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

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

Case No. 998528

13 **OLA GRIMSBY INSTITUTE, OLA**
14 **GRIMSBY OWNER**
4420 Hotel Circle Court, Suite 210
15 San Diego, CA 92108

STATEMENT OF ISSUES

16 **School Code No. 3707391**

17 Respondent.

18
19 Complainant alleges:

20 **PARTIES**

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

24 2. On or about April 15, 1996, the Bureau for Private Postsecondary and Vocational
25 Education¹ (hereinafter "BPPVE") issued Ola Grimsby an Approval to Operate Ola Grimsby
26 Institute (Respondent). The Approval to Operate expired on November 14, 1999.

27 ¹ The former Bureau for Private Postsecondary and Vocational Education sunsetted on
28 July 1, 2007. On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009
(continued...)

1 3. On or about February 10, 2012, the Bureau received an Application for an Approval
2 to Operate a Non-Accredited Institution (Application #24383) from Respondent. The Bureau
3 denied the application on September 17, 2012.

4 **JURISDICTION**

5 4. This Statement of Issues is brought before the Director of the Department of
6 Consumer Affairs (Director) for the Bureau.

7 5. Education Code Section 94886 states:

8 Except as exempted in Article 4 (commencing with section 94874) or in
9 compliance with the transition provisions in Article 2 (commencing with
10 Section 94802), a person shall not open, conduct, or do business as a private
postsecondary educational institution in this state without obtaining an approval
to operate under this chapter.

11 6. Education Code Section 94887 states:

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

16 7. Title 5, California Code of Regulations (hereinafter "CCR"), section 71400.5 states:

17 (a) The inclusion of false or misleading information, or the intentional or
18 negligent omission of pertinent information on any application may result in the
denial of the application or a delay in processing, and may be grounds for
19 action pursuant to Article 18 of the Act.

20 (b) In addition to denying an application pursuant to section 94887 of the Code,
the Bureau may deny any application based on any act that constitutes grounds
21 for the denial of a license under Section 480 of the Business and Professions
Code, incorporated herein by reference.

22 (c) The proceedings under this section shall be conducted in accordance with
23 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2
of the Government Code.

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27 (AB 48) was signed into law. The Act, which became operative on January 1, 2010, established
28 the Bureau for Private Postsecondary Education (hereinafter "Bureau").

1 **STATUTORY AND REGULATORY PROVISIONS**

2 8. Title 5, California Code of Regulations ("CCR"), section 71475 states in part:

3 (a) Unless renewed, an approval to operate shall expire at 12 midnight on the
4 last day of the institution's term of approval to operate as granted pursuant to
section 94802 or section 94889 of the Code.

5 (b) An institution seeking to renew its Approval to Operate pursuant to section
6 94891 of the Code shall, **prior to its expiration**, complete and submit to the
7 Bureau the "Application for Renewal of Approval to Operate and Offer
Educations Programs for Non-Accredited Institutions," Form Application
94891 (rev. 2/10).

8 ...

9 (jj) An approval to operate that has expired may be renewed at any time within
10 6 months after its expiration on filing of an application for renewal and, as a
11 condition precedent to renewal, payment of all accrued and unpaid renewal
12 fees, late payment penalty fees prescribed in subdivision (e) of this section, and
13 any other fees that would have been due in order to renew timely. After an
approval to operate has expired for more than 6 months, the approval is
automatically cancelled and the institution must submit a complete application
pursuant to section 71100, meet all current requirements, and pay all fees that
would have been due in order to timely renew, in order to apply for approval...

14 9. Title 5, CCR, section 71100 states:

15 (a) An applicant seeking approval to operate pursuant to Section 94886 of the
16 Code, other than Approval to Operate by Accreditation pursuant to Section
17 94890(a)(1) of the Code, shall complete the "Application for Approval to
Operate for an Institution Not Accredited," Form Application 94886 (rev. 2/10).
An applicant seeking approval to operate by accreditation pursuant to Section
18 94890(a)(1) of the Code shall comply with section 71390.

19 (b) An applicant shall submit the completed form, the information or
20 documentation required by this Article, the appropriate application fee as
provided in Section 94930.5(a)(1) of the Code, and any appropriate annual fee
as required by Article 1 of Chapter 5 of this Division, to the Bureau.

