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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 Number BPPE23-0519

14 **CALIFORNIA TRINITY SCHOOL OF**  
15 **BUSINESS**

2333 Beverly Blvd.  
Los Angeles, CA 90057

16 **Approval to Operate an Institution Code**  
17 **Number 3009291**

**ACCUSATION**

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, Department of  
23 Consumer Affairs.

24 2. On or about May 26, 1994, the Bureau for Private Postsecondary Education (Bureau)  
25 issued an Approval to Operate Institution Code Number 3009291 to California Trinity School of  
26 Business (Respondent), a California nonprofit corporation. Respondent's Approval to Operate  
27 was in full force and effect at all times relevant to the charges brought herein, and will expire on  
28 February 17, 2027, unless renewed.

**JURISDICTION**

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

5       4.     Section 94875 states, in part:

6           “. . . . The bureau shall regulate private postsecondary educational institutions through the  
7 powers granted, and duties imposed, by this chapter. . . .”

8       5.     Section 94876 states, in part:

9           “(a) The powers and duties set forth in this chapter are vested in the Director of Consumer  
10 Affairs, who may delegate them to a bureau chief, subject to the provisions of this section. The  
11 bureau chief shall work in collaboration with the director. The director is responsible for the  
12 implementation of this chapter and he or she shall ensure that the protection of the public is the  
13 bureau's highest priority.

14           . . .

15           “(c) Each power granted to, or duty imposed upon, the bureau under this chapter shall be  
16 exercised and performed in the name of the bureau, subject to any conditions and limitations the  
17 director may prescribe. The bureau chief may delegate any powers or duties to a designee.

18           . . . .”

19       6.     Section 94885, subdivision (a)(6) states:

20           “(a) The bureau shall adopt by regulation minimum operating standards for an institution  
21 that shall reasonably ensure that all of the following occur:

22           . . .

23           (6) The institution is financially sound and capable of fulfilling its commitments to  
24 students.”

25       7.     Section 94932 states:

26           “The bureau shall determine an institution’s compliance with the requirements of this  
27 chapter. The bureau shall have the power to require reports that institutions shall file with the  
28 bureau in addition to the annual report, to send staff to an institution’s sites, and to require

1 documents and responses from an institution to monitor compliance. When the bureau has reason  
2 to believe that an institution may be out of compliance, it shall conduct an investigation of the  
3 institution. If the bureau determines, after completing a compliance inspection or investigation,  
4 that an institution has violated any applicable law or regulation, the bureau shall take appropriate  
5 action pursuant to this article.”

6 8. Section 94937 states, in part:

7 “(a) As a consequence of an investigation, which may incorporate any materials obtained or  
8 produced in connection with a compliance inspection, and upon a finding that an institution has  
9 committed a violation, the bureau may place an institution on probation or may suspend or revoke  
10 an institution's approval to operate for:

11 . . .

12 “(2) A material violation or repeated violations of this chapter or regulations adopted  
13 pursuant to this chapter that have resulted, or may result, in harm to students. For purposes of this  
14 paragraph, ‘material violation’ includes, but is not limited to, misrepresentation, fraud in the  
15 inducement of a contract, and false or misleading claims or advertising, upon which a student  
16 reasonably relied in executing an enrollment agreement and that resulted, or may result, in harm  
17 to the student.

18 . . . .”

19 9. California Code of Regulations, title 5, section 75100 states, in part:

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

22 . . .

23 “(c) The proceedings under this section shall be conducted in accordance with Article 10  
24 (commencing with Section 11445.10) of Chapter 4.5 or Chapter 5 (commencing with Section  
25 11500) of Part 1 of Division 3 of Title 2 of the Government Code, as requested by the  
26 institution.”

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1 **REGULATORY PROVISIONS**

2 10. California Code of Regulations, title 5, section 71745, subdivision (a) states, in part:

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

5 . . .

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

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

16 **COST RECOVERY**

17 11. Section 94937, subdivision (a) states that the “bureau may seek reimbursement  
18 pursuant to Section 125.3 of the Business and Professions Code.”

19 12. Business and Professions Code section 125.3 provides, in part, that the Bureau may  
20 request the administrative law judge to direct a licentiate found to have committed a violation or  
21 violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation  
22 and enforcement of the case, with failure of the licentiate to comply subjecting the license to not  
23 being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs  
24 may be included in a stipulated settlement.

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1 **FACTUAL ALLEGATIONS**

2 13. In or about January and February 2024, the Bureau conducted an analysis of  
3 Respondent’s financial statements from 2021, 2022, and 2023. Based on that analysis, the  
4 Bureau discovered the following deficiencies in Respondent’s financial condition:

5 a. In 2021 and 2022, Respondent was not able to pay all operating expenses  
6 within thirty (30) days.

7 b. In 2022, Respondent had a ratio of current assets to current liabilities of 0.19;  
8 and in 2023, Respondent had a ratio of current assets to current liabilities of 0.76.

9 14. Respondent’s deficient financial condition has resulted or may result in harm to  
10 students.

11 **FIRST CAUSE FOR DISCIPLINE**

12 (Inability to Pay Operating Expenses Due Within Thirty Days)

13 15. Respondent subjected its Approval to Operate to discipline for failing to document  
14 that it has at all times sufficient assets and financial resources to pay all operating expenses due  
15 within 30 days. (Educ. Code § 94937, subd. (a)(2) and Cal. Code Regs., title 5, § 71745, subd.  
16 (a)(5).) The circumstances are set forth in paragraphs 13, subparagraph (a) and 14, above.

17 **SECOND CAUSE FOR DISCIPLINE**

18 (Failure to Maintain Requisite Ratio of Assets to Liabilities)

19 16. Respondent subjected its Approval to Operate to discipline for failing to document  
20 that it has at all times sufficient assets and financial resources to maintain a ratio of current assets  
21 to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using  
22 generally accepted accounting principles. (Educ. Code § 94937, subd. (a)(2) and Cal. Code  
23 Regs., title 5, § 71745, subd. (a)(6).) The circumstances are set forth in paragraphs 13,  
24 subparagraph (b) and 14, above.

25 **DISCIPLINE CONSIDERATIONS**

26 17. To determine the degree of discipline, if any, to be imposed, Complainant alleges the  
27 following: on or about August 2, 2017, the Bureau issued Respondent an Order Suspending

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1 Approval to Operate Degree Granting Programs, pursuant to Section 94885.1, subdivision (b)(2)  
2 and California Code of Regulations, title 5, section 71410 and 74250.

3 **PRAYER**

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

- 7 1. Revoking or suspending Approval to Operate Institution Code Number 3009291,  
8 issued to Respondent California Trinity School of Business;
- 9 2. Ordering Respondent California Trinity School of Business to pay the Bureau for  
10 Private Postsecondary Education for the reasonable costs of the investigation and enforcement of  
11 this case, pursuant to Section 94937, subdivision (c) and Business and Professions Code Section  
12 125.3; and
- 13 3. Taking such other and further action as deemed necessary and proper.

14  
15 DATED: 8/29/2024

"Original Signature on File"  
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DEBORAH COCHRANE  
Chief  
Bureau for Private Postsecondary  
Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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