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

10  
11 In the Matter of the Accusation Against:

Case No. 996765

12 **CALIFORNIA ADAMS COLLEGE;**  
13 **KYUNG NAM, Owner**  
14 **3545 Wilshire Blvd., Suite 350**  
**Los Angeles, CA 90010-1905**

**A C C U S A T I O N**

15 **School Code No. 1909941**

Respondent.

16 Complainant alleges:

17 **PARTIES**

18 1. Complainant Joanne Wenzel brings this Accusation solely in her official capacity as the  
19 Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs.

20 2. On July 1, 1979, the Bureau for Private Postsecondary Education issued an approval  
21 to operate and School Code Number 1909941 to Respondent California Adams College with  
22 Kyung Nam as the owner. The approval to operate expired on December 31, 2010 and has not  
23 been renewed.

24 **JURISDICTION AND DISCIPLINARY AUTHORITY**

25 3. This Accusation is brought before the Director of the Department of Consumer Affairs  
26 for the Bureau for Private Postsecondary Education under the following laws. All section  
27 references are to the Education Code unless otherwise indicated.

1           4.    In relevant part, Section 94932 authorizes the Bureau to cite or discipline institutions  
2 violating the California Private Postsecondary Education Act and its implementing regulations:

3                   “The bureau shall determine an institution's compliance with the  
4 requirements of this chapter. The bureau shall have the power to require reports that  
5 institutions shall file with the bureau in addition to the annual report, to send staff to  
6 an institution's sites, and to require documents and responses from an institution to  
7 monitor compliance. When the bureau has reason to believe that an institution may be  
8 out of compliance, it shall conduct an investigation of the institution. If the bureau  
9 determines, after completing an investigation, that an institution has violated any  
10 applicable law or regulation, the bureau shall take appropriate action pursuant to this  
11 article.”

12           5.    In relevant part, Section 94937 authorizes the Bureau to place an institution on  
13 probation, or to suspend or revoke its approval to operate for certain violations:

14                   “(a) As a consequence of an investigation, and upon a finding that an  
15 institution has committed a violation, the bureau may place an institution on probation  
16 or may suspend or revoke an institution's approval to operate for:

17                           (1) Obtaining an approval to operate by fraud.

18                           (2) A material violation or repeated violations of this chapter or  
19 regulations adopted pursuant to this chapter that have resulted in harm to students.  
20 For purposes of this paragraph, "material violation" includes, but is not limited to,  
21 misrepresentation, fraud in the inducement of a contract, and false or misleading claims  
22 or advertising, upon which a student reasonably relied in executing an enrollment  
23 agreement and that resulted in harm to the student.

24                   (b) The bureau shall adopt regulations, within one year of the enactment of  
25 this chapter, governing probation and suspension of an approval to operate.”

26           6.    California Code of Regulations Title 5, section 75100 implements Section 94937:

27                   “(a) The Bureau may suspend, revoke or place on probation with terms  
28 and conditions an approval to operate.

                         (b) "Material violation" as used in section 94937 of the Code includes  
committing any act that would be grounds for denial under section 480 of the Business  
and Professions Code.

                         (c) The proceedings under this section shall be conducted in accordance  
with Article 10 (commencing with Section 11445.10) of Chapter 4.5 or Chapter 5  
(commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the  
Government Code, as requested by the institution.”

## STATUTES

1           7.    Section 94886 prohibits operating an institution without obtaining an approval to  
2 operate: “Except as exempted in Article 4 (commencing with Section 94874) or in compliance  
3 with the transition provisions in Article 2 (commencing with Section 94802), a person shall not  
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1 open, conduct, or do business as a private postsecondary educational institution in this state  
2 without obtaining an approval to operate under this chapter.”

3 8. Section 94897 restricts institutions from making certain claims or engaging in  
4 certain business practices:

5 “An institution shall not do any of the following: . . .(b) Promise or  
6 guarantee employment, or otherwise overstate the availability of jobs upon  
7 graduation.”

