Bureau for Private Postsecondary Education
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P.O. Box 980818, West Sacramento, CA 95798-0818
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CITATION: ASSESSMENT OF FINE, ORDER OF ABATEMENT and ORDER OF RESTITUTION

To: Bernard M. Sanchez
Preferred College of Nursing – Carson
22010 South Wilmington Avenue Suite 100-101
Carson, CA 90745

INSTITUTION CODE: 1942111
CITATION NUMBER: 1516039
CITATION ISSUANCE/SERVICE DATE: November 9, 2015
DUE DATE: December 8, 2015
FINE AMOUNT: $ 27,550.00
ORDER OF ABATEMENT INCLUDED: YES

Elainea Shotwell issues this Citation: Assessment of Fine, Order of Abatement and Order of Restitution (Citation) in her official capacity as Enforcement Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Bernard M. Sanchez, Owner, of Preferred College of Nursing located at 22010 South Wilmington Avenue, Suite 100-101, Carson, CA 90745 pursuant to Business and Professions Code section 125.9; California Education Code (CEC) section 94936; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

VIOLATION

#	The California Education Code (CEC) and the California Code of Regulations (5, CCR). Below you will find the code section(s) of law you are charged with violating.
1.	**Violation**: CEC 94926 (a)(b)(d) -- Procedures Prior to Closing, Teach-Out Plans *"At least 30 days prior to closing, the institution shall notify the bureau in writing of its intention to close. The notice shall be accompanied by a closure plan, which shall include, but not necessarily be limited to, all of the following:* *(a) A plan for providing teach-outs of educational programs, including any agreements with any other postsecondary educational institutions to provide teach-outs.* *(b) If no teach-out plan is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning*

federal student financial aid program funds.
(d) A plan for the disposition of student records."

5, CCR 76240 (a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2) -- Required Notices and Teach-Out Plan.
"All institutions, including those exempt from Bureau regulation pursuant to the Code, shall do the following prior to closing:
(a) At least 30 days prior to closing, the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. The closure plan shall include:
(1) The exact date and reason for the closure.
(2) The last date of instruction for each educational service or program.
(3) A list of students who were enrolled at any time during the 60 days prior to closure.
(4) If any student will not be provided complete educational services or the educational program, the institution shall provide:
(A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.
(B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.
(5) A plan for the disposition of student records.
(6) A plan to notify students of their rights and options under the Act and this chapter.
(b) The institution shall notify the students of the following:
(1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.
(2) If any student will not be provided complete educational services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses."

On 3/11/13, the Bureau received a complaint alleging that Preferred College of Nursing, Carson (PCN Carson) was closing. On 2/18/14, Bureau staff contacted PCN Carson's main telephone number and confirmed that PCN Carson was operational.

The Bureau had no indication that PCN Carson was closing as the institution had submitted the following documentation:

- On 1/8/13, the Bureau had received an application for renewal.
- On 1/29/13, Bureau staff conducted a compliance on-site inspection and found minor compliance violations.
- On 5/13/13, the Bureau received an application for a Change of Educational Objectives to add two educational programs.

On 11/17/14, Bureau staff received a phone call from E Sanchez, one of the institution's owners, stating that PCN Carson may be closing. Bureau staff instructed E Sanchez to contact the Bureau's Closed School Unit for proper closure procedures and sent an email to E Sanchez with the Bureau's laws and regulations pertaining to school closures and the contact information for the Bureau's Closed School Unit. E Sanchez failed to contact the Bureau's Closed School Unit for proper closure procedures.