21 (c) An application that fails to contain all of the information required by this
22 article shall render it incomplete.

23 10. Title 5, CCR, section 71120 states:

24 The institution shall specify the form of business organization of the institution
25 (e.g., sole proprietorship, general or limited partnership, for-profit corporation,
26 nonprofit corporation, or Limited Liability Corporation). If the institution is
incorporated, the institution shall also identify the state within which the
27 institution is incorporated and the date of incorporation, and provide copies of
the articles of incorporation and bylaws.

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11. Title 5, CCR, section 71140 states:

(a) The institution shall include in its Form Application 94886 an organization chart that shows the governance and administrative structure of the institution and the relationship between faculty and administrative positions.

(b) The institution shall provide a description of the job duties and responsibilities of each administrative and faculty position.

(c) The institution shall identify the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities.

12. Title 5, CCR, section 71180 states:

The institution shall include, with its Form Application 94886, exemplars of all student enrollment agreements and instruments of indebtedness.

13. Title 5, CCR, section 71200 states:

(a) The institution shall include in its Form Application 94886 copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent each of the following:

(1) The institution.

(2) Each educational program offered by the institution.

(b) If advertising is broadcast by television or radio, the Form Application 94886 shall also include a copy of the script.

14. Title 5, CCR, section 71260 states:

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

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

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

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

(e) For each item of significant equipment, the description shall indicate

1 whether the equipment is owned, leased, rented, or licensed for short- or long-
2 term, or owned by another and loaned to be used without charge.

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

8 15. Title 5, CCR, section 71290 states:

9 The Form Application 94886 shall include a copy of the institution's catalog, in
10 published or proposed-to-be-published form. The catalog shall meet the
11 requirements of the Act and of section 71810.

12 16. Title 5, CCR, section 71320 states:

13 The Form Application 94886 shall contain a description of the procedures used
14 by the institution to assure that it is maintained and operated in compliance with
15 the Act and this Division.

16 17. Title 5, CCR, section 71735 states:

17 (a) An institution shall have sufficient facilities and necessary equipment to
18 support the achievement of the educational objectives of all of the courses and
19 educational programs in which students are enrolled. If an institution represents
20 that the educational service will fit or prepare a student for employment in a
21 particular occupation or as described in particular job titles, either of the
22 following conditions shall be met:

23 (1) The equipment used for instruction or provided to the student shall be
24 comparable in model type or features to equipment generally used in those
25 occupations or job titles at the time the instruction is offered.

26 (2) The institution shall establish that the equipment used for instruction
27 or provided to a student is not obsolete and is sufficient for instructional
28 purposes to reasonably assure that a student acquires the necessary level of
education, training, skill, and experience to obtain employment in the field of
training and to perform the tasks associated with the occupation or job title to
which the educational program was represented to lead.

(b) An institution's facilities, including heating and cooling, ventilation,
lighting, classrooms, laboratories, and campus environs, shall be well-
maintained. The institution shall maintain all valid permits required by any
public agencies relating to the health and safety of the institution's facilities and
equipment on file, and such permits shall be available to the Bureau upon
request.

18. Title 5, CCR, section 71800 states:

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

(a) The name and address of the institution and the addresses where instruction

will be provided.

(b) Period covered by the enrollment agreement.

(c) Program start date and scheduled completion date.

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

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

(1) tuition;

(2) registration fee (non-refundable);

(3) equipment;

(4) lab supplies or kits;

(5) Textbooks, or other learning media;

(6) uniforms or other special protective clothing;

(7) in-resident housing;

(8) tutoring;

(9) assessment fees for transfer of credits;

(10) fees to transfer credits;

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

(12) any other institutional charge or fee.

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

19. Title 5, CCR, section 71810 states:

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

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

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

(2) A statement of the institution's missions and purposes and the

objectives underlying each of its educational programs;

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

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

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

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

(7) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions 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 facilities and an estimation of the approximate cost or range of cost of the housing; and

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

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

(15) Policies on the retention of student records.

20. Education Code section 94902 states:

(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.

(b) An enrollment agreement is not enforceable unless all of the following requirements are met:

(1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement.

(2) At the time of the execution of the enrollment agreement, the institution held a valid approval to operate.

(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student.

(c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the student.