8 9. Section 94902 imposes general enrollment requirements including requiring  
9 institutions to use and provide enrollment agreements

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

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

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

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

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

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

26 10. Section 94903 provides that a student may not waive any term or receipt of any  
27 disclosure required by sections 94902 to 94913 (Article 11 of the California Private Postsecondary  
28 Education Act).

11. Section 94920 imposes requirements regarding refunds, withdrawals, and  
cancellations:

“An institution that does not participate in the federal student financial aid  
programs shall do all of the following:

(a) The institution shall advise each student that a notice of cancellation  
shall be in writing, and that a withdrawal may be effectuated by the student's written  
notice or by the student's conduct, including, but not necessarily limited to, a student's  
lack of attendance.

(b) Institutions shall refund 100 percent of the amount paid for  
institutional charges, less a reasonable deposit or application fee not to exceed two  
hundred fifty dollars (\$250), if notice of cancellation is made through attendance at the

1 first class session, or the seventh class day after enrollment, whichever is later.

2 (c) The bureau may adopt by regulation a different method of calculation  
3 for instruction delivered by other means, including, but not necessarily limited to,  
4 distance education.

5 (d) The institution shall have a refund policy for the return of unearned  
6 institutional charges if the student cancels an enrollment agreement or withdraws  
7 during a period of attendance. The refund policy for students who have completed 60  
8 percent or less of the period of attendance shall be a pro rata refund.

9 (e) The institution shall pay or credit refunds within 45 days of a student's  
10 cancellation or withdrawal."

11 12. In relevant part, Section 94930.5 requires institution to pay the Bureau certain fees,  
12 including an annual institutional fee:

13 "An institution shall remit to the bureau for deposit in the Private  
14 Postsecondary Education Administration Fund the following fees, in accordance with  
15 the following schedule:

16 ...  
17 (d) (1) In addition to any fees paid to the bureau pursuant to subdivisions  
18 (a) to (c), inclusive, each institution that is approved to operate pursuant to this  
19 chapter shall remit both of the following:

20 (A) An annual institutional fee, in an amount equal to three-  
21 quarters of 1 percent of the institution's annual revenues derived from students in  
22 California, but not exceeding a total of twenty-five thousand dollars (\$25,000)  
23 annually."

24 13. In relevant part, Section 94943 provides that it is a crime to operate an institution  
25 without approval to operate:

26 "The following violations of this chapter are public offenses:

27 (a) Knowingly operating a private postsecondary institution without an  
28 approval to operate is an infraction subject to the procedures described in Sections  
19.6 and 19.7 of the Penal Code."

### REGULATIONS

14. California Code of Regulations Title 5, section 71660 requires institutions to notify the  
Bureau of non-substantive changes, including address changes:

"An institution shall notify the Bureau of a non-substantive change  
including: change of location of less than 10 miles; addition of a program related to the  
approved programs offered by the institution; addition of a new branch five miles or  
less from the main or branch campus; addition of a satellite; and change of mailing  
address. All such notifications shall be made within 30 days of the change and sent to  
the Bureau, in writing, to the address listed in section 70020."

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1           15. In relevant part, California Code of Regulations Title 5, section 71745 requires  
2 institutions to document and maintain sufficient financial resources:

3                   “(a) The institution shall document that it has at all times sufficient assets  
4 and financial resources to do all of the following:

5                           (1) Provide all of the educational programs that the institution represented  
6 it would provide.

7                           (2) Ensure that all students admitted to its educational programs have a  
8 reasonable opportunity to complete the programs and obtain their degrees or  
9 diplomas.

10                           (3) Maintain the minimum standards required by the Act and this chapter.

11                           (4) Pay timely refunds as required by Article 13 of the Act.

12                           (5) Pay all operating expenses due within 30 days.

13                           (6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00  
14 or greater at the end of the most recent fiscal year when using generally accepted  
15 accounting principles, or for an institution participating in Title IV of the federal  
16 Higher Education Act of 1965, meet the composite score requirements of the U.S.  
17 Department of Education. For the purposes of this section, current assets does not  
18 include: intangible assets, including goodwill, going concern value, organization  
19 expense, startup costs, long-term prepayment of deferred charges, and non-returnable  
20 deposits, or state or federal grant or loan funds that are not the property of the  
21 institution but are held for future disbursement for the benefit of students. Unearned  
22 tuition shall be accounted for in accordance with general accepted accounting  
23 principles.

