



Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Carlos Gonzalez de Villaumbrosia
Product School
415 Jackson St., Suite B
San Francisco, CA 94111

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1718020
CITATION ISSUANCE/SERVICE DATE: April 11, 2018
DUE DATE: May 11, 2018
FINE AMOUNT: \$ 100,000.00
ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager for the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Carlos Gonzalez de Villaumbrosia (Villaumbrosia), owner of Product School (PS) located at 415 Jackson St., Suite B, San Francisco, CA 94111 pursuant to Business and Professions Code Section 125.9 and 149; California Education Code (CEC) Section 94944; and Title 5 of the California Code of Regulations (5, CCR) Section 75020 for the violation(s) described below.

BACKGROUND

On May 2, 2016, the Bureau received an Enforcement Referral from the Department of Consumer Affairs' (DCA) Complaint Resolution Program (CRP). The referral alleged that PS is operating without approval in violation of CEC section 94886.

During the Bureau's investigation, Bureau staff found evidence showing that PS is charging \$3,500.00 in tuition for its Product Manager course and it is not exempt under any of the qualifications of CEC section 94874. Bureau staff also found evidence that PS incorporated in the state of California on January 26, 2015, and may have been operating without Bureau approval since that date. On June 13, 2016, Bureau staff sent PS a letter ordering it to cease operating within 14 days of that date.

On November 28, 2016, PS submitted an Application for Approval to Operate to the Bureau, however that application has not been approved. On November 30, 2016 the Bureau acknowledges receipt of PS's application. The letter also informed the school that per section 94886, "... a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter." PS is operating without

approval and is in violation of CEC section 94886. As of January 26, 2018, PS website at www.productschool.com is still actively advertising, and it has not come into compliance with the Bureau's laws and regulations.

VIOLATION(S)

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| # | The California Education Code (CEC) and Title 5 of the California Code of Regulations (5 CCR). Below you will find the code section(s) of law you are charged with violating. |
| 1. | <p><u>Violation:</u></p> <p>CEC 94886. Approval to Operate Required <i>"Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter."</i></p> <p>CEC 94817.5. Approved to Operate or Approved <i>"Approved to operate" or "approved" means that an institution has received authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs."</i></p> <p>CEC 94868. To Offer to the Public <i>"To offer to the public" means to advertise, publicize, solicit, or recruit."</i></p> <p>CEC 94869. To Operate <i>"To operate" means to establish, keep, or maintain any facility or location in this state where, or from which, or through which, postsecondary educational programs are provided."</i></p> <p>CEC 94902. General Enrollment Requirements <i>(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution. (b) An enrollment agreement is not enforceable unless all of the following requirements are met: (1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement. (2) At the time of the execution of the enrollment agreement, the institution held a valid approval to operate. (3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student. (c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the student.</i></p> <p>On May 2, 2016, the Bureau received an Enforcement Referral from CRP. The referral alleges that PS is operating without approval in violation of CEC section 94886.</p> <p>During the Bureau's investigation, Bureau staff found evidence from PS's website, and through electronic mail correspondence with PS employees that PS is charging \$3,500 in tuition for its Product Manager course which is not exempt under any of the qualifications of CEC section 94874. Bureau staff found evidence that PS may have been operating without approval since incorporating</p> |

on January 26, 2015. On June 13, 2016, Bureau staff sent PS a letter ordering it to cease operating within 14 days.

On November 11, 2016, PS submitted an Application for Approval to Operate to the Bureau, however that application has not been approved. Therefore, PS is operating without approval and is in violation of CEC section 94886. As of March 28, 2018, PS has an active website at www.productschool.com, advertising multiple locations in California including San Francisco, Silicon Valley, Santa Monica, Los Angeles and Orange County. PS is advertising and offering one educational course for \$3,995 or \$8,995.00 for 3 courses to become a Full Stack Product Manager.

Order of Abatement:

The Bureau orders that PS cease to operate as a private postsecondary educational institution. PS must discontinue recruiting and enrolling students and cease all instructional services and advertising in any form or type of media (including the Internet web site <https://www.productschool.com/>), until such time as an approval to operate is obtained from the Bureau. PS must disconnect all telephone service numbers associated with PS (including phone number (844) 438-2765) until such time as an approval to operate is obtained from the Bureau. PS must provide a refund to all students enrolled at the school prior to the receiving an approval to operate from the Bureau as the enrollment agreements signed by the students are not enforceable since the school does not have a valid approval to operate. To comply with the Order of Abatement PS must cease operating and submit a school closure plan to the Bureau pursuant to California Education Code Section 94926. The Institution must provide a roster of each student currently enrolled at PS. The roster must include the name of the student, their contact information (including phone number, email address, and physical address), the program in which they were enrolled, date of enrollment, the amount paid for the program, and the amount the student was refunded.

Assessment of Fine

The fine for this violation is \$100,000.00.

TOTAL ADMINISTRATIVE FINE DUE: \$100,000.00

ASSESSMENT OF A FINE

In accordance with CEC section 94944; and 5 CCR section 75020(b), the Bureau hereby orders this assessment of a fine in the amount of **\$100,000.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of 5 CCR section 75020 (b) the Bureau hereby issues the order(s) of abatement described above. In accordance with Business and Professions Code Section 149, the Bureau may disconnect any telephone service numbers used by an unapproved Institution. **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 **May 11, 2018**

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **April 11, 2018**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **May 11, 2018**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

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, Discipline Analyst, at 916-431-6940 or Gurinder.Sandhu@dca.ca.gov.



Christina Villanueva
Discipline Manager



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
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First-Class Mail