10. Section 94894 of the Education Code states, in pertinent part:

"The following changes to an approval to operate are considered
substantive changes and require prior authorization:

...

(d) A change in business organization form."

11. California Code of Regulations, title 5, section 75050 states:

"(a) If a cited institution or person that or who has been issued an order of
abatement is unable to complete the correction within the time set forth in the citation
because of conditions beyond the institution's or person's control after the exercise of
reasonable diligence, the institution or person may request an extension of time
within which to complete the correction. Such a request shall be in writing and shall
be made within the time set forth for abatement.

(b) Failure of an applicant or institution issued an approval to operate to
abate the violation or to pay the fine within the time allowed is a ground for denial or

1 discipline of an approval to operate.

2 (c) If an informal conference or hearing is not requested, payment of the
3 fine and/or compliance with any order of abatement shall not constitute an admission
4 of the violation charged and shall be represented as satisfactory resolution of the
5 matter for purposes of public disclosure.”

6 12. California Code of Regulations, title 5, section 74000 states, in pertinent part:

7 “(a) An institution shall pay the fees established by Article 17 of the Act.
8 A failure to include a fee with an application or other request renders the application
9 or request incomplete.

10 (b) All fees lawfully collected are non-refundable.

11 (c) A fee that is not paid timely is subject to penalty as set forth in section
12 94931 of the Code.

13 (d) The Bureau shall deny a renewal of an approval to operate if the
14 institution fails to submit at the time it files its application for renewal of an approval
15 to operate: all unpaid fees; penalty fees; penalties; orders for reimbursement of costs
16 and expenses; and assessments for, and reimbursement of all payments made to
17 students from, the Student Tuition Recovery Fund.”

18 13. Section 94930.5 of the Education Code states, in pertinent part:

19 “Subject to Section 94930, an institution shall remit to the bureau for
20 deposit in the Private Postsecondary Education Administration Fund the following
21 fees, in accordance with the following schedule:

22 (a) The following fees shall be remitted by an institution submitting an
23 application for an approval to operate, if applicable:

24 (1) Application fee for an approval to operate: five thousand dollars
25 (\$5,000).”

26 14. Section 94934 of the Education Code states, in pertinent part:

27 “(a) As part of the compliance program, an institution shall submit an
28 annual report to the bureau, under penalty of perjury, signed by a responsible
29 corporate officer, by July 1 of each year, or another date designated by the bureau,
30 and it shall include the following information for educational programs offered in the
31 reporting period:

32 (1) The total number of students enrolled by level of degree or for a
33 diploma.

34 (2) The number of degrees, by level, and diplomas awarded.

35 (3) The degree levels and diplomas offered.

36 (4) The Student Performance Fact Sheet, as required pursuant to Section
37 94910.

38 (5) The school catalog, as required pursuant to Section 94909.

1 (6) The total charges for each educational program by period of
attendance.

2 (7) A statement indicating whether the institution is, or is not, current in
3 remitting Student Tuition Recovery Fund assessments.

4 (8) A statement indicating whether an accrediting agency has taken any
final disciplinary action against the institution.

5 (9) Additional information deemed by the bureau to be reasonably
6 required to ascertain compliance with this chapter.”

7 15. Section 94909 of the Education Code states, in pertinent part:

8 (a) Except as provided in subdivision (d), prior to enrollment, an
9 institution shall provide a prospective student, either in writing or electronically, with
a school catalog containing, at a minimum, all of the following:

10 (1) The name, address, telephone number, and, if applicable, Internet
11 Web site address of the institution.

12 (2) Except as specified in Article 2 (commencing with Section 94802), a
statement that the institution is a private institution and that it is approved to operate
13 by the bureau.

14 (3) The following statements:

15 (A) “Any questions a student may have regarding this catalog that have
16 not been satisfactorily answered by the institution may be directed to the Bureau for
Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet
Web site address), (telephone and fax numbers).”

17 (B) “As a prospective student, you are encouraged to review this catalog
18 prior to signing an enrollment agreement. You are also encouraged to review the
School Performance Fact Sheet, which must be provided to you prior to signing an
19 enrollment agreement.”

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

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

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

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

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

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

2 (A) Admissions policies, including the institution's policies regarding the
3 acceptance of credits earned at other institutions or through challenge examinations
4 and achievement tests, admissions requirements for ability-to-benefit students, and a
5 list describing any transfer or articulation agreements between the institution and any
6 other college or university that provides for the transfer of credits earned in the
7 program of instruction. If the institution has not entered into an articulation or transfer
8 agreement with any other college or university, the institution shall disclose that fact.

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

16 (C) Probation and dismissal policies.

17 (D) Attendance policies.

18 (E) Leave-of-absence policies.

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

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

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

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

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

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

(15) The following statement:

1 "NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND
2 CREDENTIALS EARNED AT OUR INSTITUTION

3 The transferability of credits you earn at (name of institution) is at the
4 complete discretion of an institution to which you may seek to transfer. Acceptance of
5 the (degree, diploma, or certificate) you earn in (name of educational program) is also
6 at the complete discretion of the institution to which you may seek to transfer. If the
7 (credits or degree, diploma, or certificate) that you earn at this institution are not
8 accepted at the institution to which you seek to transfer, you may be required to
9 repeat some or all of your coursework at that institution. For this reason you should
10 make certain that your attendance at this institution will meet your educational goals.
11 This may include contacting an institution to which you may seek to transfer after
12 attending (name of institution) to determine if your (credits or degree, diploma, or
13 certificate) will transfer."