24                           . . .

25                           (c) An institution shall provide to the Bureau its most current financial  
26 statements upon request.”

27           16. In relevant part, California Code of Regulations Title 5, section 71750 imposes  
28 additional requirements regarding refunds, withdrawals, and cancellations:

                  “(a) Every institution shall make refunds that are no less than the refunds  
                  required under the Act and this Division.

                  (b) An institution may not enforce any refund policy that is not specified in  
the catalog as required pursuant to section 94909(a)(8)(B) of the Code, and must  
refund all institutional charges upon a student's withdrawal. Withdrawal policy  
procedures pursuant to section 94909(a)((8)(B) of the Code shall include, at a  
minimum: the acceptable methods of delivery of a notice to withdraw; whether  
withdrawal can be accomplished by conduct, and if so, how; the position or positions  
to whom the notice to withdraw must be delivered; and the date that the notice to  
withdraw is considered effective, which shall be no later than the date received by the  
institution.

                  (c) A pro rata refund pursuant to section 94919(c) or 94920(d) or 94927  
of the Code shall be no less than the total amount owed by the student for the portion  
of the educational program provided subtracted from the amount paid by the student,  
calculated as follows:

                          (1) The amount owed equals the daily charge for the program (total  
institutional charge, divided by the number of days or hours in the program),

1 multiplied by the number of days student attended, or was scheduled to attend, prior to  
2 withdrawal.

3 (2) Except as provided for in subdivision (a)(3) of this section, all amounts  
4 paid by the student in excess of what is owed as calculated in subdivision (a)(1) shall  
5 be refunded.

6 (3) Except as provided herein, all amounts that the student has paid shall  
7 be subject to refund unless the enrollment agreement and the refund policy outlined in  
8 the catalog specify amounts paid for an application fee or deposit not more than  
9 \$250.00, books, supplies, or equipment, and specify whether and under what  
10 circumstances those amounts are non-refundable. Except when an institution provides  
11 a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any  
12 assessment paid pursuant to section 94923 of the Code is non-refundable.

13 (4) For purposes of determining a refund under the Act and this section, a  
14 student shall be considered to have withdrawn from an educational program when he  
15 or she withdraws or is deemed withdrawn in accordance with the withdrawal policy  
16 stated in its catalog.

17 ...

18 (e) An institution shall refund any credit balance on the student's account  
19 within 45 days after the date of the student's completion of, or withdrawal from, the  
20 educational program in which the student was enrolled. For purposes of this  
21 subdivision and section 94919(d) of the Code, "day" means calendar day.

22 (f) The institution shall maintain a cancellation and withdrawal log, kept  
23 current on a monthly basis, which shall include the names, addresses, telephone  
24 numbers, and dates of cancellations or withdrawal of all students who have cancelled  
25 the enrollment agreement with, or withdrawn from, the institution during the calendar  
26 year."

27 17. In relevant part, California Code of Regulations Title 5, section 71920 requires an  
28 institution to maintain student records:

29 "(a) The institution shall maintain a file for each student who enrolls in the  
30 institution whether or not the student completes the educational service.

31 (b) In addition to the requirements of section 94900, the file shall contain  
32 all of the following pertinent student records:

33 ...

34 (3) Copies of all documents signed by the student, including contracts,  
35 instruments of indebtedness, and documents relating to financial aid;

36 (4) Records of the dates of enrollment and, if applicable, withdrawal  
37 from the institution, leaves of absence, and graduation; and

38 ...

39 (9) A document showing the total amount of money received from or on  
40 behalf of the student and the date or dates on which the money was received;

41 (10) A document specifying the amount of a refund, including the  
42 amount refunded for tuition and the amount for other itemized charges, the method  
43 of calculating the refund, the date the refund was made, and the name and address of  
44 the person or entity to which the refund was sent. . ."

