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

13 In the Matter of the Accusation Against:

Case No. BPPE24-0702

14 **THE DEVMASTERS**  
15 **2400 Barranca Pkway, Suite 2319**  
**Irvine, CA 92606**

**ACCUSATION**

16 **Approval to Operate Institution Code No.**  
17 **80057977**

18 Respondent.

19  
20 **PARTIES**

21 1. Deborah Cochrane (Complainant) brings this Accusation solely in her official  
22 capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of  
23 Consumer Affairs.

24 2. On or about December 14, 2022, the Bureau issued an Approval to Operate,  
25 Institution Code Number 80057977, to The DevMasters (Respondent). Respondent is owned by  
26 The Devmasters, Inc. The Approval to Operate was in full force and effect at all times relevant  
27 herein and will expire December 14, 2027, unless renewed.

28 ///

## **JURISDICTION**

3. This Accusation is brought before the Director of the Department of Consumer Affairs (Director), for the Bureau, under the authority of the following laws. All section references are to the Education Code (Code) unless otherwise indicated.

4. Code Section 94875 states:

The Bureau for Private Postsecondary Education, as established by Section 6 of Chapter 635 of the Statutes of 2007, is continued in existence and shall commence operations. This chapter establishes the functions and responsibilities of the bureau, for the purposes of Section 6 of Chapter 635 of the Statutes of 2007. The bureau shall regulate private postsecondary educational institutions through the powers granted, and duties imposed, by this chapter. In exercising its powers, and performing its duties, the protection of the public shall be the bureau's highest priority. If protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

5. Code Section 94877 provides, in relevant part, that:

(a) The bureau shall adopt and shall enforce regulations to implement this chapter pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

....

6. Code section 23.7 states, "Unless otherwise expressly provided, 'license' means license, certificate, registration, or other means to engage in a business or profession regulated by this code or referred to in Section 1000 or 3600."

7. Code section 477 states:

As used in this division:

(a) "Board" includes "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency."

(b) "License" includes certificate, registration or other means to engage in a business or profession regulated by this code.

## **STATUTORY PROVISIONS**

8. Code Section 94930.5 states:

....

(d) (1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following: (A) An annual fee for each campus designated by the

institution as a main campus location in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000). (B) An annual campus fee for each branch of the institution in an amount equal to 0.45 percent of the branch's total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000). (2) The amount of the annual fees pursuant to paragraph (1) shall be proportional to the bureau's cost of regulating institutions under this chapter, but shall not exceed seven hundred fifty thousand dollars (\$750,000) for any institution.

....

9. Code Section 94931 states:

(a) A fee that is not paid on or before the 30th calendar day after the due date for the payment of the fee shall be subject to a 25 percent late payment penalty fee. California Private Postsecondary Education Act of 2009 77

(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee.

10. Code Section 94934 states:

(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

(1) The total number of students enrolled by level of degree or for a diploma.

(2) The number of degrees, by level, and diplomas awarded.

(3) The degree levels and diplomas offered.

(4) The Student Performance Fact Sheet, as required pursuant to Section 94910.

(5) The school catalog, as required pursuant to Section 94909.

(6) The total charges for each educational program by period of attendance.

(7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.

(8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.

(9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

(b) The bureau, by January 1, 2011, shall prescribe the annual report's format and method of delivery.

....

11. Code Section 94936 states:

(a) As a consequence of an investigation, which may incorporate any materials obtained or produced in connection with a compliance inspection, and upon a finding that the institution has committed a violation of this chapter or that the institution has failed to comply with a notice to comply pursuant to Section 94935, the bureau shall issue a citation to an institution for violation of this chapter, or regulations adopted pursuant to this chapter.

(b) The citation may contain any of the following:

(1) An order of abatement that may require an institution to demonstrate how future compliance with this chapter or regulations adopted pursuant to this chapter will be accomplished.

(2) Notwithstanding Section 125.9 of the Business and Professions Code, an administrative fine not to exceed five thousand dollars (\$5,000) for each violation. The bureau shall base its assessment of the administrative fine on:

(A) The nature and seriousness of the violation.

(B) The persistence of the violation.

(C) The good faith of the institution.

(D) The history of previous violations.

(E) The purposes of this chapter.

(F) The potential harm to students.

