



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

To: George E. Achenbach Trust  
Allied Business Schools, Inc.  
22952 Alcalde Drive  
Laguna Hills, CA 92653

**INSTITUTION CODE: 3008581**  
**CITATION NUMBER: 1617032**  
**CITATION ISSUANCE/SERVICE DATE: April 6, 2017**  
**DUE DATE: May 6, 2017**  
**FINE AMOUNT: \$100,000.00**  
**ORDER OF ABATEMENT INCLUDED: YES**

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

### CITATION

A Citation is hereby issued to George E. Achenbach Trust, owner of Allied Business Schools, Inc. (Institution) located at 22952 Alcalde Drive, Laguna Hills, CA 92653, pursuant to Business and Professions Code Section 148; California Education Code (CEC) Section 94944; and Title 5 of the California Code of Regulations (5, CCR) Section 75020 for the violation(s) described below.

### BACKGROUND

On May 13, 2016, the Bureau's Complaint Investigation Unit received an Enforcement Referral from the Bureau's Licensing Department. The Enforcement Referral alleged that Allied Business Schools, Inc. (ABS) was operating without approval in violation of California Education Code (CEC) Section 94886.

Bureau staff conducted online research, document reviews, a site investigation, telephone interviews of ABS employees, and email exchanges with ABS employees. On March 7, 2013, ABS filed an Application for Verification of Exempt status based on CEC Section 94874(f), which states in part,

“Except as provided in Section 94874.2, the following are exempt from this chapter:  
(f) An institution that does not award degrees and that solely provides educational programs for total charges of two thousand five hundred dollars (\$2,500) or less when no part of the total charges is paid from state or federal student financial aid programs...”

The exempt status was verified on August 5, 2013. ABS was operating as an exempt institution under CEC Section 94874(f) but offered a Medical Assisting II Program with a "List Price" of \$2,746.00 on its website. The price of that program was discounted to \$2,464.00 but required a Medical Assisting I Program as a prerequisite. The "List Price" of the Medical Assisting Program I was \$2,254.00 but was discounted to \$1,952.00. The total "List Price" of the Medical Assisting II program including its prerequisite is \$5,000.00; the total discounted price of the program including its prerequisite was \$4,416.00. Therefore, ABS is charging in excess of \$2,500.00 for its Medical Assisting II Program, which negates its exemption under CEC Section 94874(f), and places it in violation of CEC Section 94886.

In addition, ABS offered students the option of financing their education. On August 4, 2016, ABS sent Bureau Staff an Enrollment Agreement for a former student named E.M. E.M. enrolled in ABS's Medical Coding Program on February 22, 2016, and financed the payment of her education. The "List Price" of her program was \$3,029.00 but the price was discounted to \$2,498.00. However, ABS charged E.M. a total of \$2,668.44 for that program when tax, shipping, enrollment fees, and a down payment were added into the total price of her tuition. Without the tax and shipping fees, ABS charged E.M. a total of \$2,596.00. Therefore, ABS is charging in excess of \$2,500.00 for students to finance its Medical Coding Program, which negates its exemption under CEC Section 94874(f), and places it in violation of CEC Section 94886.

VIOLATION(S)

#	The California Education Code (CEC) and Title 5 of the California Code of Regulations (5, CCR). Below you will find the code Section(s) of law you are charged with violating.
1.	<p><b><u>Violation:</u></b> CEC 94886. Approval to Operate Required</p> <p><i>"Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with 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."</i></p> <p><b>ABS is charging a total price of \$4,416.00 (including its prerequisite) for its Medical Assisting II Program. ABS is charging a total price of \$2,668.44 for its Medical Coding Program when its tuition is financed by students. These prices, in excess of \$2,500.00, negate ABS's exempt status under CEC Section 94874(f) and place it in violation of CEC Section 94886, Approval to Operate Required.</b></p> <p><b><u>Order of Abatement:</u></b> The Bureau orders that the Institution cease to operate as a Private Postsecondary Educational Institution. The Institution must discontinue recruiting or enrolling students and cease all instructional services and advertising in any form or type of media (including Internet web sites), until such time as an approval to operate is obtained from the Bureau. The Institution must disconnect all telephone service numbers until such time as an approval to operate is obtained from the Bureau. To comply with the Order of Abatement the Institution must cease operating immediately. If the Institution wishes to continue operating, it must submit an Application for</p>

Approval to Operate to the Bureau and await its approval.

Assessment of Fine

The fine for this violation is \$100,000.00

**TOTAL ADMINISTRATIVE FINE DUE: \$100,000.00**

ASSESSMENT OF A FINE

In accordance with CEC Section 94944; and 5, CCR Section 75020(b), the Bureau hereby orders this assessment of a fine in the amount of **\$100,000.00** 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 5, CCR Section 75020 (b) the Bureau hereby issues the order(s) of abatement described above. In accordance with Business and Professions Code Section 149, the Bureau may disconnect any telephone service numbers used by an unapproved Institution. **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 **May 6, 2017**, 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 **April 6, 2017**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **May 6, 2017**. 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 Discipline Analyst, at 916-431-6940 or [Gurinder.sandhu@dca.ca.gov](mailto:Gurinder.sandhu@dca.ca.gov).

  
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**Elainea Shotwell**  
**Enforcement Manager**

April 6, 2017  
**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