**Bureau for Private Postsecondary Education**
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# APPEAL OF CITATION INFORMAL CONFERENCE DECISION: CITATION MODIFIED

January 5, 2018

Ex'pression Center for New Media Inc.
Michael Bottrill, CEO
SAE Expression College
6601 Shellmound Street
Emeryville, CA 94608

| Date of Issuance | Citation Number | Institution Code |
|---|---|---|
| January 5, 2018 | 1718001 | 0106261 |

On September 27, 2017 an informal [telephone] conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1718001 (Citation) against Ex'pression Center for New Media Inc, owner of SAE Expression College. In attendance were Yvette Johnson, Enforcement Chief; Elmo Frazer, Campus Director; Robert Hendrickson, Regional Manager of Compliance and Dr. Michele Ernst, Regional Dean.

Pursuant to Business and Professions Code, §125.9; California Education Code, §94936; and Title 5 of the California Code of Regulations, §75020 and §75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1718001

It is the decision of the Enforcement Chief that on December 29, 2017 Citation No. 1718001 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

| # | The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the section(s) you are charged with violating. |
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| 1. | **AFFIRMED**<br><br>**Violation:**<br>5, CCR 71745(a)(6) – Financial Resources<br>*"(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:*<br>*(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* |

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| | *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."*<br><br>The composite score listed for SAE Expression College on the United States Department of Education (USDOE) spreadsheet for FY 13-14 is 0.2. Subsequently, a letter from the USDOE sent to SAE Institute Group Inc. and subsidiaries dated November 13, 2015, indicated that the institution's composite score was -0.4. Pursuant to the USDOE, a school with a composite score of less than 1.0 is not considered financially responsible.<br><br>On March 29, 2017, SAE Expression College was removed from the USDOE list of schools on Heightened Cash Monitoring due to financial responsibility.<br><br>**Order of Abatement:**<br>The Bureau orders that the institution submit a written plan of how it will maintain sufficient financial resources to ensure that it can retain a composite score of at least 1.5.<br><br>**Assessment of Fine**<br>The fine for this violation is $00.00 |
| 2. | **MODIFED**<br><br>**Violation:**<br>5, CCR 71930(e) – Maintenance of Records<br>*"All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations."*<br><br>Multiple times during a school visit on December 2, 2015, Bureau staff requested to copy the contents of the faculty files for instructors H.R. and J.S. However, Campus Director E.F. and Director of Education D.W. only permitted Bureau staff to review the files onsite and would not allow Bureau staff to make any copies of faculty documents. Additionally, a follow-up e-mail that E.F. sent to Bureau staff on December 7, 2015, stated "...we cannot release employee files or copies/parts of an employee file to an independent body outside of our college structure."<br><br>**Order of Abatement:**<br>The Bureau orders that the institution draft, implement and submit procedures for granting Bureau staff immediate access to make copies of all required records in accordance with 5, CCR 71930(e). Submit written evidence that these procedures have been distributed to all SAE Expression College employees. The Bureau further orders that the institution provide |

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| | copies of the contents of the faculty files for instructors H.R. and J.S. in accordance with CEC 94900.5 (b)(c).<br><br>**Assessment of Fine**<br>The fine for this violation is $100.00<br><br>Reason for Modification: The Institution has submitted the policy and procedure for maintaining faculty records.<br>Order of Abatement: The Bureau orders the Institution to provide the policy regarding how the institution will comply with 5, CCR 71930(e) as well as provide the Bureau with the copies of the contents of the faculty files for instructors H.R. and J.S. as required by CEC 94900.5 (b) and (c).<br><br>The administrative fine for this violation has been modified from $5,000.00 to $100.00 |
| | **TOTAL MODIFIED ADMINISTRATIVE FINE DUE: $100.00** |

ORDER OF ABATEMENT

**The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.**

PENALTY – ASSESSMENT OF A FINE

**Payment of the administrative fine is due within 30 days from the date of this decision.** Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:
Gurinder Sandhu, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. You *do*, however, have the right to appeal this modified Citation through an Administrative Hearing, *only if* you initially requested one within 30 days from the issuance date of the original citation. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

If you do not wish to appeal this modified Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on January 5, 2018. The order of abatement and payment are due by **February 4, 2018**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Affirmed 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 decision or desire further information, please contact Gurinder Sandhu Discipline Analyst, at [(916) 431-6940 or at Gurinder.Sandhu@dca.ca.gov.

Yvette Johnson 1/5/2018

**Yvette Johnson** **Date**
**Enforcement CHIEF**

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Withdrawal – Request for Administrative Hearing
- Notice of Appeal
- Statement of Rights
- Copy of Citation Order Number