...

(c)(1) The citation shall be in writing and describe the nature of the violation and the specific provision of law or regulation that is alleged to have been violated.

(2) The citation shall inform the institution of its right to request a hearing in writing within 30 days from service of the citation.

(3) If a hearing is requested, the bureau shall select an informal hearing pursuant to Article 10 (commencing with Section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code or a formal hearing pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(4) If a hearing is not requested, payment of the administrative fine is due 30 days from the date of service, and shall not constitute an admission of the violation charged.

(5) If a hearing is conducted and payment of an administrative fine is ordered, the administrative fine is due 30 days from when the final order is entered.

(6) The bureau may enforce the administrative fine as if it were a money judgment pursuant to Title 9 (commencing with Section 680.010) of Part 2 of the Code of Civil Procedure.

(d) All administrative fines shall be deposited in the Private Postsecondary Education Administration Fund.

## **REGULATORY PROVISIONS**

12. California Code of Regulations, title 5, section 74000 subdivision (e)(1) states that “[i]f an institution fails to pay any fee and any penalty fees timely, the Bureau may initiate proceedings to revoke the institution’s approval to operate for failure to pay fees.”

13. California Code of Regulations, title 5, section 74006 states:

(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval.

(b) An institution shall pay its annual fee in addition to any other applicable fees.

(c) The annual institutional fee is based on the institution's annual revenue. For purposes of this article, annual revenue is annual gross revenue.

14. California Code of Regulations, title 5, section 74110 states:

(a) The annual report required by Section 94934 of the Code shall include the information required by this section, subsections (f) through (j) of section 74112, and sections 94929.5 and 94934 of the Code for all educational programs offered in the prior calendar year, and all of the following for the prior calendar year:

(1) Information regarding institutional branch campuses, including addresses and programs offered at each campus, if applicable;

(2) Information regarding satellite locations, including addresses and with which campus(es) the satellite location is affiliated, if applicable;

(3) Name of institutional accreditors for each branch and satellite campus, and for each such campus at which any programs have programmatic accreditation, the names of the programmatic accreditor for each such program, and effective dates for each programmatic accreditation, if applicable;

(4) Information regarding participation in state and federal student loan and grant programs, including the total amount of funding received from each source for those students enrolled in an approved California school regardless of their state of residency;

(5) Information regarding participation in other public funding programs, including the amount of funding received from each public funding source; for purposes of this section, public funding is any financial aid paid on behalf of students or directly to an institution from any public source, such as the Workforce Investment Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations or any other financial aid program that is intended to help students pay education-related expenses, including tuition, fees, room and board, and supplies for education;

(6) The total percentage of institutional income that comes from any public

funding sources; and

(7) A blank copy of the institution's enrollment agreement and the catalog for the reporting year.

(b) In addition to the information required by section 94934 of the Code and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution.

(c) As part of its annual report to the Bureau, every institution shall provide graduate identification data for each student who graduated from the institution's educational program(s), which shall include:

(1) The graduate's name and federal taxpayer identification number, which is either the graduate's social security number (SSN) or individual taxpayer identification number (ITIN). If the graduate does not have an SSN or ITIN, the graduate's information shall be reported as "not available";

(2) The date of graduation;

(3) The following information regarding the educational program in which the graduate was enrolled:

(A) The federal Bureau of Labor Statistic's Standard Occupation Classification (SOC) codes for which the institution has identified that the program prepares its graduates when required for the reporting of job placement rates under subdivision (i)(3) of section 74112 of this Division;

(B) Educational program's name;

(C) Program length, as measured in clock hours or credit hours; and

(D) Type or title of degree, diploma or certificate awarded.

(4) The amount of federal student loan debt for the graduate, if any, as reported by the institution under subdivision (g) of section 74112 of this Division.

(d) Specific Timeframes for Reporting Graduate Identification Data:

(1) The written notice required by Section 94892.6(b)(5) of the Code shall inform the institution that the Director has certified that the Bureau's information technology system has been updated and is capable of processing the data required by that Section and that the institution has 120 days from receipt of the notice to comply with this section.

(2) The first annual report submitted by an institution that contains the graduate identification data required to be reported in subsection (c) shall include information collected on all students who graduated from January 1, 2020 through the end of the prior calendar year. Subsequent annual reports containing graduate identification data filed by an institution shall include information about students who graduated in the

prior calendar year only.