21. Education Code section 94909 states:

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

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

(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 by the bureau.

(3) The following statements:

(A) "Any questions a student may have regarding this catalog that have 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)."

(B) "As a prospective student, you are encouraged to review this catalog 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 enrollment agreement."

(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

1 (toll-free telephone number) or by completing a complaint form, which can be
2 obtained on the bureau's Internet Web site (Internet Web site address).”

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

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

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

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

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

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

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

(C) Probation and dismissal policies.

(D) Attendance policies.

(E) Leave-of-absence policies.

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

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

(11) A statement specifying that, if a 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, and
that, if the student has received federal student financial aid funds, the

1 student is entitled to a refund of the moneys not paid from federal student
financial aid program funds.

2 (12) A statement specifying whether the institution has a pending
3 petition in bankruptcy, is operating as a debtor in possession, has filed a
4 petition within the preceding five years, or has had a petition in bankruptcy
5 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.).

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

7 (14) A description of the student's rights and responsibilities with
8 respect to the Student Tuition Recovery Fund. This statement shall specify
9 that it is a state requirement that a student who pays his or her tuition is
10 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.

11 (15) The following statement:

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

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

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

25 (A) Whether a graduate of the degree program will be eligible to sit for
the applicable licensure exam in California and other states.

26 (B) A degree program that is unaccredited or a degree from an
27 unaccredited institution is not recognized for some employment positions,
including, 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.

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

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

22. Education Code section 94910 states:

Prior to enrollment, an institution shall provide a prospective student with a School Performance Fact Sheet containing, at a minimum, the following information, as it relates to the educational program:

(a) Completion rates, as calculated pursuant to Article 16 (commencing with Section 94928).

(b) Placement rates for each educational program, as calculated pursuant to Article 16 (commencing with Section 94928), if the educational program is designed to lead to, or the institution makes any express or implied claim related to preparing students for, a recognized career, occupation, vocation, job, or job title.

(c) License examination passage rates for programs leading to employment for which passage of a state licensing examination is required, as calculated pursuant to Article 16 (commencing with Section 94928).

(d) Salary or wage information, as calculated pursuant to Article 16 (commencing with Section 94928).

(e) If a program is too new to provide data for any of the categories listed in this subdivision, the institution shall state on its fact sheet: "This program is new. Therefore, the number of students who graduate, the number of students who are placed, or the starting salary you can earn after finishing the educational program are unknown at this time. Information regarding general salary and placement statistics may be available from government sources or from the institution, but is not equivalent to actual performance data."

(f) All of the following:

(1) A description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated or a statement informing the reader of where he or she may obtain a description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated.

(2) A statement informing the reader of where he or she may obtain from the institution a list of the employment positions determined to be within the field for which a student received education and training for the calculation of job placement rates as required by subdivision (b).

(3) A statement informing the reader of where he or she may obtain from

1 the institution a list of the objective sources of information used to substantiate
2 the salary disclosure as required by subdivision (d).

3 (g) The following statements:

4 (1) "This fact sheet is filed with the Bureau for Private Postsecondary
5 Education. Regardless of any information you may have relating to completion
6 rates, placement rates, starting salaries, or license exam passage rates, this fact
7 sheet contains the information as calculated pursuant to state law."

8 (2) "Any questions a student may have regarding this fact sheet that have
9 not been satisfactorily answered by the institution may be directed to the
10 Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP
11 Code), (Internet Web site address), (telephone and fax numbers)."

12 (h) If the institution participates in federal financial aid programs, the most
13 recent three-year cohort default rate reported by the United States Department
14 of Education for the institution and the percentage of enrolled students
15 receiving federal student loans.

16 23. Education Code section 94911 states:

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (i)(1) The following statement: "Prior to signing this enrollment agreement, you
15 must be given a catalog or brochure and a School Performance Fact Sheet,
16 which you are encouraged to review prior to signing this agreement. These
17 documents contain important policies and performance data for this institution.
18 This institution is required to have you sign and date the information included
19 in the School Performance Fact Sheet relating to completion rates, placement
20 rates, license examination passage rates, salaries or wages, and the most recent
21 three-year cohort default rate, if applicable, prior to signing this agreement."