From 11/18/14 through 12/26/14, the Bureau received eight additional student complaints

	alleging that PCN Carson was closed. On 12/23/14, Bureau staff conducted a site visit to PCN Carson's physical address location at 22010 South Wilmington Avenue, Suite 100-101, Carson, CA 90745, and determined PCN Carson was no longer in operation. PCN Carson owners failed to notify students or the Bureau of its intention to close the institution or provide a closure plan 30 days prior to closing in violation of CEC 94926 and 5, CCR 76240 (a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2). **Assessment of Fine** The fine for this violation is $5,000
2.	**Violation**: CEC 94927 -- Institutions in Default of Enrollment Agreement *"An institution shall be considered in default of the enrollment agreement when an educational program is discontinued or canceled or the institution closes prior to completion of the educational program. When an institution is in default, student institutional charges may be refunded on a pro rata basis if the bureau determines that the school has made provision for students enrolled at the time of default to complete a comparable educational program at another institution at no additional charge to the students beyond the amount of the total charges in the original enrollment agreement. If the institution does not make that provision, a total refund of all institutional charges shall be made to students. "* On 4/1/15, Bureau staff received PCN Carson's School Closure Plan Form which included a list of eighteen enrolled students at the time of closure. PCN Carson stated that the last day of instruction was 10/30/14, and the closure date was 12/1/14. PCN Carson failed to make provisions and/or a full refund to the eighteen students enrolled prior to PCN Carson's closure on 12/1/14 as required by CEC 94927. **Order of Abatement:** The Bureau orders that the owners of PCN Carson provide restitution that includes a total refund of all institutional charges to the remaining eighteen students enrolled at the time of PCN Carson's closure. Submit written evidence of compliance to the Bureau. **Assessment of Fine** The fine for this violation is $5,000
3.	**Violation**: CEC 94927.5(a)(1) – Provision of Records to Bureau Prior to Closing *"(a) Prior to closing, an institution shall provide the bureau with the following:* *(1) Pertinent student records, including transcripts, as determined by the bureau, pursuant to regulations adopted by the bureau."* Prior to closing, PCN Carson failed to designate a custodian of records or provide student records, including transcripts, to the Bureau as required by CEC 94927.5 (a)(1). **Order of Abatement:** The Bureau orders that the owners of PCN Carson provide all student records, including transcripts,

	in electronic format to the Bureau, at the owners' expense as required by CEC 94927.5 (a)(1). **Assessment of Fine** The fine for this violation is $5,000
4.	**Violation**: 5, CCR 71930 (f) -- Maintenance of Records *"(f) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge except as allowed under subdivision (c)(4) of this section, during normal business hours by any entity authorized by law to inspect and copy records."* On 12/23/14, Bureau staff was unable to obtain student records during the site visit to PCN Carson's physical address location as it was already closed. Bureau staff determined that the information for PCN Carson's Custodian of Records listed in Bureau records and/or provided by PCN Carson owners are invalid. The telephone number 818-786-8068 is disconnected, and the address at 16505 Vanowen Street No. 236, Van Nuys, CA 91406 is no longer valid. On 3/6/15, Bureau staff mailed a letter via regular and certified return receipt mail to each PCN Carson owner requesting immediate access to student records. On 4/1/15, Bureau Staff received the School Closure Plan Form with updated contact information for PCN Carson's Custodian of Records, A Sanchez at PO Box 3094, Canyon Country, CA 91386-3094. Telephone number: 310-628-8040. Email: onyot06@aol.com. On 4/17/15, Bureau staff sent email correspondence to A Sanchez, Custodian of Records, requesting student records. The Bureau has not received a response. PCN Carson owners have ignored the Bureau's repeated attempts to obtain records, in violation of 5, CCR 71930(f). **Order of Abatement:** The Bureau orders that the owners of PCN Carson provide valid contact information for the Custodian of Records and provide all student records, including transcripts, in electronic format to the Bureau at the owners' expense as required by 5, CCR 71930(f). **Assessment of Fine** The fine for this violation is $5,000
5.	**Violation**: 5, CCR 76130 (d) -- Collection and Submission of Assessments. *"(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction."* On 4/1/15, Bureau staff received PCN Carson's School Closure Plan Form which stated that PCN Carson's last day of instruction was 10/30/14 and the closure date was 12/1/14. PCN Carson failed