(e) An institution shall file its annual report by December 1st of each year. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval.

(f) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the Bureau's online annual reports portal designated on the Bureau's website at: [www.bppe.ca.gov](http://www.bppe.ca.gov), and electronically uploading, as directed, the School Performance Fact Sheet, the enrollment agreement, the school catalog and the graduate identification data required by this section. The following conditions relate to such electronic filings:

(1) Institutions submitting their annual report submission shall first have a responsible institution representative register the institution for a user account by creating a user name, password, email address, and the institution representative's first and last name, primary phone number, and address.

(2) As part of the annual report, the institution shall provide standard reporting and contact information through the online portal, including:

(A) the report year;

(B) institution's approval code;

(C) institution's name;

(D) institution's physical address;

(E) the form of business organization of the institution (sole proprietorship, for-profit corporation, non-profit corporation, or limited liability company (LLC));

(F) a statement whether the institution is current on its annual fees; and

(G) the institution's website address, or notice that it does not maintain an internet website if it does not do so.

(3) The graduate identification data reported by the institution shall be provided in the following application and file format: in an Excel spreadsheet (.xls or .xlsx file format), or a text file with a semi-colon, comma, or pipe delimiter (.csv or .txt file format).

(4) Electronic Signature: When a signature is required by the particular instructions of any filing to be made through the online portal, including any attestation under penalty of perjury as required by Section 94934 of the Code, a responsible institutional representative of the institution shall affix their electronic signature to the filing by typing their name in the appropriate field and submitting the filing via the Bureau's online portal. Submission of a filing in this manner shall constitute evidence of legal signature by any individual whose name is typed on the filing.

(5) When considered filed with the Bureau: Solely for purposes of a filing made through the online portal an annual report is considered filed when all information required by this section has been submitted by the institution and the institution has

received an email to the email address associated with their filing that their submission has been received by the Bureau. Receipt of this email does not constitute confirmation that the information submitted complies with the requirements of this section.

(6) The financial statements referenced in subsection (b), which are not permitted to be filed via the Bureau's online portal, shall be filed by providing or mailing hard copies directly to the Bureau's Annual Report Unit at the mailing address of the principal office of the Bureau as provided in section 70020.

15. California Code of Regulations, title 5, section 75020 states, in part:

(a) The Bureau Chief, or his or her designee, or the Director's designee, is authorized to issue citations containing orders of abatement and/or administrative fines pursuant to section 94936 of the Code against approved private, postsecondary institutions that have committed any acts or omissions that are in violation of the Act or any regulation adopted pursuant thereto.

...

(c) In addition to the requirements of section 94936 of the Code, each citation shall inform the cited institution or person that:

(1) if a hearing pursuant to the Administrative Procedure Act (APA) is not requested, payment of the administrative fine is due 30 days from the date of service, and shall not constitute an admission of the violation charged.

...

(3) if the cited institution or person desires an informal conference to contest the finding of a violation prior to an APA hearing, the informal conference shall be requested by written notice to the Bureau within 30 days from service of the citation;

(4) failure to comply with any order of abatement within the time set forth in the citation, unless the citation is being appealed, may result in disciplinary action being taken by the Bureau; and

(5) the Bureau may enforce the administrative fine as if it were a money judgment pursuant to the California Code of Civil Procedure (beginning with section 680.010).

(d) Each citation shall be served on the cited institution or person, in person, or by certified and regular mail at the address of record on file with the Bureau. Citations served by certified and regular mail shall be deemed "served" on the date of mailing.

....

16. California Code of Regulations, title 5, section 75040 states, in part:

(a) Pursuant to section 94936(c)(2) of the Code, a cited institution or person may, within 30 days of service of the citation, request a hearing in writing to the Bureau, or it is waived. In addition to contesting a citation by requesting a hearing, the cited institution or person may, within the same 30 days, submit a written request to the Bureau for an informal conference.



1 (b) The Bureau Chief, or his or her designee, or the Director, or his or her  
2 designee, shall within 30 days from the Bureau's receipt of a written request for an  
3 informal conference, hold an informal conference with the cited institution or person.  
4 The 30-day period may be extended by the Bureau Chief or the Director for good  
5 cause. The informal conference may be by telephone.