14 (16) A statement specifying whether the institution, or any of its degree
15 programs, are accredited by an accrediting agency recognized by the United States
16 Department of Education. If the institution is unaccredited and offers an associate,
17 baccalaureate, master's, or doctoral degree, or is accredited and offers an unaccredited
18 program for an associate, baccalaureate, master's, or doctoral degree, the statement
19 shall disclose the known limitations of the degree program, including, but not limited
20 to, all of the following:

21 (A) Whether a graduate of the degree program will be eligible to sit for
22 the applicable licensure exam in California and other states or become certified or
23 registered as required for the applicable profession, occupation, trade, or career field
24 in California.

25 (B) A degree program that is unaccredited or a degree from an
26 unaccredited institution is not recognized for some employment positions, including,
27 but not limited to, positions with the State of California.

28 (C) That a student enrolled in an unaccredited institution is not eligible
for federal financial aid programs.

16. California Code of Regulations, title 5, section 71475 states, in pertinent part:

21 "(b) An institution seeking to renew its Approval to Operate pursuant to
22 section 94891 of the Code shall, prior to its expiration, complete and submit to the
23 Bureau the "Application for Renewal of Approval to Operate and Offer Educations
24 Programs for Non-Accredited Institutions," Form Application 94891 (rev. 2/10).

25 (c) The application for renewal of approval to operate and offer
26 educational programs for non-accredited institutions shall include all of the following:

27 (1) The name, institution/school code and website address of the
28 institution.

...

29 (6) The form of business organization of the institution (e.g., sole
30 proprietorship, general or limited partnership, for-profit corporation, nonprofit
31 corporation, or Limited Liability Corporation). If the institution is incorporated, the
32 institution shall also identify the state within which the institution is incorporated and
33 the date of incorporation, and provide copies of the articles of incorporation and
34 bylaws.

1 (e) The institution shall submit at the time it applies for renewal current
2 financial statements that meet the requirements of section 74115 as follows: (1) for an
3 institution with annual gross revenues of \$500,000 and over, statements shall be
4 audited; (2) for an institution with annual gross revenues less than \$500,000,
5 statements shall be reviewed.

6 ...

7 (h) The institution shall include in its application the name, title, physical
8 address, telephone number, fax number, and e-mail address for the agent for service
9 of process in California as required by section 94943.5 of the Code. The agent shall
10 be at an address other than the address of the institution or any branch. The agent
11 must confirm the information and acknowledge in writing that he or she is the
12 designated agent for service of process. The information shall be kept current
13 pursuant to section 74190.

14 ...

15 (q) The institution shall include in its application copies of advertising
16 and other statements disseminated to the public in any manner by the institution or its
17 representatives that concern, describe, or represent each of the following:

18 ...

19 (2) Each educational program offered by the institution.

20 ...

21 (y)(1) For each program offered, the application shall contain a
22 description of the facilities and the equipment which is available for use by students
23 at the main, branch, and satellite locations of the institution unless there have been no
24 substantive changes since the last submission. If there have been no substantive
25 changes made the institution may so state and is not required to provide
26 documentation.

27 (2) For facilities that are leased or rented, the application shall contain the
28 name and address of the lessor or landlord, together with a copy of any use, lease, or
rental agreements for the facilities unless there have been no substantive changes
since the last submission. If there have been no substantive changes made the
institution may so state and is not required to provide documentation.

...

(6) The application shall contain a list of all permits, certifications, or
other evidence of inspections or authorizations to operate required by the jurisdictions
within which the institution operates that the institution has obtained, and/or an
explanation as to why those permits, certifications, or inspections have not yet been
obtained unless there have been no substantive changes since the last submission. If
there have been no substantive changes made the institution may so state and is not
required to provide documentation.

(z) The application shall include a description of library holdings,
services, and other learning resources, including policies and procedures for
supplying them to students who do not receive classroom instruction. The description
need not consist of a list of each holding. The description shall include an explanation
of how the library and other learning resources are sufficient to support the

1 instructional needs of students and, if no facilities exist at the institution, how and
2 when students may obtain access to a library and other learning resources as required
3 by the curriculum unless there have been no substantive changes since the last
4 submission. If there have been no substantive changes made the institution may so
5 state and is not required to provide documentation.

6 (aa) If an institution represents to the public, in any manner, that it offers
7 job placement assistance, the application shall include a description of the job
8 placement assistance that it provides unless there have been no substantive changes
9 since the last submission. If there have been no substantive changes made the
10 institution may so state and is not required to provide documentation.

11 ...

12 (cc) The institution shall submit with the application, a copy of the
13 document that is awarded to a graduating student upon successful completion of each
14 educational program unless there have been no substantive changes since the last
15 submission. If there have been no substantive changes made the institution may so
16 state and is not required to provide documentation.

