



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

To: Affiliated Academies, Inc., Owner  
Coba Academy  
663 North Euclid Street  
Anaheim, CA 92801

**INSTITUTION CODE: 3005081**  
**CITATION NUMBER: 1920331**  
**CITATION ISSUANCE/SERVICE DATE: June 17, 2020**  
**DUE DATE: July 17, 2020**  
**FINE AMOUNT: \$ 5,500.00**

**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 of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Affiliated Academies, Inc., Owner of Coba Academy (Institution) located at 663 North Euclid Street, Anaheim, CA 92801, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

On August 13, 2019, Bureau staff conducted an unannounced Compliance inspection at the Institution. As a result, material violations were found related to the 2016-2017 School Performance Fact Sheet (SPFS) and supporting documentation.

VIOLATION

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p><b>Violation:</b>  <b>5, CCR Section 74112(h)(i)(2)(4)(j)(k)(m)(4) – Uniform Data – Annual Report, Performance Fact Sheet</b>  <i>“(h) Completion Rates. Reporting of completion rates for an institution’s Annual Report and Performance Fact Sheet shall include, for each educational program, the number of students who began the program as defined in subdivision (d)(1) of this section, the number of students available for graduation, number of on-time graduates, and completion rate(s). An optional table may be added to include completion rate data for students completing within 150% of the published program length. For an institution reporting completion data pursuant to section 94929(b) of the Code, completion</i></p>

*data shall be separately reported for each program and the Performance Fact Sheet shall disclose, if true, that the completion data is being reported for students completing within 150% of the published program length, and that data is not being separately reported for students completing the program within 100% of the published program length. Programs that are more than one year in length which are reporting 150% Completion Rate will provide four calendar years of data."*

**CEC Section 94929(a)(b) – Reporting of Completion Rate**

*"(a) An institution shall annually report to the bureau, as part of the annual report, and publish in its School Performance Fact Sheet, the completion rate for each program. Except as provided in subdivision (b), the completion rate shall be calculated by dividing the number of on-time graduates by the number of students available for graduation."*

*"(i) Job Placement Rates*

*(2) Placement is measured six months from the graduation date of each student. For programs that require passage of a licensing examination, placement shall be measured six months after the announcement of the examination results for the first examination available after a student completes an applicable educational program. Reporting of placement rates shall include for each educational program: the number of students who began the program, the number of graduates as defined in subdivision (b) section 94842 of the Code, the graduates available for employment, graduates employed in the field and job placement rate(s).*

*(4) Placement rate shall be calculated as follows: the number of graduates employed in the field as defined in section 94928(e)(1) of the Code in conjunction with section 74112(d)(3) divided by the number of graduates available for employment as defined in section 94928(d) of the Code."*

**CEC Section 94929.5(a)(1) – Reporting of Student Performance Data**

*"(a) An institution shall annually report to the bureau, as part of the annual report, and shall publish in its School Performance Fact Sheet, all of the following:*

*(1) The job placement rate, calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for each program that is either (1) designed, or advertised, to lead to a particular career, or (2) advertised or promoted with any claim regarding job placement"*

*"(j) License Examination Passage Rates. If license examination passage rates are not available from the appropriate state agency, an institution shall collect the information directly from its graduates. If an institution demonstrates that, after reasonable efforts, it is unable to obtain the examination passage information from its graduates, the institution shall report the number of students it could not contact and note in a font the same size as the majority of the data on the Performance Fact Sheet, License examination passage data is not available from the state agency administering the examination. We were unable to collect data from [enter the number] graduates.*

*Reporting of license examination passage rates for the Annual Report and the Performance Fact Sheet shall include, for each educational program: the number of graduates in the reported year, the number of documented graduates who passed the first available examination, number of documented graduates who failed the first available examination, the number of graduates for whom data is not available. An optional column may be added to separately report licensing examination data for graduates who take and pass the exam after failing initially. The Annual Report shall also include a description of the processes for attempting to contact those students."*

**CEC Section 94929.5(a)(2) – Reporting of Student Performance Data**

*"(a) An institution shall annually report to the bureau, as part of the annual report, and shall publish*

in its School Performance Fact Sheet, all of the following:

(2) The license examination passage rates for the immediately preceding two years for programs leading to employment for which passage of a state licensing examination is required, calculated by dividing the number of graduates who pass the examination by the number of graduates who take the licensing examination the first time that the examination is available after completion of the educational program. The institution shall use state agency licensing data to calculate license examination passage rates. If those data are unavailable, the institution shall calculate the license examination passage rate in a manner consistent with regulations adopted by the bureau.”

“(k) Salary and Wage Information. All Salary and Wage Information shall be reported to the Bureau pursuant to sections 94910(d) and 94929.5(a)(3) of the Code and shall be included in the Performance Fact Sheet, for each educational program, in a format substantially similar to the chart below (dates, numbers, salaries, and other data shown are for example only)”

### **CEC Section 94929.5(a)(3) – Reporting of Student Performance Data**

“(a) An institution shall annually report to the bureau, as part of the annual report, and shall publish in its School Performance Fact Sheet, all of the following:

(3) Salary and wage information, consisting of the total number of graduates employed in the field and the annual wages or salaries of those graduates stated in increments of five thousand dollars (\$5,000).”

