



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

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

INSTITUTION CODE: 55833518
CITATION NUMBER: 1718051
CITATION ISSUANCE/SERVICE DATE: July 10, 2018
DUE DATE: August 9, 2018
FINE AMOUNT: \$ 5,000.00
ORDER OF ABATEMENT INCLUDED: YES

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

CITATION

A Citation is hereby issued to Kamana Academy Incorporated, Owner of Kamana Academy located at 4280 Lincoln Blvd, Marina del Rey, CA 90292 pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

On October 24, 2017, as a result of minor and material violations detected during an on-site compliance inspection, Kamana Academy (Institution), Institution Code 55833518, was issued a Notice to Comply (NTC) #55833518 1017. In accordance with CEC section 94935, the Institution was provided 30 days from the date of the inspection to either remedy the violations or submit a written notice of disagreement. The Bureau did not receive documents from the Institution to remedy the material violations found during compliance inspection.

VIOLATION

Table with 2 columns: # and description of violation. Row 1: 1. Violation: 5, CCR section 74112(m)(1-9)- 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.

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

**Order of Abatement:**

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

**Assessment of Fine**

The fine for this violation is \$5,000.00

2. **Violation:**

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

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

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



*the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.*

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

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

On October 16, 2017, Bureau staff received and reviewed the financial statements for the fiscal year ending December 31, 2016. The Institution failed to maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year as required by 5, CCR section 71745(a)(6). The statement lists current assets at \$6,708.82 and current liabilities at \$40,000.00, with a current asset to liability ratio of 0.1677 to 1.00.

**Order of Abatement:**

The Bureau orders the Institution to:

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

**Assessment of Fine**

The fine for this violation is \$00.00

**TOTAL ADMINISTRATIVE FINE DUE: \$5,000.00**

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$5,000.00** for the violations described above.

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

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC section 94936 and 5, CCR section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(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 9, 2018**, 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 10, 2018**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **August 9, 2018**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

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

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

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

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 Gurinder Sandhu, Citation Analyst, at 916-431-6940 or [Gurinder.Sandhu@dca.ca.gov](mailto:Gurinder.Sandhu@dca.ca.gov).



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