6 (c) Following the informal conference, the Bureau Chief, or his or her designee,  
7 or the Director, or his or her designee, will affirm, modify, or dismiss the citation,  
8 including any fine assessed and/or order of abatement issued. A written order  
9 affirming, modifying, or dismissing the original citation shall be served on the cited  
10 institution or person within 30 days from the informal conference. If the order affirms  
11 or modifies the original citation, said order shall fix a reasonable period of time for  
12 abatement of the violation and/or payment of the fine of not more than 30 days.

13 ...

14 (g) If a written request for a hearing pursuant to section 94936(c)(2) of the  
15 Code, or for an informal conference as provided in subsection (a), or both, is not  
16 submitted to the Bureau within 30 days from service of the citation, the cited  
17 institution or person is deemed to have waived the right to an informal conference  
18 and/or administrative hearing.

19 17. California Code of Regulations, title 5, section 75050 states:

20 ...

21 (b) Failure of an applicant or institution issued an approval to operate to abate  
22 the violation or to pay the fine within the time allowed is a ground for denial or  
23 discipline of an approval to operate.

24 ...

25 18. California Code of Regulations, title 5, section 76130 states:

26 (a)(1) A qualifying institution shall collect the assessment from each student in  
27 an educational program at the time it collects the first payment from or on behalf of  
28 the student at or after enrollment. The assessment shall be collected for the entire  
period of enrollment, regardless of whether the student pays the institutional charges  
in increments.

(2) The assessment to be collected from a re-enrolling student shall be limited  
to any amount that is due after crediting any prior assessment amount paid by the  
student. The enrollment agreement shall clearly identify any prior STRF assessment  
paid by the student.

(b) A qualifying institution shall complete the STRF Assessment report and  
remit it with the STRF assessments collected from students to be received by the  
Bureau no later than the last day of the month following the close of the quarter as  
follows:

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

(4) January 31 for the fourth quarter.

If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

(c) The STRF Assessment report shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and

(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and

(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and

(4) The total number of students who signed their enrollment agreement in a previous reporting period, were eligible for STRF, and who made their first payment during the current reporting period; and

(5) Total amount of institutional charges after rounding each student's institutional charges to the nearest \$1,000, for all eligible STRF students whose STRF assessment was collected in the reporting period; and

(6) Current contact telephone number of the person preparing the form; and

(7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.

(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.

(e) Submission of all prior reports and assessments required by this section is a condition of renewal.

### **COST RECOVERY**

19. Section 125.3 of the Code provides, in pertinent part, that the Bureau may request the administrative law judge to direct a licensee found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

### **FACTUAL ALLEGATIONS**

#### **Citation Number 2223151**

20. On May 11, 2023, the Bureau issued Citation Number 2223151 to Respondent for failure to submit its Student Tuition Recovery Fund (STRF) Assessment Reporting Form and the collection of assessment fees for the fourth quarter 2022 and first quarter 2023, as well as for

1 failure to pay its 2022 Annual fee and 90-day late payment penalty fee. The Bureau issued an  
2 administrative fine of \$1,503.00. The Citation ordered Respondent to submit the delinquent  
3 STRF Assessment Reporting Forms and assessment fees collected from students, and to submit  
4 its Annual Fee and 90-day late payment penalty fee for the 2022 calendar year. Respondent did  
5 not appeal the Citation.

6 21. On June 21, 2023, and October 4, 2023, the Bureau mailed demand letters to  
7 Respondent, requesting compliance with the Citation. On October 17, 2023, Respondent  
8 contacted the Bureau to request a citation payment plan. On November 3, 2023, the Bureau  
9 received the fourth quarter 2022 and first quarter 2023 STRF Assessment Reporting Form,  
10 assessment fees, and the 2022 Annual Fee form. However, the 2022 Annual Fee invoice that was  
11 submitted was not in compliance with the Annual Fee schedule, as Respondent listed a total due  
12 of \$0.00, when the minimum due per Institution is \$2,500.00. The 2022 Annual Fee and 90-day  
13 late payment penalty fee remained delinquent. On November 13, 2023, the Bureau received the  
14 signed citation payment plan from Respondent, agreeing to make twelve monthly installments of  
15 \$125.00 beginning December 10, 2023. On December 15, 2023, the Bureau mailed a third  
16 demand letter to Respondent. On January 16, 2024, the Bureau received full payment of the  
17 administrative citation fine in the amount of \$1,503.00.

