BPPE
Bureau for Private Postsecondary Education

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR
DEPARTMENT OF CONSUMER AFFAIRS • BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
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CITATION AND ORDER OF ABATEMENT

To: California Preparatory College, Inc
California Preparatory College
1520 E Cooley Dr.
Colton, CA 92324

INSTITUTION CODE: 54190071
CITATION NUMBER: 1819107
CITATION ISSUANCE/SERVICE DATE: February 6, 2019
DUE DATE: March 8, 2019
FINE AMOUNT: $00.00
ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Citation 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 California Preparatory College, Inc., Owner of California Preparatory College (Institution) located at 1520 E. Cooley Dr. pursuant to California Education Code (CEC) Section 94936 and Title 5 of the California Code of Regulations (5, CCR) Sections 75020, 75030, 75040, and 75050, for the violations described below.

BACKGROUND

In accordance with CEC Section 94885(a)(6) and (9), and 5, CCR Section 71745(a)(6) an institution shall document that it has at all times sufficient assets and financial resources to do the following:

1) For an institution not participating in Title IV of the federal Higher Education Act of 1965 (hereafter Title IV), maintain a ratio of current assets[1] 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

[1] 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. 5, CCR Section 71745(a)(6)

2) For an institution participating in Title IV, meet the composite score requirements of the U.S. Department of Education.

According to the Bureau's records reviewed on or about October 26, 2018, the Institution does not participate in Title IV, therefore it must 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.

On October 26, 2018, the Bureau received financial statements for the year ending June 30, 2018 from the Institution. The Institution's ratio of 1.05, demonstrates that the institution fails to maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater.

VIOLATION

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1	**Violation:** **CEC Section 94885(a)(6) and (9)– Minimum Operating Standards** *"(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur: [...]* *(6) The institution is financially sound and capable of fulfilling its commitments to students. [...]* *(9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws."* **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."* For the reasons stated above, the institution is in violation of these sections of law. **Order of Abatement:** The Bureau orders the institution to: 1. Submit a detailed plan to address its financial shortfalls and to [meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR 71745(a)(6)] 2. In addition, please provide an explanation of all measures to be taken by the Institution to ensure it meets future financial responsibilities. 3. Please provide the Bureau with, in electronic format: a) a roster of all currently enrolled students that includes the student (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 and (8) the total amount the student has paid. **Assessment of Fine** The fine for this violation is $00.00
	TOTAL ADMINISTRATIVE FINE DUE: $00.00

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 **March 8, 2019**, 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 **February 6, 2019.** Evidence of compliance with the order(s) of abatement shall be due by **March 8, 2019**.

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

Christina Villanueva
Discipline Manager

2/6/19
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
- Declaration of Service by Certified and First-Class Mail