1           18.       In relevant part, California Code of Regulations Title 5, section 71930 specifies  
2 how an institution should maintain records and make them available to the Bureau:

3                   “(a) An institution shall maintain all records required by the Act and this  
4 chapter. The records shall be maintained in this state.

5                   (b)(1) In addition to permanently retaining a transcript as required by  
6 section 94900(b) of the Code, the institution shall maintain for a period of 5 years the  
7 pertinent student records described in Section 71920 from the student's date of  
8 completion or withdrawal.

9                   (2) Notwithstanding (b)(1), the institution shall maintain records relating  
10 to federal financial aid programs as provided by federal law.

11                   (c) A record is considered current for three years following a student's  
12 completion or withdrawal. A record may be stored on microfilm, microfiche, computer  
13 disk, or any other method of record storage only if all of the following apply:

14                   (1) The record may be stored without loss of information or legibility for  
15 the period within which the record is required to be maintained by the Act;

16                   (2) For a record that is current, the institution maintains functioning  
17 devices that can immediately reproduce exact, legible printed copies of stored records.  
18 The devices shall be maintained in reasonably close proximity to the stored records at  
19 the institution's primary administrative location in California. For a record that is no  
20 longer current, the institution shall be able to reproduce exact, legible printed copies  
21 within two (2) business days.

22                   (3) The institution has personnel scheduled to be present at all times  
23 during normal business hours who know how to operate the devices and can explain  
24 the operation of the devices to any person authorized by the Act to inspect and copy  
25 records; and

26                   (4) Any person authorized by the Act or this chapter to inspect and copy  
27 records shall be given immediate access to the document reproduction devices for the  
28 purpose of inspecting and copying stored records and shall, upon request, reimburse  
the institution for the reasonable cost of using the institution's equipment and material  
to make copies at a rate not to exceed ten cents (\$0.10) per page.

(d) The institution shall maintain a second set of all academic and financial  
records required by the Act and this chapter at a different location unless the original  
records, including records stored pursuant to subdivision (b) of this section, are  
maintained in a manner secure from damage or loss. An acceptable manner of storage  
under this subsection would include fire resistant cabinets.

(e) 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.”

19           19.       California Code of Regulations Title 5, section 74006 requires an institution to pay an  
20 annual fee:

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

24                   (b) An institution shall pay its annual fee in addition to any other

1 applicable fees.

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

4 20. California Code of Regulations Title 5, section 76120 requires an institution to collect  
5 an assessment for the Student Tuition Recovery Fund:

6 “(a) Each qualifying institution shall collect an assessment of fifty cents  
7 (\$.50) per one thousand dollars (\$1,000) of institutional charges, rounded to the  
8 nearest thousand dollars, from each student in an educational program who is a  
9 California resident or is enrolled in a residency program. For institutional charges of  
10 one thousand dollars (\$1,000) or less, the assessment is fifty cents (\$.50).

11 (b) Unless a student has a separate agreement to repay the third party, a  
12 student whose costs are paid to the institution by third-party payer shall not pay the  
13 STRF assessment to the qualifying institution.

14 (c) Except when an institution provides a 100% refund pursuant to section  
15 94919(d) or section 94920(b) of the Code, the assessment is non-refundable.”

16 21. California Code of Regulations Title 5, section 76130 requires the collection and  
17 submission of Student Tuition Recovery Fund assessments:

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

23 (b) A qualifying institution shall complete the STRF Assessment Reporting  
24 Form (Rev. 2/10) and remit it with the STRF assessments collected from students to  
25 be received by the Bureau no later than the last day of the month following the close  
26 of the quarter as follows:

27 (1) April 30 for the first quarter,

28 (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.

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 Reporting Form 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



1 payment during the reporting period; and

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

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

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

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

12 (d) In the event of a school closure, any collected assessments shall be  
13 remitted to the Bureau within seven days following the cessation of instruction.

