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10 **BEFORE THE**
DIRECTOR OF THE DEPARTMENT OF CONSUMER AFFAIRS
11 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
STATE OF CALIFORNIA

12
13
14 In the Matter of the Accusation Against:

Case No. BPPE22-291

15 **RYON COLLEGE;**
OSWALDO FORERO, OWNER
16 **MELBE ZEPEDA, OWNER**
7028 Indiana Avenue
17 **Riverside, CA 92506**

ACCUSATION

18 **Institution Code No 34483502**

19 Respondent.

20
21 **PARTIES**

22 1. Deborah Cochrane (Complainant) brings this Accusation solely in her official
23 capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of
24 Consumer Affairs.

25 2. On or about June 18, 2014, the Bureau for Private Postsecondary Education issued
26 Approval to Operate Number Institution Code No 34483502 to Ryon College (Respondent), with
27 Oswaldo Forero (Forero) and Melbe Zepeda (Zepeda), as owners of the Institution. The
28

1 Approval to Operate was in full force and effect at all times relevant to the charges brought herein
2 and will expire on January 28, 2025, unless renewed.

3 **JURISDICTION**

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

8 **STATUTORY PROVISIONS**

9 4. Business and Professions Code section 23.7 states, “Unless otherwise expressly
10 provided, “license” means license, certificate, registration, or other means to engage in a business
11 or profession regulated by this code or referred to in Section 1000 or 3600.”

12 5. Section 22 of the Code states, “No rights given by any license or certificate under any
13 act repealed by this code are affected by the enactment of this code or by such repeal, but such
14 rights shall hereafter be exercised according to the provisions of this code.”

15 6. Section 94897 of the Code states:

16 An institution shall not do any of the following:

17 ...

18 (j) In any manner make an untrue or misleading change in, or untrue or
19 misleading statement related to, a test score, grade or record of grades, attendance
20 record, record indicating student completion, placement, employment, salaries, or
financial information, including any of the following:

21 ...

22 (3) Any other record or document required by this chapter or by the bureau.

23 ...

24 7. Section 94911 of the Code states:

25 An enrollment agreement shall include, at a minimum, all of the following:

26 ...

27 (c) In underlined capital letters on the same page of the enrollment agreement in
28 which the student’s signature is required, the total charges for the current period of
attendance, the estimated total charges for the entire educational program, and the
total charges the student is obligated to pay upon enrollment.

...

8. Section 94932 of the Code states:

The bureau shall determine an institution's compliance with the requirements of this chapter. The bureau shall have the power to require reports that institutions shall file with the bureau in addition to the annual report, to send staff to an institution's sites, and to require documents and responses from an institution to monitor compliance. When the bureau has reason to believe that an institution may be out of compliance, it shall conduct an investigation of the institution. If the bureau determines, after completing a compliance inspection or investigation, that an institution has violated any applicable law or regulation, the bureau shall take appropriate action pursuant to this article.

9. Section 94934 of the Code states:

(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

- (1) The total number of students enrolled by level of degree or for a diploma.
- (2) The number of degrees, by level, and diplomas awarded.
- (3) The degree levels and diplomas offered.
- (4) The Student Performance Fact Sheet, as required pursuant to Section 94910.
- (5) The school catalog, as required pursuant to Section 94909.
- (6) The total charges for each educational program by period of attendance.
- (7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.
- (8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.
- (9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

(b) The bureau, by January 1, 2011, shall prescribe the annual report's format and method of delivery.

10. Section 94936 of the Code states:

(a) As a consequence of an investigation, which may incorporate any materials obtained or produced in connection with a compliance inspection, and upon a finding that the institution has committed a violation of this chapter or that the institution has failed to comply with a notice to comply pursuant to Section 94935, the bureau shall issue a citation to an institution for violation of this chapter, or regulations adopted pursuant to this chapter.

...

11. Code section 94937 states:

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

(1) Obtaining an approval to operate by fraud.

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

(b) The bureau shall adopt regulations, within one year of the enactment of this chapter, governing probation and suspension of an approval to operate.

(c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business and Professions Code.

(d) An institution shall not be required to pay the cost of investigation to more than one agency.