17 (dd)(1) The application shall contain a description of how records
18 required by Article 9 of the Act or this chapter are or will be organized and
19 maintained, the types of documents contained in student files, how the records are
20 stored, and whether academic and financial records are maintained in separate files.
21 The description shall include a statement of the institution's procedures for security
22 and safekeeping of records unless there have been no substantive changes since the
23 last submission. If there have been no substantive changes made the institution may
24 so state and is not required to provide documentation.

25 (2) The description in the application shall include the name, physical
26 address, email address, and telephone number of the custodian of records, and the
27 physical addresses and telephone numbers of the offices or buildings where the
28 records will be maintained unless there have been no substantive changes since the
last submission. If there have been no substantive changes made the institution may
so state and is not required to provide documentation.

(ee) The application shall contain a description of the procedures used by
the institution to assure that it is maintained and operated in compliance with the Act
and this Division.”

17. Section 71770 of the Education Code states, in pertinent part:

“(a) The institution shall establish specific written standards for student
admissions for each educational program. These standards shall be related to the
particular educational program. An institution shall not admit any student who is
obviously unqualified or who does not appear to have a reasonable prospect of
completing the program. In addition to any specific standards for an educational
program, the admissions standards must specify as applicable that:

(1) Each student admitted to an undergraduate degree program, or a
diploma program, shall possess a high school diploma or its equivalent, or otherwise
successfully take and pass the relevant examination as required by section 94904 of
the Code.

(2) Each student admitted into a post-baccalaureate degree program shall

1 possess a bachelor's degree or its equivalent. If a graduate program leads to a
2 profession or an occupation requiring state licensure and the licensing agency does
not require that a member of the profession or occupation possess a Bachelor's degree
or its equivalent, this subdivision does not apply.

3 (b) The institution shall specify the maximum credit it will transfer from
4 another institution for each educational program, and the basis upon which the
transferred credit will be awarded.

5 (1) Except as limited by subdivision (c) of this section, a maximum of 75
6 percent of the units or credit that may be applied toward the award of a bachelor's
degree may be derived from a combination of any or both of the following:

7 (A) Units earned at institutions approved by the Bureau, public or private
8 institutions of higher learning accredited by an accrediting association recognized by
the U. S. Department of Education, or any institution of higher learning, including
9 foreign institutions, if the institution offering the undergraduate program documents
10 that the institution of higher learning at which the units were earned offers degree
programs equivalent to degree programs approved by the Bureau or accredited by an
accrediting association recognized by the U.S. Department of Education;

11 (B) Challenge examinations and standardized tests such as the College
12 Level Placement Tests (CLEP) for specific academic disciplines.

13 (2) No more than 20% of graduate semester units or the equivalent in
14 other units awarded by another institution may be transferred for credit toward a
Master's degree. An institution may accept transfer credits only from the institutions
of higher learning described in subsection (1)(A).

15 (3) No more than 30 graduate semester credits or its equivalent awarded
16 by another institution may be credited toward a doctoral degree. This subdivision
17 does not apply to graduate programs that lead to a profession or an occupation
requiring state licensure where the licensing agency has a regulation permitting a
different standard.

18 (c) If credit for prior experiential learning is to be granted, the policy for
19 granting such credit shall be included in the institution's catalog.

20 (1) An institution may grant credit to a student for prior experiential
learning only if:

21 (A) The prior learning is equivalent to a college or university level of
22 learning;

23 (B) The learning experience demonstrates a balance between theory and
practice and;

24 (C) The credit awarded for the prior learning experience directly relates to
25 the student's degree program and is applied in satisfaction of some of the degree
requirements.

26 (2) Each college or university level learning experience for which credit
27 is sought shall be documented by the student in writing.

28 (3) Each college or university level learning experience shall be evaluated
by faculty qualified in that specific subject area who shall ascertain (1) to what

1 college or university level learning the student's prior experience is equivalent and (2)
2 how many credits toward a degree may be granted for that experience.

3 (4) The faculty evaluating the prior learning shall prepare a written report
4 indicating all of the following:

5 (A) The documents in the student's record on which the faculty member
6 relied in determining the nature of the student's prior experience;

7 (B) The bases for determining that the prior experience (i) is equivalent to
8 college or university level learning and (ii) demonstrates a balance between theory
9 and practice; and

10 (C) The bases for determining (i) to what college or university level the
11 experience is equivalent and (ii) the proper number of credits to be awarded toward
12 the degree for that experience.

13 (5)(A) The institution shall designate at least one administrator to be
14 responsible for the review of faculty determinations regarding the award of credit for
15 prior experiential learning.

16 (B) The administrator shall document the institution's periodic review of
17 faculty evaluations to assure that the faculty written evaluations and awards of credit
18 comply with this section and the institution's policies and are consistent.

19 (6) The amount of credit awarded for prior experiential learning shall not
20 be related to the amount charged the student for the assessment process.

21 (7)(A) Of the first 60 semester credits awarded a student in an
22 undergraduate program, no more than 15 semester credits may be awarded for prior
23 experiential learning.

24 (B) Of the second 60 semester units (i.e., credits 61 to 120) awarded a
25 student in an undergraduate program, no more than 15 semester credits may be
26 awarded for prior experiential learning.