“(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet, and shall be provided to the Bureau upon request; and the data for each program shall include at a minimum:

(4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact’s phone number and email address, and all written communication with employer verifying student’s employment or salary;”

### **CEC Section 94900.5(c) – Required Institutional Records**

“An institution shall maintain, for a period of not less than five years, at its principal place of business in this state, complete and accurate records of all of the following information:

(c) Any other records required to be maintained by this chapter, including, but not limited to, records maintained pursuant to Article 16 (commencing with Section 94928).”

**Violation: 5 CCR, Section 74112(h) and 94929(a):** Bureau staff reviewed the 2016-2017 SPFS and the supporting documentation and found that the documentation provided does not substantiate the 2016-2017 Completion Rates and 150% Completion Rates for the Cosmetology Program.

#### **2016**

- The SPFS states 12 of 25 students were available for graduation in 2016; supporting documentation showed 25 students available for graduation
- The SPFS states 42% on-time completion in 2016; supporting documentation showed 24%
- The SPFS states 100% of students available for graduation completed within 150% in 2016; supporting documentation showed 64%

#### **2017**

- The SPFS states 19 of 39 students were available for graduation in 2017; supporting documentation shows 39 students available for graduation
- The SPFS states 47% on-time completion in 2016; supporting documentation showed 23%
- The SPFS states 100% of students available for graduation completed within 150% in 2017; supporting documentation showed 51%

**Violation: 5 CCR, Section 74112(i)(2)(4) and CEC Section 94929.5(a)(1)(2):** Bureau staff reviewed the 2016-2017 SPFS and the supporting documentation and found that the supporting documentation provided does not substantiate the Job Placement Rates for the following:

- The 2016-2017 Cosmetology SPFS
- The 2017 Esthetician SPFS.
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In addition, the 2016-2017 Cosmetology SPFS and Esthetician SPFS failed to report the “Total Graduates Employed in the Field” within the Self-Employed/Freelance and Institutional Employment gainful employment categories.

### **2016 Cosmetology**

- The SPFS states 12 graduates; supporting documentation showed 16
- The SPFS states 12 graduates available for employment; supporting documentation showed 16
- The SPFS states 67% Placement Rate; supporting documentation showed 50%

### **2017 Cosmetology**

- The SPFS states 19 graduates; supporting documentation showed 29
- The SPFS states 19 graduates available for employment; supporting documentation showed 20
- The SPFS states 63% Placement Rate; supporting documentation showed 60%

### **2017 Esthetician**

- The SPFS states 17 graduates available for employment; supporting documentation showed 19
- The SPFS states 71% Placement Rate; supporting documentation showed 63%

**Violation: 5 CCR, Section 74112(j) and CEC Section 94929.5(a)(2):** Bureau staff reviewed the 2016-2017 SPFS and the supporting documentation and found that the supporting documentation provided does not substantiate the data reported on the 2016-2017 Cosmetology SPFS and Esthetician SPFS.

### **2016 Cosmetology**

- The SPFS states 12 graduates in calendar year; supporting documentation showed 16
- The SPFS states 12 graduates taking the exam; supporting documentation showed 11
- The SPFS states 10 graduates pass the first available exam; supporting documentation showed 11
- The SPFS states 83% exam passage rate; supporting documentation showed 100%

### **2017 Esthetician**

- The SPFS states 20 graduates in the calendar year; supporting documentation showed 19

**Violation: 5 CCR, Section 74112(k) and CEC Section 94929.5(a)(3):** Bureau staff reviewed the 2016-2017 SPFS and supporting documentation and found that the supporting documentation does not substantiate the data reported in the 2016-2017 Cosmetology SPFS and Esthetician SPFS.

**2016 Cosmetology**

- The SPFS states 0 students earned a salary within \$10,001-\$15,000 range; supporting documentation showed 1 student within that range
- The SPFS states 4 students earned a salary within \$15,001-\$20,000 range; supporting documentation showed 3 students within that range

**2017 Cosmetology**

- The SPFS states 19 graduates available for employment; supporting documentation showed 20
- The SPFS states 2 students earned a salary within \$10,001-\$15,000 range; supporting documentation showed 3 students within that range
- The SPFS states 5 students earned a salary within \$15,001-\$20,000 range; supporting documentation showed 4 students within that range

**2017 Esthetician**

- The SPFS states 17 graduates available for employment; supporting documentation showed 19

**Violation: 74112(m)(4) and CEC Section 94900.5(c):** Bureau staff reviewed the 2016-2017 SPFS and the supporting documentation and found that the supporting documentation failed to contain the "Employer Contact Person Email Address."

**Order of Abatement:**

The Bureau orders the Institution to submit a policy, or procedure, of how future compliance with 5, CCR Section 74112 will be maintained.

**Assessment of Fine**

The fine for this violation is \$5,500.00

**TOTAL ADMINISTRATIVE FINE DUE: \$5,500.00**

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$5,500.00** 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 CEC section 94936 and 5, CCR section 75020 the Bureau hereby issues the order(s) of abatement described above. **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 **July 17, 2020**, you will be deemed to have waived or forfeited your right to appeal this matter.

### EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **June 17, 2020**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **July 17, 2020**. 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:**

Gabriella Perez, Discipline Citation Program  
Bureau for Private Postsecondary Education  
1747 N. Market Blvd., Suite 225  
Sacramento, CA 95834

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 Gabriella Perez, Citation Analyst, at (916) 574-8969 or [Gabriella.Perez@dca.ca.gov](mailto:Gabriella.Perez@dca.ca.gov).

"Original signature on file"

"6/17/2020"

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**Christina Villanueva**  
**Discipline Manager**

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**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