12. Business and Professions Code section 480 states:

(a) Notwithstanding any other provision of this code, a board may deny a license regulated by this code on the grounds that the applicant has been convicted of a crime or has been subject to formal discipline only if either of the following conditions are met:

(1) The applicant has been convicted of a crime within the preceding seven years from the date of application that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, regardless of whether the applicant was incarcerated for that crime, or the applicant has been convicted of a crime that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made and for which the applicant is presently incarcerated or for which the applicant was released from incarceration within the preceding seven years from the date of application . . .

...

(i) This section does not in any way modify or otherwise affect the existing authority of the following entities in regard to licensure:

...

1 (2) The Bureau for Private Postsecondary Education.

2 ...

3 13. Business and Professions Code section 490 provides, in pertinent part, that a board
4 may suspend or revoke a license on the ground that the licensee has been convicted of a crime
5 substantially related to the qualifications, functions, or duties of the business or profession for
6 which the license was issued.

7 14. Business and Professions Code section 493 states:

8 (a) Notwithstanding any other law, in a proceeding conducted by a board within
9 the department pursuant to law to deny an application for a license or to suspend or
10 revoke a license or otherwise take disciplinary action against a person who holds a
11 license, upon the ground that the applicant or the licensee has been convicted of a
12 crime substantially related to the qualifications, functions, and duties of the licensee
13 in question, the record of conviction of the crime shall be conclusive evidence of the
14 fact that the conviction occurred, but only of that fact.

15 (b) (1) Criteria for determining whether a crime is substantially related to the
16 qualifications, functions, or duties of the business or profession the board regulates
17 shall include all of the following:

18 (A) The nature and gravity of the offense.

19 (B) The number of years elapsed since the date of the offense.

20 (C) The nature and duties of the profession.

21 (2) A board shall not categorically bar an applicant based solely on the type of
22 conviction without considering evidence of rehabilitation.

23 (c) As used in this section, "license" includes "certificate," "permit,"
24 "authority," and "registration."

25 (d) This section does not in any way modify or otherwise affect the existing
26 authority of the following entities in regard to licensure:

27 ...

28 (2) The Bureau for Private Postsecondary Education.

...

(e) This section shall become operative on July 1, 2020.

REGULATORY PROVISIONS

15. Title 5, CCR, section 71720 (Regulation 71720), subdivision (b) states:

Instructors in an Educational Program Not Leading to a Degree.

1 (1) An institution shall employ instructors who possess the academic, experiential and
2 professional qualifications to teach, including a minimum of three years of experience,
3 education and training in current practices of the subject area they are teaching. If an
4 instructor does not possess the required three years of experience, education and training
in the subject area they are teaching, the institution shall document the qualifications the
instructor possesses that are equivalent to the minimum qualifications.

5 16. Title 5, CCR, section 71730 (Regulation 71730) states:

6 ...

7 (g) The institution shall not employ or continue to employ any administrative
8 personnel who were adjudicated in a judicial or administrative proceeding as having
9 violated any provision of the Act or this chapter or as having committed any act that
10 would constitute grounds for the denial of a license under Section 480 of the Business and
Professions Code.

11 17. Title 5, CCR, section 74006 (Regulation 74006) states:

12 (a) An institution's annual fee is due within 30 days of the date on which the
13 institution originally receives its approval to operate and each year thereafter on the
anniversary of the date of the original approval.

14 (b) An institution shall pay its annual fee in addition to any other applicable fees.

15 (c) The annual institutional fee is based on the institution's annual revenue. For
16 purposes of this article, annual revenue is annual gross revenue.