27 (C) Of the first 30 semester credits awarded a student in a graduate
28 program, no more than 6 semester credits may be awarded for prior experiential
learning.

(D) Of the second 30 semester credits (i.e., credits 31 to 60) awarded a
student in a graduate program, no more than 3 semester credits may be awarded for
prior experiential learning.

(E) No credit for experiential learning may be awarded after a student has
obtained 60 semester credits in a graduate program.

18. Section 74115 of the Education Code states, in pertinent part:

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

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

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

6 (2) Financial statements prepared on an annual basis as required by
7 section 74110(b) shall be prepared in accordance with the generally accepted
8 accounting principles established by the American Institute of Certified Public
9 Accountants. Nonprofit institutions shall provide annual financial statements as
10 required under generally accepted accounting principles for nonprofit organizations.

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

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

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

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

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

19. Section 71745 of the Education Code states, in pertinent part:

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

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

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

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

(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00

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

11 (b) At an institution's request, the Bureau may consider the financial
12 resources of a parent company if the parent company, as defined by section 94853 of
13 the Code, meets and maintains all 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
16 respect to the institution's regulation under the Act and this Chapter;

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

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

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

24 (c) An institution shall provide to the Bureau its most current financial
25 statements upon request.”

26 20. Section 71485 of the Education Code states, in pertinent part:

27 “Failure of an institution to have made current payments of the
28 assessments to the Student Tuition Recovery Fund as required by chapter 7 of this
Division, and annual fees as required by chapter 5 of this Division shall render the
institution ineligible for renewal.”

29 21. California Code of Regulations, title 5, section 71800 states, in pertinent part:

30 “In addition to the requirements of section 94911 of the Code, an
31 institution shall provide to each student an enrollment agreement that contains at the
32 least the following information:

33 ...

34 (b) Period covered by the enrollment agreement.

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

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

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

2 (1) tuition;

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

4 (3) equipment;

5 (4) lab supplies or kits;

6 (5) Textbooks, or other learning media;

7 (6) uniforms or other special protective clothing;

8 (7) in-resident housing;

9 (8) tutoring;

10 (9) assessment fees for transfer of credits;

11 (10) fees to transfer credits;

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

13 (12) any other institutional charge or fee.

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

16 22. Section 76215 of the Education Code states, in pertinent part:

17 “(a) A qualifying institution shall include the following statement on both
18 its enrollment agreement and school catalog:

19 “The State of California established the Student Tuition Recovery Fund
20 (STRF) to relieve or mitigate economic loss suffered by a student in an educational
21 program at a qualifying institution, who is or was a California resident while enrolled,
22 or was enrolled in a residency program, if the student enrolled in the institution,
23 prepaid tuition, and suffered an economic loss. Unless relieved of the obligation to do
24 so, you must pay the state-imposed assessment for the STRF, or it must be paid on
your behalf, if you are a student in an educational program, who is a California
resident, or are enrolled in a residency program, and prepay all or part of your
tuition. You are not eligible for protection from the STRF and you are not required to
pay the STRF assessment, if you are not a California resident, or are not enrolled in a
residency program.”

25 (b) In addition to the statement required under subdivision (a) of this
26 section, a qualifying institution shall include the following statement in its school
catalog:

27 “It is important that you keep copies of your enrollment agreement,
28 financial aid documents, receipts, or any other information that documents the
amount paid to the school. Questions regarding the STRF may be directed to the
Bureau for Private Postsecondary Education, 2535 Capitol Oaks Drive, Suite 400,

1 Sacramento, CA 95833, (916) 431-6959 or (888) 370-7589. To be eligible for STRF,
2 you must be a California resident or enrolled in a residency program, prepaid tuition,
paid or deemed to have paid the STRF assessment, and suffered an economic loss as a
3 result of any of the following:

4 1. The institution, a location of the institution, or an educational program
5 offered by the institution was closed or discontinued, and you did not choose to
6 participate in a teach-out plan approved by the Bureau or did not complete a chosen
7 teach-out plan approved by the Bureau.

8 2. You were enrolled at an institution or a location of the institution
9 within the 120 day period before the closure of the institution or location of the
10 institution, or were enrolled in an educational program within the 120 day period
11 before the program was discontinued.

12 3. You were enrolled at an institution or a location of the institution more
13 than 120 days before the closure of the institution or location of the institution, in an
14 educational program offered by the institution as to which the Bureau determined
15 there was a significant decline in the quality or value of the program more than 120
16 days before closure.

17 4. The institution has been ordered to pay a refund by the Bureau but has
18 failed to do so.

19 5. The institution has failed to pay or reimburse loan proceeds under a
20 federal student loan program as required by law, or has failed to pay or reimburse
21 proceeds received by the institution in excess of tuition and other costs.

22 6. You have been awarded restitution, a refund, or other monetary award
23 by an arbitrator or court, based on a violation of this chapter by an institution or
24 representative of an institution, but have been unable to collect the award from the
25 institution.

26 7. You sought legal counsel that resulted in the cancellation of one or
27 more of your student loans and have an invoice for services rendered and evidence of
28 the cancellation of the student loan or loans.