18 22. On January 17, 2024, the Bureau mailed a fourth demand letter requesting  
19 compliance with the remaining order of abatement to submit the 2022 Annual Fee and 90-day late  
20 payment penalty fee by January 31, 2024. On April 3, 2024, May 6, 2024, and May 28, 2024,  
21 respectively, the Bureau mailed demand letters to Respondent for the outstanding order of  
22 abatement. On June 11, 2024, the Bureau emailed Respondent regarding the outstanding order of  
23 abatement. Respondent replied to the Bureau that they were out of the country and would call the  
24 Bureau at a later time. The Bureau provided Respondent with contact information for the  
25 Bureau's fiscal analyst to discuss the outstanding Annual Fee. To date, Respondent has failed to  
26 comply with Citation 2223151 regarding the order of abatement.

27 ///

28 ///

**Citation Number 23240269**

23. On May 20, 2024, the Bureau issued Citation Number 23240269 to Respondent for failure to submit its fourth quarter 2023 STRF Assessment Reporting Forms and collection of assessment fees as well as failure to pay the Annual Fee and 90-day late payment penalty fee for the 2023 calendar year. The Bureau issued an administrative fine of \$2,000.00. The Citation ordered Respondent to submit delinquent STRF Assessment Reporting Forms and STRF assessments collected from students, and to submit its Annual Fee and 90-day late payment penalty fee for the 2023 calendar year. Respondent did not appeal the Citation. The Bureau mailed demand letters to Respondent for compliance with this Citation on July 3, 2024, August 7, 2024, and September 13, 2024, respectively. To date Respondent has failed to comply with Citation Number 23240269.

**Citation Number 24250033**

24. On August 6, 2024, the Bureau issued Citation Number 24250033 to Respondent for failure to submit its first quarter 2024 STRF Assessment Reporting Form and the collection of assessment fees. The Bureau issued an administrative fine of \$1,000.00. The Citation ordered the Respondent to submit the delinquent STRF Assessment Reporting Form and STRF assessments collected from students. Respondent did not appeal the Citation. The Bureau mailed the demand letters on September 13, 2024, October 18, 2024, and November 19, 2024, respectively. To date, Respondent has failed to comply with Citation 24250033.

**Citation Number 24250089**

25. On September 19, 2024, the Bureau issued Citation Number 24250089 to Respondent for failure to submit its second quarter 2024 STRF Assessment Reporting Form and the collection of assessment fees. The Bureau issued an administrative fine of \$1,000.00. The Citation ordered Respondent to submit its STRF Assessment Reporting Form and the collection of assessment fees, for the second quarter reporting period of 2024. Respondent did not appeal the Citation. The Bureau mailed demand letters on October 22, 2024, November 25, 2024, and December 30, 2024, respectively. To date, Respondent has failed to comply with Citation Number 24250089.

///

1 **CAUSE FOR DISCIPLINE**

2 **(Failure to Comply with Citations)**

3 26. Respondent has subjected its Approval to Operate to disciplinary action under Code  
4 section 94936 and California Code of Regulations, title 5, section 75050, subdivision (b), in that  
5 Respondent failed to comply with citation numbers 2223151, 23240269, 24250033, and  
6 24250089 as more fully set forth above and incorporated herein by reference.

7 **PRAYER**

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

- 11 1. Revoking or suspending the Approval to Operate, Institution Code Number  
12 80057977, issued to The DevMasters, owned by The DevMasters, Inc.;
- 13 2. Ordering The DevMasters to pay the Bureau for Private Postsecondary Education the  
14 reasonable costs of the investigation and enforcement of this case, pursuant to Business and  
15 Professions Code section 125.3 and,
- 16 3. Taking such other and further action as deemed necessary and proper.
- 17

18 DATED: 1/21/2025

"Original Signature on File"

19 DEBORAH COCHRANE  
20 Chief  
21 Bureau for Private Postsecondary  
22 Education  
23 Department of Consumer Affairs  
24 State of California  
25 Complainant

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