22 (2) Immediately following the statement required by paragraph (1), a line
23 for the student to initial, including the following statement: "I certify that I have
24 received the catalog, School Performance Fact Sheet, and information regarding
25 completion rates, placement rates, license examination passage rates, salary or
26 wage information, and the most recent three-year cohort default rate, if
27 applicable, included in the School Performance Fact sheet, and have signed,
28 initialed, and dated the information provided in the School Performance Fact
Sheet."

(j) The following statements:

(1) "Any questions a student may have regarding this enrollment
agreement that have 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)."

(2) "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-free telephone number) or by completing a complaint form, which can be
obtained on the bureau's Internet Web site (Internet Web site address)."

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

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

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FACTS

24. On or about December 20, 2010, the Bureau received an Application for Renewal of an Approval to Operate and Offer Educational Programs for a Non-Accredited Institution (#23012) from Respondent. On or about December 12, 2011, Respondent was advised that the renewal application was the incorrect application because Respondent did not have a current approval to operate. Respondent was advised to submit an Application for an Approval to Operate.

25. On or about January 27, 2012, the Bureau received documents from Respondent, without the requisite Application for an Approval to Operate. On or about February 6, 2012, Respondent was advised to submit the application with the supporting documentation.

26. On or about February 10, 2012, the Bureau received an Application for Approval to Operate an Institution Non-Accredited (#24383). On February 22, 2012, the Bureau advised Respondent that the Bureau was unable to grant an approval to operate until certain deficiencies were corrected and additional documents were submitted by March 24, 2012.

27. On or about April 3, 2012, the Bureau received Respondent's deficiency submittal. On or about May 2, 2012, the Bureau advised Respondent that the Bureau was unable to grant an approval because certain deficiencies in Application #24383 remained. The Bureau requested additional documents to cure the deficiencies by June 3, 2012.

28. On June 15, 2012, the Bureau received Respondent's deficiency submittal. The submittal failed to cure the deficiencies previously identified. On September 17, 2012, the Bureau notified Respondent that the Application for Approval to Operate a Non-Accredited Institution (#24383) was denied. On October 12, 2012, Respondent requested an administrative hearing.

FIRST CAUSE FOR DENIAL

(Failure to Provide a Compliant Organizational Chart)

29. Respondent's application is subject to denial under title 5, CCR, sections 71100 and 71400.5(a) in conjunction with title 5, CCR, section 71140, subdivision (a), in that Respondent's

1 application failed to include an organization chart that shows the governance and administrative
2 structure of the institution and the relationship between faculty and administrative positions.

3 **SECOND CAUSE FOR DENIAL**

4 **(Failure to Provide a Compliant Job Duty Statement)**

5 30. Respondent's application is subject to denial under title 5, CCR, sections 71100 and
6 71400.5(a) in conjunction with title 5, CCR, section 71140, subdivision (b) in that Respondent's
7 application failed to provide a description of the job duties and responsibilities of each
8 administrative and faculty position.

9 **THIRD CAUSE FOR DENIAL**

10 **(Failure to Provide a Compliant Enrollment Agreement)**

11 31. Respondent's application is subject to denial under title 5, CCR, sections 71100 and
12 71400.5(a) in conjunction with Education Code section 94911 and title 5, CCR, sections 71180
13 and 71800, in that Respondent's application failed to provide a compliant Enrollment Agreement
14 as follows:

15 a. Respondent failed to provide an Enrollment Agreement that includes a schedule of
16 total charges, including a list of nonrefundable charges and the student's obligation to the Student
17 Tuition Recovery Fund, clearly identified as a nonrefundable charge, in violation of Education
18 Code section 94911, subdivision (b).

19 b. Respondent failed to provide an Enrollment Agreement that includes in underlined,
20 capital letters on the same page as the student's signature, the total charges for the current period
21 of attendance; the estimated total charges for the entire educational program; and the total charges
22 the student is obligated to pay upon enrollment, in violation of Education Code section 94911,
23 subdivision (c).

24 c. Respondent failed to provide an Enrollment Agreement that includes a clear and
25 conspicuous statement that the enrollment agreement is legally binding when signed by the
26 student and accepted by the institution, in violation of Education Code section 94911, subdivision
27 (d).

28

1 d. Respondent failed to provide an Enrollment Agreement that includes the period
2 covered by the enrollment agreement, in violation of title 5, CCR, section 71800, subdivision (b).