To qualify for STRF reimbursement, the application must be received
within four (4) years from the date of the action or event that made the student
eligible for recovery from STRF.

A student whose loan is revived by a loan holder or debt collector after a
period of noncollection may, at any time, file a written application for recovery from
STRF for the debt that would have otherwise been eligible for recovery. If it has been
more than four (4) years since the action or event that made the student eligible, the
student must have filed a written application for recovery within the original four (4)
year period, unless the period has been extended by another act of law.

However, no claim can be paid to any student without a social security
number or a taxpayer identification number.”

23. Section 71810 of the Education Code states, in pertinent part:

“(a) Each institution shall provide a catalog pursuant to section 94909 of
the Code, which shall be updated annually. Annual updates may be made by the use
of supplements or inserts accompanying the catalog. If changes in educational

1 programs, educational services, procedures, or policies required to be included in the
2 catalog by statute or regulation are implemented before the issuance of the annually
3 updated catalog, those changes shall be reflected at the time they are made in
4 supplements or inserts accompanying the catalog.

5 (b) The catalog shall contain the information prescribed by Section 94909
6 of the Code and all of the following:

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

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

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

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

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

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

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

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

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

(10) A description of library and other learning resources and the
procedures for student access to those resources;

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

(12) A description of all student services;

(13) Housing information including all of the following:

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

(B) The availability of housing located reasonably near the institution's

1 facilities and an estimation of the approximate cost or range of cost of the housing;
2 and

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

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

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

9 24. Section 74110 of the Education Code states, in pertinent part:

10 (a) The annual report required by Section 94934 of the Code shall
11 include the information required by sections 94929.5 and 94934 for all educational
12 programs offered in the prior calendar year, and all of the following for the prior
13 calendar year:

14 (1) Information regarding institutional branch campuses, including
15 addresses and programs offered at each campus, if applicable;

16 (2) Information regarding satellite locations, including addresses and with
17 which campus(es) the satellite location is affiliated, if applicable;

18 (3) Name of institutional accreditors for each branch and satellite campus,
19 and for each such campus at which any programs have programmatic accreditation,
20 the names of the programmatic accreditor for each such program, and effective dates
21 for each programmatic accreditation, if applicable;

22 (4) Information regarding participation in state and federal student loan
23 and grant programs, including the total amount of funding received from each source
24 for those students enrolled in an approved California school regardless of their state
25 of residency;

26 (5) Information regarding participation in other public funding programs,
27 including the amount of funding received from each public funding source; for
28 purposes of this section, public funding is any financial aid paid on behalf of students
or directly to an institution from any public source, such as the Workforce Investment
Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of
the Code of Federal Regulations or any other financial aid program that is intended to
help students pay education-related expenses, including tuition, fees, room and board,
and supplies for education; and

(6) The total percentage of institutional income that comes from any
public funding sources.

(b) In addition to the information required by section 94934 and this
section provided under penalty of perjury, the institution shall have annual financial
statements prepared for the institution's prior fiscal year and signed under penalty of
perjury, and shall submit a hard copy under separate cover of such statements in
conjunction with its annual report. The form, content and mode of preparation of
financial statements shall comply with Section 74115 of this Division. The Bureau
may request that the institution immediately make available for inspection to a
representative of the Bureau, these financial statements at the offices of the

1 institution.

2 (c) An institution shall file its annual report by December 1st. The Bureau
3 may extend the period for filing if the institution demonstrates evidence of substantial
4 need but in no case longer than 60 days. The institution shall not change the date of
5 its filing its annual report because of a change in the fiscal year without the Bureau's
6 approval.

7 (d) The annual report shall be electronically filed by submitting the
8 information required by section 94934 of the Code and this section via the online
9 form provided on the Bureau's website, electronically attaching, as directed, the
10 School Performance Fact Sheet, the enrollment agreement, and the school catalog.”

11 **FIRST CAUSE FOR DENIAL OF APPLICATION**

12 **(Institution)**

13 25. Respondent's application is subject to denial under California Code of Regulations,
14 title 5, section 71475, subdivision (c)(1) in that the institution did not provide their website
15 address on the application.

16 **SECOND CAUSE FOR DENIAL OF APPLICATION**

17 **(Form of Business Organization)**

18 26. Respondent's application is subject to denial under section 94894, subdivision (d) of
19 the Code and California Code of Regulations, title 5, section 71475, subdivision (c)(6) in that the
20 institution provided information regarding the form of business organization that was inconsistent
21 with what the Bureau had on file and failed to submit prior authorization to change the form of
22 business organization.

23 **THIRD CAUSE FOR DENIAL OF APPLICATION**

24 **(Agent for Service of Process within California)**

25 27. Respondent's application is subject to denial under California Code of Regulations,
26 title 5, section 71475, subdivision (h) in that the institution provided incomplete information for
27 the agent for service of process on the application.

28 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

(Exemplars of Student Agreements)

29 28. Respondent's application is subject to denial under section 94906, subdivision (a) of
30 the Code in that the Enrollment Agreement (EA) provided by the institution failed to include
31 information regarding how they provide necessary information to students when they are unable

1 to understand the terms and conditions of the EA due to English not being their primary language.