	to submit the Student Tuition Recovery Fund Assessment Form (STRF) to the Bureau by 12/8/14, seven days from the date of closure. PCN Carson failed to remit the STRF Assessment Form to the Bureau seven days prior to closing in violation of 5, CCR 76130 (d). **Order of Abatement:** The Bureau orders that the owners of PCN Carson submit STRF assessments to the Bureau for Reporting Period: 1. 1st Quarter 2014 (January 1, 2014 – March 31, 2014) 2. 2nd Quarter 2014 (April 1, 2014 – June 30, 2014) **Assessment of Fine** The fine for this violation is $2,550
6.	**Violation**: 5, CCR 74200 -- Cessation of Educational Program. *"Every institution shall notify the Bureau in writing at least 30 days before the institution ceases to offer to the public any educational program."* The owners of PCN Carson did not notify the Bureau in writing of their intention to close PCN Carson at least 30 days prior to closure, in violation of 5, CCR 74200. **Assessment of Fine** The fine for this violation is $5,000
	TOTAL ADMINISTRATIVE FINE DUE: $27,550.00

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR Sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **$27,550.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

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.**

BACKGROUND

On 3/11/13, the Bureau received a complaint alleging that Preferred College of Nursing, Carson (PCN Carson) was closing. On 2/18/14, Bureau staff contacted PCN Carson's main telephone number and confirmed that PCN Carson was operational.

The Bureau had no indication that PCN Carson was closing as the institution submitted the

following documents:

- On 1/8/13, the Bureau had received an application for renewal.
- On 1/29/13, Bureau staff conducted a compliance on-site inspection and found minor compliance violations.
- On 5/13/13, the Bureau received an application for a Change of Educational Objectives to add two educational programs.

On 11/17/14, Bureau staff received a phone call from E Sanchez, institution owner, stating that PCN Carson may be closing. Bureau staff instructed E Sanchez to contact the Bureau's Closed School Unit for proper closure procedures and sent an email to E Sanchez with the Bureau's laws and regulations pertaining to a school closure and the contact information for the Bureau's Closed School Unit. E Sanchez failed to contact the Bureau's Closed School Unit for guidance and direction and ignored proper closure procedures.

From 11/18/14 through 12/26/14, the Bureau received eight additional student complaints.

On 4/1/15, Bureau staff received PCN Carson's School Closure Plan Form which included a list of eighteen enrolled students at the time of closure. PCN Carson stated that the last day of instruction was 10/30/14, and the closure date was 12/1/14.

On 12/23/14, Bureau staff was unable to obtain student records during the site visit to PCN Carson's physical address location as it was already closed.

Bureau staff determined that the information for PCN Carson's Custodian of Records listed in Bureau records and/or provided by PCN Carson owners are invalid. The telephone number 818-786-8068 is disconnected, and the address at 16505 Vanowen Street No. 236, Van Nuys, CA 91406 is no longer valid.

On 3/6/15, Bureau staff mailed a letter via regular and certified return receipt mail to each PCN Carson owner requesting immediate access to student records.

On 4/1/15, Bureau Staff received the School Closure Plan Form with updated contact information for PCN Carson's Custodian of Records, A Sanchez at PO Box 3094, Canyon Country, CA 91386-3094. Telephone number: 310-628-8040. Email: onyot06@aol.com.

On 4/17/15, Bureau staff sent email correspondence to A Sanchez, Custodian of Records, requesting student records. The Bureau has not received a response.

On 4/1/15, Bureau staff received PCN Carson's School Closure Plan Form which stated that PCN Carson's last day of instruction was 10/30/14 and the closure date was 12/1/14. PCN Carson should have submitted the STRF Assessment Form to the Bureau no later than 12/8/14, seven days from the date of closure.

The owners of PCN Carson did not notify the Bureau in writing of their intention to close PCN Carson at least 30 days prior to closure.

No additional responses have been received from the owners of PCN Carson.

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 **December 8, 2015**, 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 **November 9, 2015.** Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **December 8, 2015**. 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:

Jody Wright, 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 Jody Wright, Enforcement Analyst, at 916-431-6940 or Jody.Wright@dca.ca.gov.

November 9 , 2015
Date

Elainea Shotwell
Enforcement Manager

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