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

16 22. California Code of Regulations Title 5, section 76140 imposes recordkeeping  
17 requirements for Student Tuition Recovery Fund assessments:

18 “(a) A qualifying institution shall collect and maintain records of student  
19 information to substantiate the data reported on the STRF Assessment Reporting  
20 Form and records of the students' eligibility under the Fund. Such records shall include  
21 the following for each student:

- 22 (1) Student identification number,
- 23 (2) First and last names,
- 24 (3) Email address,
- 25 (4) Local or mailing address,
- 26 (5) Address at the time of enrollment,
- 27 (6) Home address,
- 28 (7) Date enrollment agreement signed,
- (8) Courses and course costs,
- (9) Amount of STRF assessment collected,
- (10) Quarter in which the STRF assessment was remitted to the Bureau,
- (11) Third-party payer identifying information,
- (12) Total institutional charges charged, and
- (13) Total institutional charges paid.

(b) The qualifying institution shall maintain the data required under this  
section in an electronic format that is readily available and open to inspection by the  
Bureau upon request. The institution shall make the records immediately available to a  
Bureau representative conducting a site inspection or, upon written request, shall  
provide a copy within 14 calendar days of the request. All records shall be provided to  
the Bureau in an intelligible and orderly manner and in an electronic format.”

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1 **COST RECOVERY**

2 23. Education Code Section 94937 subdivision (c) authorizes the Bureau to seek  
3 reimbursement under Section 125.3 of the Business and Professions Code and subdivision (d)  
4 provides that an institution shall not be required to pay more than one agency's investigation costs.

5 24. Section 125.3 of the Business and Professions Code authorizes an agency to request  
6 an administrative law judge to direct a licensee found to have violated a licensing act to pay a sum  
7 not to exceed the case's reasonable costs of the investigation and enforcement.

8 **FIRST CAUSE FOR DISCIPLINE**

9 **(Conducting Business Without An Approval to Operate)**

10 25. Respondent is subject to disciplinary action under section 94886 for opening,  
11 conducting, and doing business as California Adams College without an approval to operate and  
12 under section 94943 for knowingly operating California Adams College without an approval to  
13 operate.

14 26. Respondent's approval to operate expired on December 31, 2010 and has not been  
15 renewed.

16 27. From 2011 through 2014, Respondent was open, conducted business as, and did  
17 business as, California Adams College without obtaining an approval to operate, including  
18 advertising itself as a dental technology institution where students could obtain training as dental  
19 technicians, enrolling students, accepting tuition payments, operating classrooms, and instructing  
20 students, in violation of section 94886.

21 28. On April 17, 2014, a Bureau inspector visited Respondent at 3000 West 6th Street,  
22 Suite 201 in Los Angeles. Respondent was open and operating: for instance, there were signs in  
23 the building lobby stating "California Adams College" in rooms 201 and 202; in room 202, the  
24 inspector saw a laboratory full of lab equipment with a large "C.A.C." sign on one wall; there was  
25 a student present in the lab room working on dental prosthetics; in another room the inspector  
26 found the owner of California Adams College, Kyung Nam, the owner of California Adams  
27 College. When the inspector interviewed Mr. Nam, he denied that the institution was in operation.  
28 But when the inspector took Mr. Nam to the adjacent laboratory and asked a man there if he was

1 a student, the man replied "yes." Mr. Nam then yelled at the man in a foreign language, at which  
2 point the man changed his answer and stated he was not a student.

3 29. Respondent knew they were was operating without obtaining an approval to operate  
4 in violation of section 94943.

5 **SECOND CAUSE FOR DISCIPLINE**

6 **(Prohibited Business Practices – Guaranteeing Employment)**

7 30. Respondent is subject to disciplinary action under section 94897 subdivision (b) for  
8 promising or guaranteeing employment or for otherwise overstating the availability of jobs upon  
9 graduation.

10 31. On December 19, 2001, Respondent's web site advertised "At Adams College, you  
11 don't have to do any guessing game because we have 30 years of proven record. Among our  
12 1,750 graduates, about 200 own and run their own dental lab business throughout the U.S. We  
13 have the largest job resources in industry, and we also guarantee the job placement 100% after the  
14 graduation!"

15 **THIRD CAUSE FOR DISCIPLINE**

16 **(Failing to Provide Enrollment Agreements)**

17 32. Respondent is subject to disciplinary action under section 94902 for failing to provide  
18 students with enrollment agreements.