17 18. Title 5, CCR, section 74010 (Regulation 74010) states:

18 (a) The annual report required by Section 94934 of the Code shall include the
19 information required by this section, subsections (f) through (j) of section 74112, and
20 sections 94929.5 and 94934 of the Code for all educational programs offered in the prior
calendar year, and all of the following for the prior calendar year:

21 (1) Information regarding institutional branch campuses, including addresses and
22 programs offered at each campus, if applicable;

23 (2) Information regarding satellite locations, including addresses and with which
24 campus(es) the satellite location is affiliated, if applicable;

25 (3) Name of institutional accreditors for each branch and satellite campus, and for
26 each such campus at which any programs have programmatic accreditation, the names of
the programmatic accreditor for each such program, and effective dates for each
27 programmatic accreditation, if applicable;

1 (4) Information regarding participation in state and federal student loan and grant
2 programs, including the total amount of funding received from each source for those
students enrolled in an approved California school regardless of their state of residency;

3 (5) Information regarding participation in other public funding programs,
4 including the amount of funding received from each public funding source; for purposes
of this section, public funding is any financial aid paid on behalf of students or directly to
5 an institution from any public source, such as the Workforce Investment Act, any
6 veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of
Federal Regulations or any other financial aid program that is intended to help students
7 pay education-related expenses, including tuition, fees, room and board, and supplies for
education;

8 (6) The total percentage of institutional income that comes from any public
9 funding sources; and

10 (7) A blank copy of the institution's enrollment agreement and the catalog for the
11 reporting year.

12 (b) In addition to the information required by section 94934 of the Code and this
13 section provided under penalty of perjury, the institution shall have annual financial
14 statements prepared for the institution's prior fiscal year and signed under penalty of
perjury, and shall submit a hard copy under separate cover of such statements in
15 conjunction with its annual report. The form, content and mode of preparation of financial
statements shall comply with Section 74115 of this Division. The Bureau may request that
16 the institution immediately make available for inspection to a representative of the
Bureau, these financial statements at the offices of the institution.

17 (c) As part of its annual report to the Bureau, every institution shall provide
18 graduate identification data for each student who graduated from the institution's
educational program(s), which shall include:

19 (1) The graduate's name and federal taxpayer identification number, which is
20 either the graduate's social security number (SSN) or individual taxpayer identification
number (ITIN). If the graduate does not have an SSN or ITIN, the graduate's information
21 shall be reported as "not available";

22 (2) The date of graduation;

23 (3) The following information regarding the educational program in which the
24 graduate was enrolled:

25 (A) The federal Bureau of Labor Statistic's Standard Occupation
Classification (SOC) codes for which the institution has identified that the program
26 prepares its graduates when required for the reporting of job placement rates under
subdivision (i)(3) of section 74112 of this Division;

27 (B) Educational program's name;
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(C) Program length, as measured in clock hours or credit hours; and

(D) Type or title of degree, diploma or certificate awarded.

(4) The amount of federal student loan debt for the graduate, if any, as reported by the institution under subdivision (g) of section 74112 of this Division.

(d) Specific Timeframes for Reporting Graduate Identification Data:

(1) The written notice required by Section 94892.6(b)(5) of the Code shall inform the institution that the Director has certified that the Bureau's information technology system has been updated and is capable of processing the data required by that Section and that the institution has 120 days from receipt of the notice to comply with this section.

(2) The first annual report submitted by an institution that contains the graduate identification data required to be reported in subsection (c) shall include information collected on all students who graduated from January 1, 2020 through the end of the prior calendar year. Subsequent annual reports containing graduate identification data filed by an institution shall include information about students who graduated in the prior calendar year only.

(e) An institution shall file its annual report by December 1st of each year. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval.

(f) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the Bureau's online annual reports portal designated on the Bureau's website at: www.bppe.ca.gov, and electronically uploading, as directed, the School Performance Fact Sheet, the enrollment agreement, the school catalog and the graduate identification data required by this section. The following conditions relate to such electronic filings:

(1) Institutions submitting their annual report submission shall first have a responsible institution representative register the institution for a user account by creating a user name, password, email address, and the institution representative's first and last name, primary phone number, and address.

(2) As part of the annual report, the institution shall provide standard reporting and contact information through the online portal, including:

(A) the report year;

(B) institution's approval code;

(C) institution's name;

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(D) institution's physical address;

(E) the form of business organization of the institution (sole proprietorship, for-profit corporation, non-profit corporation, or limited liability company (LLC));

(F) a statement whether the institution is current on its annual fees; and

(G) the institution's website address, or notice that it does not maintain an internet website if it does not do so.