3
4 e. Respondent failed to provide an Enrollment Agreement that includes the date by
5 which the student must exercise his or her right to cancel or withdraw and the refund policy.

6 f. Respondent failed to provide an Enrollment Agreement that includes an itemization
7 of all institutional charges and fees, in violation of title 5, CCR, section 71800, subdivision (e).

8 **FOURTH CAUSE FOR DENIAL**

9 **(Failure to Provide Corrected Advertisement Material)**

10 32. Respondent's application is subject to denial under title 5, CCR, sections 71100 and
11 71400.5(a) in conjunction with title 5, CCR, section 71200, in that Respondent's application
12 failed to provide corrected advertising and other statements disseminated to the public that
13 indicate that the school's programs are not approved by the Bureau. If the programs are specific
14 to other states, the school's advertising and other publicly disseminated statements failed to
15 indicate that those programs are not available in California.

16 **FIFTH CAUSE FOR DENIAL**

17 **(Failure to Provide a Description of All Facilities)**

18 33. Respondent's application is subject to denial under title 5, CCR, sections 71100 and
19 71400.5(a) in conjunction with title 5, CCR, sections 71260 and 71735, as follows:

20 a. Respondent's application failed to provide a description of the facilities, including its
21 administrative location, and the equipment which is available for use by the students at the main,
22 branch and satellite locations of the institution, in violation of title 5, CCR, section 71260(a).

23 b. Respondent's application failed to include the name and address of the lessor(s) for
24 facilities that are leased or rented, including the administrative and main campus locations,
25 together with a copy of any use, lease, or rental agreements for the facilities, in violation of title 5,
26 CCR, section 71260(b).

1 c. Respondent's application failed to provide a description of the physical facilities
2 including building diagrams of each location and/or campus, which identifies the location of
3 classrooms, laboratories, workshops, and libraries, in violation of title 5, CCR, section 71260(c).

4 d. Respondent's application failed to provide the specifications of significant equipment
5 used in its education program, whether the equipment is owned, leased, rented or licensed for
6 short- or long-term, or owned by another and loaned to be used without charge, in violation of
7 title 5, CCR, section 71260(d) and (e).

8 e. Respondent's application failed to contain a list of all permits, certifications, or other
9 evidence of inspections or authorizations to operate required by the jurisdictions within which the
10 institution operates that the institution has obtained, or an explanation as to why those permits,
11 certifications, or inspections have not yet been obtained. This failure is a violation of title 5,
12 CCR, section 71260(f).

13 **SIXTH CAUSE FOR DENIAL**

14 **(Failure to Provide Compliant Catalog)**

15 34. Respondent's application is subject to denial under title 5, CCR, sections 71100 and
16 71400.5(a) in conjunction with Education Code section 94909 and title 5, CCR, sections 71290
17 and 71810, as follows:

18 a. Respondent failed to provide a catalog that contains the requisite language
19 encouraging students to review the catalog and School Performance Fact Sheet prior to signing an
20 enrollment agreement, in violation of Education Code section 94909(a)(3)(B).

21 b. Respondent failed to provide a catalog that contains the address or addresses where
22 class sessions will be held, in violation of Education Code section 94909(a)(4).

23 c. Respondent failed to provide a catalog that contains a description of the programs
24 offered and a description of the instruction provided in each of the courses offered by the
25 institution, the requirements for completion of each program, including required courses, any
26 final tests or examinations, any required internships or externships, and the total number of credit
27 hours, clock hours, or other increments required for completion, in violation of Education Code
28 section 94909(a)(5).

1 d. Respondent failed to provide a catalog that contains admission policies, including the
2 policies regarding acceptance of credits earned at other institutions or through challenge
3 examinations and achievement tests, requirements for ability-to-benefit students, and a list
4 describing any transfer or articulation agreements between the institution and any other college or
5 university that provides for the transfer of credits earned in the program of instruction. If the
6 institution has not entered into an articulation or transfer agreement with any other college or
7 university, the catalog also failed to disclose that fact. This failure is a violation of Education
8 Code section 94909(a)(8)(A).

9 e. Respondent failed to provide a catalog that set forth a leave of absence policy, in
10 violation of Education Code section 94909(a)(8)(E).