2 29. Respondent's application is subject to denial under section 94908 of the Code in that
3 the second page of the EA provided by the institution contained font of a much smaller size than
4 the rest of the document.

5 30. Respondent's application is subject to denial under section 94911, subdivision (a) of
6 the Code in that the EA provided by the institution did not include the name of the educational
7 program, total number of credit hours, clock hours, or other increment required to complete the
8 educational program.

9 31. Respondent's application is subject to denial under California Code of Regulations,
10 title 5, section 71800, subdivision (b) in that the EA provided by the institution did not include
11 the period covered by the EA.

12 32. Respondent's application is subject to denial under California Code of Regulations,
13 title 5, section 71800, subdivision (c) in that the EA provided by the institution did not include the
14 program start date and scheduled completion date.

15 33. Respondent's application is subject to denial under California Code of Regulations,
16 title 5, section 71800, subdivision (d) in that the EA provided by the institution did not include
17 the date by which the student must exercise his or her right to cancel or withdraw, and the refund
18 policy.

19 34. Respondent's application is subject to denial under California Code of Regulations,
20 title 5, section 71800, subdivisions (e) and (f) in that the EA provided by the institution failed to
21 provide information regarding uniforms or other special protective clothing, in-resident housing,
22 tutoring, assessment fees for transfer of credits, fees to transfer credits, STRF fee, other
23 institutional charge or fee, and charges paid to an entity other than an institution.

24 35. Respondent's application is subject to denial under section 94911, subdivision (b) of
25 the Code in that the EA provided by the institution did not include a schedule of total charges,
26 including a list of any charges that are nonrefundable and the student's obligations to the STRF,
27 clearly identified as nonrefundable charges.

28 36. Respondent's application is subject to denial under section 94911, subdivision (c) of

1 the Code in that the EA provided by the institution did not properly include statements regarding
2 the total charges for the current period of attendance, estimated total charges for the entire
3 educational program, and total charges the student is obligated to pay upon enrollment, on the
4 same page as the student's signature.

5 37. Respondent's application is subject to denial under California Code of Regulations,
6 title 5, section 76215, subdivision (a) in that the EA provided by the institution did not include
7 required STRF language.

8 38. Respondent's application is subject to denial under section 94911, subdivision (e)(1)
9 of the Code in that the EA provided by the institution did not include a clear and conspicuous
10 caption and explanation regarding the student's right to cancel.

11 39. Respondent's application is subject to denial under section 94911, subdivision (e)(2)
12 of the Code in that the EA provided by the institution did not include the institution's refund
13 policy and a statement regarding refund from federal student financial aid program funds.

14 40. Respondent's application is subject to denial under section 94911, subdivision (e)(3)
15 of the Code in that the EA provided by the institution did not include a description of the
16 procedures required to cancel the enrollment agreement or withdraw from the institution.

17 41. Respondent's application is subject to denial under section 94911, subdivision (f) of
18 the Code in that the EA provided by the institution did not include clear language regarding
19 students' responsibility to repay loans for educational programs.

20 42. Respondent's application is subject to denial under section 94911, subdivisions (g)(1)
21 and (g)(2) of the Code in that the EA provided by the institution did not include a statement
22 regarding the implications of defaulting on federal or state loans.

23 43. Respondent's application is subject to denial under section 94911, subdivision (h) and
24 section 94909, subdivision (a)(15) of the Code in that the EA provided by the institution did not
25 contain the required transferability disclosure.

26 44. Respondent's application is subject to denial under section 94911, subdivisions (j)(1)
27 and (j)(2) of the Code in that the EA provided by the institution did not include specific required
28 statements directing students to the Bureau for unanswered questions and for filing a complaint

1 with the Bureau.

2 45. Respondent's application is subject to denial under section 94911, subdivisions (i)(1)
3 and (i)(2) of the Code in that the EA provided by the institution did not include specific required
4 statements and a line for the student to initial.

5 46. Respondent's application is subject to denial under section 94911, subdivision (d) of
6 the Code in that the EA provided by the institution did not include a clear and conspicuous
7 statement that the enrollment agreement is legally binding when signed by the student and
8 accepted by the institution.

9 47. Respondent's application is subject to denial under section 94911, subdivision (k) of
10 the Code in that the EA provided by the institution did not include the required language pursuant
11 to this subdivision.

12 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

13 **(Advertising and Other Public Statements)**

14 48. Respondent's application is subject to denial under section 94897, subdivision (i) of
15 the Code in that the institution displayed the Bureau's logo in the institution's advertising
16 brochure without the Bureau's consent.

17 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

18 **(Financial Resources and Statements)**

19 49. Respondent's application is subject to denial under California Code of Regulations,
20 title 5, section 71475, subdivision (e), section 71745, and section 74115 in that the institution
21 failed to submit audited financial statements for the year ended December 31, 2009.

22 **SEVENTH CAUSE FOR DENIAL OF APPLICATION**

23 **(Facilities and Equipment)**

24 50. Respondent's application is subject to denial under California Code of Regulations,
25 title 5, section 71475, subdivision (y)(2) in that the institution failed to provide a current,
26 executed lease agreement.