(3) The graduate identification data reported by the institution shall be provided in the following application and file format: in an Excel spreadsheet (.xls or .xlsx file format), or a text file with a semi-colon, comma, or pipe delimiter (.csv or .txt file format).

(4) Electronic Signature: When a signature is required by the particular instructions of any filing to be made through the online portal, including any attestation under penalty of perjury as required by Section 94934 of the Code, a responsible institutional representative of the institution shall affix their electronic signature to the filing by typing their name in the appropriate field and submitting the filing via the Bureau's online portal. Submission of a filing in this manner shall constitute evidence of legal signature by any individual whose name is typed on the filing.

(5) When considered filed with the Bureau: Solely for purposes of a filing made through the online portal an annual report is considered filed when all information required by this section has been submitted by the institution and the institution has received an email to the email address associated with their filing that their submission has been received by the Bureau. Receipt of this email does not constitute confirmation that the information submitted complies with the requirements of this section.

(6) The financial statements referenced in subsection (b), which are not permitted to be filed via the Bureau's online portal, shall be filed by providing or mailing hard copies directly to the Bureau's Annual Report Unit at the mailing address of the principal office of the Bureau as provided in section 70020.

19. Title 5, CCR, section 74120 (Regulation 74120) states:

In determining whether any of the grounds for denial set forth in Section 480 of the Business and Professions Code exist, a crime or act shall be considered substantially related to the qualifications, functions, or duties of any owner, corporate director or member of the governing board, officer, administrator, or instructor under any of the following circumstances:

(a) The crime or act involves any violation of the Act or this chapter, the closure of an institution, fraud or misrepresentation, breach of fiduciary duty, any type of forgery or theft, or any type of dishonesty causing any financial loss.

(b) The crime, to a substantial degree, evidences present or potential unfitness to perform the functions and duties authorized or required by the Act or this chapter in a manner consistent with the public health, safety, or welfare, including a crime

1 prohibited by Title 8 (commencing with Section 187) or Title 9 (commencing with
2 Section 261) of the Penal Code.

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20. Title 5, CCR, section 75050 (Regulation 75050) states:

(a) If a cited institution or person that or who has been issued an order of abatement is unable to complete the correction within the time set forth in the citation because of conditions beyond the institution's or person's control after the exercise of reasonable diligence, the institution or person may request an extension of time within which to complete the correction. Such a request shall be in writing and shall be made within the time set forth for abatement.

(b) Failure of an applicant or institution issued an approval to operate to abate the violation or to pay the fine within the time allowed is a ground for denial or discipline of an approval to operate.

(c) If an informal conference or hearing is not requested, payment of the fine and/or compliance with any order of abatement shall not constitute an admission of the violation charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure.

21. Title 5, CCR, section 75100 (Regulation 75100) states:

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

(b) "Material violation" as used in section 94937 of the Code includes committing any act that would be grounds for denial under section 480 of the Business and Professions Code.

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

22. Title 5, CCR, section 76130 (Regulation 76130) states:

(a)(1) A qualifying institution shall collect the (Student Trust Recovery Fund) assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.

(2) The assessment to be collected from a re-enrolling student shall be limited to any amount that is due after crediting any prior assessment amount paid by the student. The enrollment agreement shall clearly identify any prior STRF assessment paid by the student.

1 (b) A qualifying institution shall complete the STRF Assessment report and remit
2 it with the STRF assessments collected from students to be received by the Bureau no
later than the last day of the month following the close of the quarter as follows:

- 3 (1) April 30 for the first quarter,
4 (2) July 31 for the second quarter,
5 (3) October 31 for the third quarter, and
6 (4) January 31 for the fourth quarter.

7 If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date
8 shall be extended to the next regular business day for the Bureau.

9 (c) The STRF Assessment report shall contain the following information:

10 (1) Total number of students who signed enrollment agreements for
11 educational programs during the reporting period; and

12 (2) Total number of students eligible for STRF who signed enrollment
13 agreements for educational programs during the reporting period; and

14 (3) The total number of students who signed their enrollment agreement
15 during the reporting period, were eligible for STRF, and who made their first
payment during the reporting period; and

16 (4) The total number of students who signed their enrollment agreement in
17 a previous reporting period, were eligible for STRF, and who made their first
payment during the current reporting period; and

18 (5) Total amount of institutional charges after rounding each student's
19 institutional charges to the nearest \$1,000, for all eligible STRF students whose
20 STRF assessment was collected in the reporting period; and

21 (6) Current contact telephone number of the person preparing the form; and

22 (7) A declaration dated and signed under penalty of perjury by the person
23 preparing the form that the form and any attachments are true and correct.