11 f. Respondent failed to provide a catalog that contains the schedule of total charges for a
12 period of attendance and an estimated schedule of total charges for the entire educational
13 program, in violation of Education Code section 94909(a)(9).

14 g. Respondent failed to provide a catalog that contains a statement specifying that, if a
15 student obtains a loan, the student will have to repay the full amount of the loan plus interest, less
16 the amount of any refund, and that, if the student receives federal student financial aid funds, the
17 student is entitled to refund of the money not paid from federal financial aid funds. This failure
18 is a violation of Education Code section 94909(a)(11).

19 h. Respondent failed to provide a catalog that contains a statement specifying whether
20 the institution has a pending petition in bankruptcy, is operating as a debtor in possession, has
21 filed a petition within the preceding five years, or has had a petition in bankruptcy filed against it
22 within the preceding five years that resulted in reorganization under Chapter 11 of the United
23 States Bankruptcy Code. This failure is a violation of Education Code section 94909(a)(12).

24 i. Respondent failed to provide a catalog that contains a description of the student's
25 rights and responsibilities with regard to the Student Tuition Recovery Fund (STRF), including
26 the requisite language pertaining to the STRF, in violation of Education Code section
27 94909(a)(14).

28

1 j. Respondent failed to provide a catalog that contains specific beginning and ending
2 dates defining the time period covered by the catalog, in violation of title 5, CCR, section
3 71810(b)(1).

4 k. Respondent failed to provide a catalog containing information that if the institution
5 admits students from other countries, provides information regarding whether visa services are
6 provided or whether the institution will vouch for student status, and any associated charges, in
7 violation of title 5, CCR, section 71810(b)(3).

8 l. Respondent failed to provide a catalog that contains language proficiency
9 information, including: (A) the level of English language proficiency required of students and the
10 kind of documentation of proficiency, such as the Test of English as a Foreign Language
11 (TOEFL), that will be accepted; and (B) whether English language services, including instruction
12 such as ESL, are provided and, if so, the nature of the service and its cost. This is a violation of
13 title 5, CCR, section 71810(b)(4).

14 m. Respondent failed to provide a catalog that contains the institution's policies and
15 practices regarding any form of financial aid, including required disclosures, in violation of title
16 5, CCR, section 71810(b)(6).

17 n. Respondent failed to provide a catalog that contains the institution's policies and
18 procedures for the award of credit for prior experiential learning, including assessment policies
19 and procedures, provisions for appeal, and all charges that a student may be required to pay. This
20 is a violation of title 5, CCR, section 71810(b)(7).

21 o. Respondent failed to provide a catalog that contains a description of the facilities and
22 of the types of equipment and materials that will be used for instruction, in violation of title 5,
23 CCR, section 71810(b)(9).

24 **SEVENTH CAUSE FOR DENIAL**

25 **(Failure to Provide a Policy and Procedure Compliant with the Act and Regulations)**

26 35. Respondent's application is subject to denial under title 5, CCR, sections 71100 and
27 71400.5(a) in conjunction with title 5, CCR, section 71320, for failing to provide a description of
28 the procedures used by the institution to assure that it is maintained and operated in compliance

1 with the California Private Postsecondary Education Act of 2009 and the Division 7.5 of title 5 of
2 the California Code of Regulations.

3 **EIGHTH CAUSE FOR DENIAL**

4 **(Failure to Provide the Institution's Performance Fact Sheet)**

5 36. Respondent's application is subject to denial under title 5, CCR, sections 71100 and
6 71400.5(a) in conjunction with Education Code sections 94902 and 94910, in that Respondent
7 failed to provide its Performance Fact Sheet.

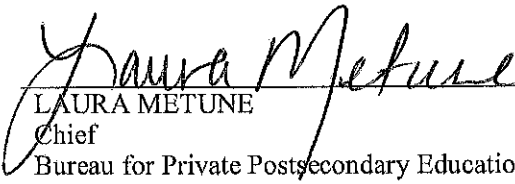
8 **PRAYER**

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

- 12 1. Denying the application of Ola Grimsby, owner, Ola Grimsby Institute, for an
13 Approval to Operate a Non-Accredited Institution; and,
14 2. Taking such other and further action as deemed necessary and proper.

15
16
17 DATED: _____

2/11/13


LAURA METUNE

Chief

Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

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