27 51. Respondent's application is subject to denial under California Code of Regulations,
28 title 5, section 71475, subdivision (y)(6) in that the institution failed to provide a current City of

1 South Gate business license.

2 52. Respondent's application is subject to denial under California Code of Regulations,
3 title 5, section 71475, subdivision (u)(6) in that the institution failed to provide a current Bureau
4 of Automotive Repair institution certification.

5 **EIGHTH CAUSE FOR DENIAL OF APPLICATION**

6 **(Libraries and Other Learning Resources)**

7 53. Respondent's application is subject to denial under California Code of Regulations,
8 title 5, section 71475, subdivision (z) in that the institution did not provide the application page
9 where the libraries and other learning resources are listed.

10 **NINTH CAUSE FOR DENIAL OF APPLICATION**

11 **(Job Placement Assistance)**

12 54. Respondent's application is subject to denial under California Code of Regulations,
13 title 5, section 71475, subdivision (aa) in that the institution did not provide the application page
14 where the job placement assistance item is listed.

15 **TENTH CAUSE FOR DENIAL OF APPLICATION**

16 **(Catalog)**

17 55. Respondent's application is subject to denial under section under California Code of
18 Regulations, title 5, section 71810, subdivision (b)(1) in that the catalog provided by the
19 institution did not include the specific beginning and ending dates defining the period covered by
20 the catalog.

21 56. Respondent's application is subject to denial under section 94909, subdivision (a)(2)
22 and section 94897 of the Code in that the catalog provided by the institution includes a statement
23 under the approval disclosure section that improperly refers to approval by the Bureau.

24 57. Respondent's application is subject to denial under section 94909, subdivision (a)(12)
25 of the Code in that the catalog provided by the institution did not contain a required statement
26 regarding bankruptcy proceedings.

27 58. Respondent's application is subject to denial under section 94909, subdivision
28 (a)(3)(B) of the Code in that the catalog provided by the institution did not contain specific

1 required languages that encourages students to review the catalog and School Performance Fact
2 Sheet prior to signing an enrollment agreement.

3 59. Respondent's application is subject to denial under California Code of Regulations,
4 title 5, section 71810, subdivision (b)(2) in that the catalog provided by the institution did not
5 contain the missions, purposes and objectives underlying each of the educational programs.

6 60. Respondent's application is subject to denial under California Code of Regulations,
7 title 5, section 71810, subdivision (b)(9) in that the catalog provided by the institution did not
8 contain a description of the facilities and of the types of equipment and materials used for
9 instruction.

10 61. Respondent's application is subject to denial under California Code of Regulations,
11 title 5, section 71810, subdivision (b)(10) in that the catalog provided by the institution did not
12 contain a description of library and other learning resources and the procedures for student access
13 to those resources.

14 62. Respondent's application is subject to denial under section 94909, subdivision
15 (a)(3)(A) of the Code in that the catalog provided by the institution did not contain specific
16 required language that directs students to the Bureau for unanswered questions.

17 63. Respondent's application is subject to denial under section 94909, subdivision
18 (a)(3)(C) of the Code in that the catalog provided by the institution did not contain specific
19 required language that refers individuals wishing to file a complaint about the institution to the
20 Bureau.

21 64. Respondent's application is subject to denial under section 94909, subdivision (a)(15)
22 of the Code in that the catalog provided by the institution did not contain specific required
23 language that addresses transferability of credits and credentials.

24 65. Respondent's application is subject to denial under section 94909, subdivision
25 (a)(8)(A) of the Code and California Code of Regulations, title 5, section 71770 in that the
26 catalog provided by the institution did not include a list describing any transfer or articulation
27 agreements between the institution and any other college or university that provides for the
28 transfer of credits earned in the program of instruction.

1 66. Respondent's application is subject to denial under California Code of Regulations,
2 title 5, section 71810, subdivision (b)(7) and section 71770, subdivision (c) in that the catalog
3 provided by the institution did not contain the institution's policies and procedures for the award
4 of credit for prior experiential learning, including assessment policies and procedures, provisions
5 for appeal, and all charges that a student may be required to pay.

6 67. Respondent's application is subject to denial under California Code of Regulations,
7 title 5, section 71810, subdivision (b)(4) in that the catalog provided by the institution did not
8 contain language proficiency information, including the level of English language proficiency
9 required of students and the kind of documentation of proficiency that will be accepted.

10 68. Respondent's application is subject to denial under California Code of Regulations,
11 title 5, section 71810, subdivision (b)(5) in that the catalog provided by the institution did not
12 contain the level of proficiency required in the Spanish language and the kind of documentation
13 of proficiency that will be accepted.

14 69. Respondent's application is subject to denial under section 94909, subdivision (a)(16)
15 of the Code in that the catalog provided by the institution did not contain a statement specifying
16 whether the institution is accredited by an accrediting agency recognized by the United States
17 Department of Education.

18 70. Respondent's application is subject to denial under section 94909, subdivision (a)(9)
19 of the Code in that the table titled "Cost of Training Program" in the catalog did not clearly
20 provide for the schedule of total charges for a period of attendance and an estimated schedule of
21 total charges for the entire educational program.