24 (d) In the event of a school closure, any collected assessments shall be remitted to
the Bureau within seven days following the cessation of instruction.

25 (e) Submission of all prior reports and assessments required by this section is a
26 condition of renewal.

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1 **COST RECOVERY**

2 23. Section 94937, subdivision (c), of the Code states, “The bureau may seek
3 reimbursement pursuant to Section 125.3 of the Business and Professions Code.”

4 24. Section 125.3 of the Business and Professions Code provides, in pertinent part, that
5 the Board may request the administrative law judge to direct a licensee found to have committed
6 a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the
7 investigation and enforcement of the case, with failure of the licensee to comply subjecting the
8 license to not being renewed or reinstated. If a case settles, recovery of investigation and
9 enforcement costs may be included in a stipulated settlement.

10 **FACTUAL ALLEGATIONS**

11 25. At all times relevant to this Accusation, Forero owned 80% and served as
12 President/CEO of Ryon College, and Zepeda owned 20% and served as Vice President.

13 26. On November 3, 2020, the Riverside District Attorney’s office filed a felony
14 complaint against both Forero and Zepeda, charging each with 11 felonies pertaining to workers’
15 compensation-related fraud, with an enhancement for theft of over \$500,000. Criminal
16 convictions were entered against Forero and Zepeda in April 2022 and September 2022,
17 respectively, based on these charges. Respondent did not inform the Bureau of the criminal
18 matters against the owners until March 23, 2023, stating they were “going through legal
19 procedures with the DA office of Riverside County.”

20 27. On December 15, 2021, the Bureau issued citation number 2122108 to the
21 Respondent for failing to submit the Student Tuition Recovery Fund (STRF) Assessment
22 Reporting Form for the third Quarter of 2021, and for failing to submit the 2021 annual fees. The
23 citation remains outstanding.

24 28. On March 22, 2022, Bureau compliance inspectors attempted to conduct an
25 unannounced campus visit during the Respondent’s advertised hours of operation, but the gates to
26 the parking lot were locked, and the building appeared empty with broken windows. The
27 inspectors attempted to reach Respondent at multiple phone numbers with no success.

1 29. On August 11, 2022, the Bureau denied a change of ownership request for the
2 Institution, due to insufficient information provided.

3 30. On November 4, 2022, the Bureau issued citation number 2223032 to Respondent for
4 failing to submit the Student Tuition Recovery Fund (STRF) Assessment Reporting Form for the
5 second quarter of 2022, for failing to submit the 2022 annual fees, and for failing to comply with
6 an unannounced inspection and produce records. The citation remains outstanding.

7 31. After receiving two student complaints, the Bureau initiated an investigation into
8 Respondent. On November 8, 2022, Forero provided the Bureau with student files for L.W. and
9 J.L. Upon review, it was learned that L.W.'s enrollment agreement did not contain the total
10 charges for the current period of attendance and that the estimated total charges for the entire
11 educational program was not on the same page of the enrollment agreement in which the
12 student's signature is required. In addition, J.L. was charged \$645 for books and supplies despite
13 the catalog advertising that cost as \$600.

14 32. According to Forero, the school has been open but inactive, (teachers dismissed and
15 no students enrolled), since April 2021.

