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

11
12 In the Matter of the Statement of Issues
Against:

Case No. 1000950

13 **TTL COLLEGE;**
14 **TAM NGUYEN, OWNER**

STATEMENT OF ISSUES

15 **Application for Renewal of Approval to**
16 **Operate an Institution Non-Accredited**

17 Respondent.

18 Complainant alleges:

19 PARTIES

20 1. Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official
21 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
22 Consumer Affairs.

23 2. On or about August 13, 2010, the Bureau for Private Postsecondary Education
24 (“Bureau”) received an Application for Renewal of Approval to Operate an Institution Non-
25 Accredited (application number 22802) from Respondent TTL College; Tam Nguyen, Owner
26 (“Respondent”). On or about May 9, 2011, the Bureau sent Respondent a deficiency letter.
27 Between June 1, 2011 and December 22, 2014, the Bureau and Respondent exchanged
28 correspondence regarding Respondent’s application.

1 applicant has the capacity to satisfy the minimum operating standards. The bureau shall deny an
2 application for an approval to operate if the application does not satisfy those standards.”

3 8. Section 94891 provides, in part:

4 “(b) To be granted a renewal of an approval to operate, the institution shall demonstrate its
5 continued capacity to meet the minimum operating standards.”

6 REGULATORY PROVISIONS¹

7 9. California Code of Regulations, title 5, section 71240 states, in part:

8 . . .

9 “(b) The institution shall submit current, reviewed financial statements at the time it applies
10 for approval to operate. Each set of financial statements shall comply with Section 74115 of this
11 chapter.”

12 10. California Code of Regulations, title 5, section 71745 states, in part:

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

15 . . .

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

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

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

19 “(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the
20 end of the most recent fiscal year when using generally accepted accounting principles, or for an
21 institution participating in Title IV of the federal Higher Education Act of 1965, meet the
22 composite score requirements of the U.S. Department of Education. For the purposes of this
23 section, current assets does not include: intangible assets, including goodwill, going concern
24 value, organization expense, startup costs, long-term prepayment of deferred charges, and non-
25 returnable deposits, or state or federal grant or loan funds that are not the property of the

26 _____
27 ¹ The California Private Postsecondary Education Act of 2009 was recently amended, effective
28 January 1, 2015. See Senate Bill No. 1247. This Statement of Issues is based on the pre-
amendment version of the Act.

1 institution but are held for future disbursement for the benefit of students. Unearned tuition shall
2 be accounted for in accordance with general accepted accounting principles.”

3 11. California Code of Regulations, title 5, section 74115 states, in part:

4 “(a) This section applies to every set of financial statements required to be prepared or filed
5 by the Act or by this chapter.

6 . . .

7 “(d) ‘Current’ with respect to financial statements means completed no sooner than 120
8 days prior to the time it is submitted to the Bureau, and covering no less than the most recent
9 complete fiscal year. If more than 8 months will have elapsed between the close of the most
10 recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no
11 less than five months of that current fiscal year.”

12 FIRST CAUSE FOR DENIAL OF APPLICATION

(Financial Statements)

13 (Cal. Code Regs., title 5, §§ 71240, subd. (b) and 74115, subd. (d))

14 12. Respondent’s application is subject to denial because Respondent failed to include
15 “current” financial statements with its application. (Cal. Code Regs., title 5, §§ 71240, subd. (b)
16 and 74115, subd. (d)). In particular, with its application, Respondent provided reviewed financial
17 statements on September 15, 2015, for the year ending in December 31, 2014. But more than
18 eight months had elapsed between the time Respondent submitted these financial statements and
19 the close of the most recent fiscal year (2014). Accordingly, the report should have included no
20 less than five months of the current fiscal year (2015).

21 SECOND CAUSE FOR DENIAL OF APPLICATION

(Financial Resources)

22 (Cal. Code Regs., title 5, § 71745, subd. (a)(3), (4), (5), and (6))

23 13. Respondent’s application is subject to denial because the application does not
24 demonstrate that Respondent has sufficient assets and financial resources to maintain the
25 minimum standards required by applicable statutes and regulations; pay timely refunds as
26 required by applicable statutes; pay all operating expenses due within 30 days; and maintain a
27 ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent
28 fiscal year when using generally accepted accounting principles. (Cal. Code Regs., title 5, §


1 71745, subd. (a)(3), (4), (5), and (6)). In particular, financial statements offered by Respondent
2 read that Respondent's ratio of current assets to current liabilities is approximately 0.53 to 1.00.

3 PRAYER

4 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
5 and that following the hearing, the Bureau for Private Postsecondary Education issue a decision:

- 6 1. Denying Respondent's Application for Renewal of Approval to Operate an Institution
7 Non-Accredited (application number 22802); and
8 2. Taking such other and further action as deemed necessary and proper.

9
10
11
12 DATED: 10/23/15


13 JOANNE WENZEL
14 Chief
15 Bureau for Private Postsecondary Education
16 Department of Consumer Affairs
17 State of California
18 *Complainant*

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