



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

To: Aceport College, Inc., Owner
Aceport College
1661 N. Raymond Ave, #145
Anaheim, CA 92801

INSTITUTION CODE: 64494389

CITATION NUMBER: 2021121

CITATION ISSUANCE/SERVICE DATE: October 15, 2020

DUE DATE: November 14, 2020

FINE AMOUNT: \$ 4,000.00

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

CITATION

A Citation is hereby issued to Aceport College, Inc., Owner of Aceport College (Institution) located at 1661 N. Raymond Ave, #145, 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 January 30, 2020, Bureau staff conducted an announced Compliance inspection at the Institution. Bureau staff reviewed student files and found material violations related to verification of high school diplomas/transcripts, Ability to Benefit (ATB) assessments, and proof of payments from students. In addition, Bureau staff reviewed documentation pertaining to the Institution's financial status, particularly the current assets to current liabilities for calendar year 2018 and found material violations related to the data reported.

In accordance with CEC Section 94885(a)(6) and (9), and 5, CCR Section 71745(a)(6) an institution shall document that it has at all times sufficient assets and financial resources to do the following:

- 1) For an institution not participating in Title IV of the federal Higher Education Act of 1965 (hereafter Title IV), maintain a ratio of current assets¹ to current liabilities of 1.25 to 1.00 or

¹ Current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles. 5, CCR Section 71745(a)(6)

greater at the end of the most recent fiscal year when using generally accepted accounting principles; or

- 2) For an institution participating in Title IV, meet the composite score requirements of the U.S. Department of Education.

According to the Bureau’s records reviewed the Institution does participate in Title IV, therefore it must meet the composite score requirements of the U.S. Department of Education.

Bureau staff reviewed financial statements for the year ending December 31, 2018. The Institution’s composite score of 0.12 demonstrates that the Institution fails to maintain a composite score of 1.50 or higher.

VIOLATION(S)

#	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>Violation:</p> <p>5, CCR Section 71770(a)(1) – Admissions Standards and Transferred Credits Policy <i>“(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:</i> <i>(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.”</i></p> <p>5, CCR Section 71920 (b)(1)(A) – Maintenance of Records <i>“(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:</i> <i>(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:</i> <i>(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;</i> <i>(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;”</i></p> <p>5, CCR Section 71930 (e) – Maintenance of Records <i>“(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.”</i></p> <p>CEC Section 94904 (a) – Ability to Benefit Students <i>“(a) Except as provided in subdivision (c), before an ability-to-benefit student may execute an enrollment agreement, the institution shall have the student take an independently administered examination from the list of examinations prescribed by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.).”</i></p>

The student shall not enroll unless the student achieves a score, as specified by the United States Department of Education, demonstrating that the student may benefit from the education and training being offered.”

Violation: 5, CCR Section 71920 (b)(1)(A) and CEC Section 94904: Bureau staff reviewed student files and found that student files were missing verification of high school completion and/or an Ability-to-Benefit (ATB) exam. and the Institution staff stated that most of their students attended high school in another country and have a difficult time obtaining copies of these documents. In addition, Institution staff stated that when they discovered the problem of obtaining the documentation from out of the country, they instituted the process of using an ATB exam in lieu of obtaining a high school diploma from students, however the ATB exam the Institution is utilizing is not an approved exam.

Violation: 5, CCR Section 71920 (b)(9) and 71930 (e): Bureau staff reviewed student files and found that the student files were missing documentation showing the amount of money received from students. Institution staff stated that the Institution’s Certified Public Accountant (CPA) had their financial paperwork and were unsuccessful in obtaining the documents.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, of how future compliance will be maintained with 5, CCR Section 71770, 71920 and 71930, and CEC Section 94904. In addition, the Bureau orders the Institution to submit the name of the ATB exam they would like to administer to incoming students for Bureau approval.

Assessment of Fine

The fine for this violation is \$4,000.00

2.

Violation:

CEC Section 94885(a)(6) and (9) – Minimum Operating Standards

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

(6) The institution is financially sound and capable of fulfilling its commitments to students. [...]

(9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws.”

5, CCR Section 71745 (a)(6) – Financial Resources

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

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

For the reasons stated above, the institution is in violation of these sections of law.

Order of Abatement:

The Bureau orders the institution to:

1. Submit a detailed plan to address its financial shortfalls and to meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR section 71745(a)(6)
2. In addition, please provide an explanation of all measures to be taken by the Institution to ensure it meets future financial responsibilities.
3. Please provide the Bureau with, in electronic format:
 - a) a roster of all currently enrolled students that includes the student (1) names, (2) addresses, (3) telephone numbers, (4) email addresses, (5) program in which they are enrolled, (6) date of enrollment, (7) total cost of the program and (8) the total amount the student has paid.

Assessment of Fine

The fine for this violation is \$00.00

TOTAL ADMINISTRATIVE FINE DUE: \$4,000.00

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 **\$4,000.00** 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 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

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 **November 14, 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 **October 15, 2020**. Payment of the administrative fine and evidence of

compliance with the order(s) of abatement shall be due by **November 14, 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.

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