16 **FIRST CAUSE FOR DISCIPLINE**

17 **(April 29, 2022 Criminal Conviction of Owner)**

18 33. Respondent is subject to disciplinary action under section 94937, in conjunction with
19 Business and Professions Code section 490 and Regulations 74120 and 75050, in that on April
20 29, 2022, in a criminal proceeding entitled *The People of the State of California v. Oswaldo*
21 *Forero*, in Riverside County Superior Court, Case Number RIF2003835, Institution owner Forero
22 was convicted by his plea of nolo contendere to two violations of Penal Code section
23 550(b)(3)(conceal an event that affects a person's right to insurance benefit or payment).
24 Additionally, he admitted the enhancement pursuant to Penal Code section 186.11(a)(2)
25 (committed two or more related felonies, a material element of which was fraud or
26 embezzlement, which involved a pattern of related felony conduct, and this pattern of related
27 felony conduct involved the taking of more than \$500,000). In exchange for the plea, the
28 remaining nine felony counts were dismissed with an order to pay restitution on all of those

1 counts. Forero was placed on two years formal probation with three years of prison suspended, to
2 be imposed in the event he committed any new felonies.

3 34. The circumstances that led to this conviction are that from January 1, 2015 through
4 September 1, 2019, the majority of students who attended the Institution were funded by
5 Supplemental Job Displacement Benefits (“vouchers”) from workers’ compensation insurance
6 companies. The vouchers had a value ranging from \$6,000 to \$10,000 per student. Forero, along
7 with Zepeda, recruited, organized, and paid for a network of recruiters to locate and sign up
8 injured workers to be students at the Institution. Thus, the majority of students who attended the
9 Institution during this time had been illegally recruited according to Labor Code section 3215,
10 and Forero and Zepeda had paid the recruiters \$1,200 per student. Furthermore, while some
11 students did complete their schooling, some never attended or only briefly attended, but Forero
12 and Zepeda would collect the full voucher value. Additionally, Forero represented to insurance
13 companies that he had spent the maximum allowance for supplies, tools, and laptops, despite
14 spending less than the maximum, so that the insurance companies would reimburse him for the
15 maximum amount.

16 **SECOND CAUSE FOR DISCIPLINE**

17 **(September 26, 2022 Criminal Conviction of Owner Zepeda)**

18 35. Respondent is subject to disciplinary action under section 94937, in conjunction with
19 Business and Professions Code section 490 and Regulations 74120 and 75050, in that on
20 September 26, 2022, in a criminal proceeding entitled, *The People of the State of California v.*
21 *Melbe Zepeda*, in Riverside County Superior Court, Case Number RIF2003835, owner of
22 Institution, Zepeda, was convicted by her plea of guilty to two violations of Penal Code section
23 550(b)(3)(concealing an event that affects a person’s right to insurance benefit or payment).
24 Additionally, she admitted the enhancement pursuant to Penal Code section 186.11(a)(2)
25 (committing two or more related felonies, a material element of which was fraud or
26 embezzlement, which involved a pattern of related felony conduct, and this pattern of related
27 felony conduct involved the taking of more than \$500,000). In exchange for the plea, the
28 remaining nine felony counts were dismissed with an order to pay restitution on all of those

1 counts. Zepeda was placed on two years formal probation with three years of prison suspended,
2 to be imposed in the event she committed any new felonies.

3 36. The circumstances that led to this conviction are more fully set forth in Paragraph 34,
4 above.

5 **THIRD CAUSE FOR DISCIPLINE**

6 **(Failure to Comply with Citation 2122108)**

7 37. Respondent is subject to disciplinary action under Code section 94936, in conjunction
8 with Regulation 75050, in that Respondent failed to comply with Citation 2122108 issued to the
9 Respondent on December 15, 2021. The circumstances are as follows:

10 38. The Bureau issued Citation 2122108 after the Respondent failed to submit its third
11 quarter 2021 Student Tuition Recovery Fund (STRF) Assessment Reporting Form, as well as
12 failed to submit their annual fee and late penalty fee for 2021. The Citation ordered Respondent
13 to pay a \$100 administrative fine and included an Order of Abatement requiring Respondent to
14 submit the delinquent STRF and STRF assessments collected, and the annual fee and late
15 payment penalty fee. The Citation was not appealed. Respondent paid the administrative fine
16 and returned its third quarter 2021 STRF Assessment Reporting form. However, Respondent
17 failed to comply with the Order of Abatement to pay the annual fee and late penalty. The Bureau
18 sent letters to Respondent on March 9, 2022, May 4, 2022, and June 23, 2022, demanding
19 compliance with the Order of Abatement, but Respondent has not complied to date.