19 33. In July 2011, Respondent enrolled a student without executing an enrollment  
20 agreement as required by section 94902 subdivision (a). Respondent provided the student only  
21 with a receipt for payment signed by its employee rather than providing and executing and  
22 agreement signed by the student and an authorized employee of the institution.

23 34. Because there was no enrollment agreement, the student could not receive a signed  
24 copy of such an agreement, as required by section 94902 subdivision (c).

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28 **FOURTH CAUSE FOR DISCIPLINE**

1                                   **(Failing to Honor Cancellations, Withdrawals, or Refunds)**

2           35. Respondent is subject to disciplinary action under section 94920 and California Code  
3 of Regulations Title 5, section 71750 for failing to honor cancellations or withdrawals by paying  
4 the appropriate refund.

5           36. Respondent does not participate in the federal student financial aid programs.

6           37. In June 2010, an international student provided notice of cancellation after attending  
7 orientation but before taking any classes at Respondent. The student had paid about \$7,950 in  
8 tuition, and \$3,216 in other costs, including supplies, registration, and textbooks.

9           38. Respondent refused to refund the international student anything, in violation of section  
10 94920 subdivision (b), which requires a 100 percent refund of the amount paid for institutional  
11 charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars, if  
12 notice of cancellation is made through attendance at the first class session, or the seventh class day  
13 after enrollment, whichever is later.

14           39. Failing to refund the international student any portion of her payment is also a  
15 violation of California Code of Regulations Title 5, section 71750, which requires institutions to  
16 make refunds that are no less than the amounts required under the Act and its implementing  
17 regulations and requires institutions to refund all institutional charges upon a student's withdrawal.

18           40. In July 2011, a student who attended Respondent for only 3 classes requested a full  
19 refund after giving notice of her withdrawal. She had paid \$3,000 for tuition, but received only a  
20 \$1,000 refund.

21           41. In September 2011, the student received a response from Richard Nam of California  
22 Adams College written in Korean that stated that a further refund was not possible.

23           42. The failure to refund more than \$1,000 of the student's \$3,000 tuition payment when  
24 she only attended three class sessions is a violation of section 94920 subdivision (d) in conjunction  
25 with California Code of Regulations Title 5, section 71750 subdivision (c), because Respondent  
26 did not have a refund policy for, or practice of, providing pro rata refunds to students who have  
27 completed 60 percent or less of the period of attendance, and because Respondent did not make a  
28

1 pro rata refund to the student that was consistent with the number of days she attended in relation  
2 to the total number of days she paid for.

3 **FIFTH CAUSE FOR DISCIPLINE**

4 **(Failure to Pay Annual Institution Fees)**

5 43. Respondent is subject to disciplinary action under section 94930.5 in conjunction with  
6 California Code of Regulations Title 5, section 74006 as they did not pay annual institutional fees  
7 to the Bureau for the years ending June 2011 and June 2012.

8 **SIXTH CAUSE FOR DISCIPLINE**

9 **(Failure to Notify Bureau of Change of Address)**

10 44. Respondent is subject to disciplinary action under California Code of Regulations Title  
11 5, section 71660 because it did not notify the Bureau in writing within 30 days of a change of  
12 location from 3545 Wilshire Boulevard #350 to 2706 Wilshire Boulevard #200, nor did it notify  
13 the Bureau in writing within 30 days of another change of location to 3000 West 6th Street, Suites  
14 #201 and #202.

15 **SEVENTH CAUSE FOR DISCIPLINE**

16 **(Failure to Maintain Sufficient Financial Resources)**

17 45. Respondent is subject to disciplinary action under California Code of Regulations Title  
18 5, section 71745 subdivision (a)(4) for failing to document and to have sufficient assets to pay  
19 timely refunds as required by Article 13 of the Private Postsecondary Education Act, sections  
20 94919 to 94923.

21 46. Complainant realleges paragraphs 36 to 42.