22 71. Respondent's application is subject to denial under section 94909, subdivision (a)(14)
23 of the Code and California Code of Regulations, title 5, section 76215, subdivisions (a) and (b) in
24 that the catalog provided by the institution included outdated language regarding the student's
25 rights and responsibilities with respect to the STRF.

26 72. Respondent's application is subject to denial under section 94909, subdivision
27 (a)(8)(B) of the Code in that the catalog provided by the institution included cancellation,
28 withdrawal, and refund policies that are not in accordance with the language in section 94909,

1 subdivision (a)(8)(B) of the Code.

2 73. Respondent's application is subject to denial under section 94909, subdivision (a)(7)
3 of the Code in that the catalog failed to provide the addendum with information on faculty
4 members and their qualifications.

5 74. Respondent's application is subject to denial under section 94909, subdivision (a)(10)
6 of the Code in that the catalog provided by the institution did not contain a statement reporting
7 whether the institution participates in federal and state financial aid programs and, if so, all
8 consumer information required to be disclosed pursuant to those programs.

9 75. Respondent's application is subject to denial under section 94909, subdivision (a)(11)
10 of the Code in that the catalog provided by the institution did not contain a specific required
11 statement regarding loan repayment and refund.

12 76. Respondent's application is subject to denial under section 94909, subdivision (a)(8)
13 (C) of the Code in that the catalog provided by the institution failed to include probation policies.

14 77. Respondent's application is subject to denial under California Code of Regulations,
15 title 5, section 71810, subdivisions (b)(13)(A)-(C) in that the catalog provided by the institution
16 did not include necessary housing information.

17 **ELEVENTH CAUSE FOR DENIAL OF APPLICATION**

18 **(Graduation or Completion Documents)**

19 78. Respondent's application is subject to denial under California Code of Regulations,
20 title 5, section 71475, subdivision (cc) in that the institution did not include the page on the
21 application where graduation or completion documents are listed.

22 **TWELFTH CAUSE FOR DENIAL OF APPLICATION**

23 **(Recordkeeping-Custodian of Records)**

24 79. Respondent's application is subject to denial under California Code of Regulations,
25 title 5, section 71475, subdivision (dd) in that the institution did not include the page on the
26 application where the recordkeeping and custodian of records information is listed.

27 ///

28 ///

1 **THIRTEENTH CAUSE FOR DENIAL OF APPLICATION**

2 **(Self-Monitoring Procedures)**

3 80. Respondent's application is subject to denial under California Code of Regulations,
4 title 5, section 71475, subdivision (ee) in that the institution did not include the page on the
5 application where the self-monitoring procedures information is listed.

6 **FOURTEENTH CAUSE FOR DENIAL OF APPLICATION**

7 **(Unapproved Educational Programs)**

8 81. Respondent's application is subject to denial under California Code of Regulations,
9 title 5, section 71475, subdivision (q)(2) in that the advertising brochure provided by the
10 institution and the LED scrolling sign at the institutions front office lists several educational
11 programs that have not been approved by the Bureau.

12 **FIFTEENTH CAUSE FOR DENIAL OF APPLICATION**

13 **(Student Tuition Recovery Fund (STRF) Assessment and Annual Fees)**

14 82. Respondent's application is subject to denial under section 74000, subdivision (d) of
15 the Code and California Code of Regulations, title 5, section 71485 in that the institution failed to
16 remain current on STRF assessments and annual fees.

17 **SIXTEENTH CAUSE FOR DENIAL OF APPLICATION**

18 **(Annual Reports)**

19 83. Respondent's application is subject to denial under section 94934, subdivision (a) of
20 the Code and California Code of Regulations, title 5, section 74110 in that the institution did not
21 submit the following components of the required annual reports: 2013 School Performance Fact
22 Sheets (SPFS); 2014 SPFS and Printed Financials; and 2015 Annual Report, SPFS, Catalog, EA,
23 and printed financials.

24 **SEVENTEENTH CAUSE FOR DENIAL OF APPLICATION**

25 **(Application Fee)**

26 84. Respondent's application is subject to denial under section 94930.5, subdivision (a)(1)
27 of the Code and California Code of Regulations, title 5, section 74000, subdivision (d), in that the
28 institution submitted an incorrect renewal application fee.

1 **EIGHTEENTH CAUSE FOR DENIAL OF APPLICATION**

2 **(Citation)**

3 85. Respondent's application is subject to denial under section 94936, subdivisions (a)
4 and (b)(2) of the Code and California Code of Regulations, title 5, sections 75050 and 74000,
5 subdivisions (a) and (d), in that the institution has not submitted payment for a \$5,000.00 citation
6 issued on July 14, 2015.

7 **PRAYER**

8 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
9 and that following the hearing, the Director the Department of Consumer Affairs issue a decision:

- 10 1. Denying the Application for Renewal of Approval to Operate an Institution Non-
11 Accredited of Vocational Technical School; Julio Cardoza; and
12 2. Taking such other and further action as deemed necessary and proper.

13
14
15 DATED: 8/6/18



16 DR. MICHAEL MARION, JR.
17 Chief
18 Bureau for Private Postsecondary Education
19 Department of Consumer Affairs
20 State of California
21 *Complainant*

22
23
24
25
26
27
28
LA2017604531
62908767