22 **EIGHTH CAUSE FOR DISCIPLINE**

23 **(Failure to Maintain Records)**

24 47. Respondent is subject to disciplinary action under California Code of Regulations Title  
25 5, sections 71920, 71930, and 71745 for failing to maintain student and financial records.

26 48. On January 17, 2012, at an onsite inspection of Respondent, the Bureau requested  
27 financial information regarding Respondent's finances, a list of all dropped and withdrawn  
28

1 students, a list of all refunds issued from 2010 to that date, and all job placement contacts.

2 Respondent never provided the Bureau with any of those records.

3 49. Respondent's failure to maintain student records relating to dropped and withdrawn  
4 students is a violation of California Code of Regulations Title 5, section 71920 subdivisions (a),  
5 (b)(3), and (b)(4), which require "(a) The institution shall maintain a file for each student who  
6 enrolls in the institution whether or not the student completes the educational service" and "(b) In  
7 addition to the requirements of section 94900, the file shall contain all of the following pertinent  
8 student records: . . . (3) Copies of all documents signed by the student, including contracts,  
9 instruments of indebtedness, and documents relating to financial aid; (4) Records of the dates of  
10 enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation.

11 50. Respondent's failure to maintain student records relating to dropped and withdrawn  
12 students is also a violation of California Code of Regulations Title 5, section 71930(b)(2), which  
13 requires an institution to "maintain for a period of 5 years the pertinent student records described  
14 in Section 71920 from the student's date of completion or withdrawal."

15 **NINTH CAUSE FOR DISCIPLINE**

16 **(Failure to Provide Records to the Bureau)**

17 51. Respondent is subject to discipline under California Code of Regulations Title 5,  
18 sections 71745 and 71930 for failing to provide the Bureau with legally required records upon  
19 request.

20 52. Complainant realleges paragraph 48.

21 53. Respondent's failure to provide the Bureau with student records relating to dropped  
22 and withdrawn students to the Bureau is a violation of California Code of Regulations Title 5,  
23 section 71930 subdivision (e), which requires "[a]ll records that the institution is required to  
24 maintain by the Act or this chapter shall be made immediately available by the institution for  
25 inspection and copying during normal business hours by the Bureau and any entity authorized to  
26 conduct investigations."

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1 54. Respondent's failure to provide financial information to the Bureau upon request is a  
2 violation of California Code of Regulations Title 5, section 71745 subdivision (c), which provides  
3 "An institution shall provide to the Bureau its most current financial statements upon request."

4 **TENTH CAUSE FOR DISCIPLINE**

5 **(Failure to Collect Student Tuition Recovery Fund Assessments)**

6 55. Respondent is subject to disciplinary action under California Code of Regulations Title  
7 5, section 76120 because it did not collect Student Tuition Recovery Fund assessments from 2010  
8 to 2014.

9 **ELEVENTH CAUSE FOR DISCIPLINE**

10 **(Failure to Remit Student Tuition Recovery Fund Assessments)**

11 56. Respondent is subject to disciplinary action under California Code of Regulations Title  
12 5, section 76130 subdivision (b) because it did not remit Student Tuition Recovery Fund  
13 assessments to the Bureau from 2010 to 2014.

14 57. Complainant realleges paragraph 55.

15 **TWELFTH CAUSE FOR DISCIPLINE**

16 **(Failure to Submit Reports Regarding Student Tuition Recovery Fund Assessments)**

17 58. Respondent is subject to disciplinary action under California Code of Regulations Title  
18 5, section 76130 subdivisions (b) and (c) because it did not complete and file the Student Tuition  
19 Recovery Fund Assessment Reporting Form to the Bureau from 2010 to 2014.

20 59. Complainant realleges paragraphs 55 and 56.

21 **PRAYER**

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

25 1. Revoking or suspending Institutional Code Number 1909941, issued to California  
26 Adams College with Kyung Nam as its owner.

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2. Ordering Kyung Nam, California Adams College's owner to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Education Code Section 94937 subdivision (c); and

3. Taking such other and further action as deemed necessary and proper.

DATED: 3/11/19

  
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JOANNE WENZEL  
Chief  
Bureau for Private Postsecondary Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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