20 **FOURTH CAUSE FOR DISCIPLINE**

21 **(Failure to comply with Citation 2223032)**

22 39. Respondent is subject to disciplinary action under Code section 94936, in conjunction
23 with Regulation 75050, in that Respondent has failed to comply with Citation 2223032 issued to
24 the Institution on November 4, 2022. The circumstances are as follows:

25 40. The Bureau issued Citation 2223032 after Respondent failed to submit its second
26 quarter 2022 Student Tuition Recovery Fund (STRF) Assessment Reporting Forms, as well as
27 failed to submit their annual fee and late penalty fee for 2022. Furthermore, Respondent failed to
28 have staff present during school hours to allow Bureau staff to conduct an unannounced

1 compliance inspection on March 22, 2022. The citation included an administrative fine of \$5,100
2 and an Order of Abatement requiring Respondent to: submit the delinquent STRF, STRF
3 assessments collected, annual fee, and late penalty fee; and to provide their operating hours to the
4 Bureau and submit a policy on how future compliance would be maintained. The citation was not
5 appealed and has not been complied with to date.

6 **FIFTH CAUSE FOR DISCIPLINE**

7 **(Failure to Submit Annual Reports)**

8 41. Respondent is subject to disciplinary action under Code section 94934, in conjunction
9 with Regulation 74010, in that:

10 a. Respondent failed to submit the 2019 Annual Report which was due to the
11 Bureau by December 1, 2020. Reminder notices were sent to Respondent on June 25, 2020,
12 September 21, 2020, and August 11, 2020. The Bureau never received the 2020 Annual Report
13 from Respondent.

14 b. Respondent failed to submit the 2020 Annual Report which was due to the
15 Bureau by December 1, 2021. Reminder notices were sent to the Respondent on June 23, 2021
16 and August 10, 2021. The Bureau never received the 2020 Annual Report from Respondent.

17 c. Respondent failed to submit its 2021 Annual Report which was due to the
18 Bureau by December 1, 2022. Reminder notices were sent to Respondent on or about the
19 following dates: June 28, 2022, and July 14, 2022, and July 26, 2022. The Bureau never received
20 the 2021 Annual Report from Respondent.

21 **SIXTH CAUSE FOR DISCIPLINE**

22 **(Failure to Submit Student Tuition Recovery Fund Assessments)**

23 42. Respondent is subject to disciplinary action under Regulation 76130, in that in
24 addition to the failure to submit the STRF Assessments cited for in Citation Numbers 2212108
25 and 2223032, Respondent has also failed to submit the STRF Assessment for the third and fourth
26 quarters of 2022.

27 ///

28 ///

1 **SEVENTH CAUSE FOR DISCIPLINE**

2 **(Incomplete Student Enrollment Agreement)**

3 43. Respondent is subject to disciplinary action under Code section 94911(c) in that
4 student L.W.'s enrollment agreement did not contain the total charges for the current period of
5 attendance and the estimated total charges for the entire educational program was not on the same
6 page of the enrollment agreement in which the student's signature is required.

7 **EIGHTH CAUSE FOR DISCIPLINE**

8 **(Misleading Statement with Regard to Cost of Materials)**

9 44. Respondent is subject to disciplinary action under Code section 94897, subdivision
10 (j), subdivision (3), in that while the Institution's catalog advertised the "book, supplies, and/or
11 tools" for the Computer Officer Applications program as \$600, student J.L.'s enrollment
12 agreement lists it as \$645.

13 **NINTH CAUSE FOR DISCIPLINE**

14 **(Failure to Employ Instructors)**

15 45. Respondent is subject to disciplinary action under Code section 94937, in
16 conjunction with Regulation 71720, subdivision (b)(1), in that Respondent failed to employ
17 instructors at the institution, as more fully set forth in paragraphs 25 through 36, above.

18 **TENTH CAUSE FOR DISCIPLINE**

19 **(Employed Disqualified Personnel)**

20 46. Respondent is subject to disciplinary action under Code section 94937, in
21 conjunction with Regulation 71730, subdivision (g), in that Respondent continued to employ
22 Forero as President/CEO and Zepeda as Vice President, even after the entry of their convictions,
23 more fully set forth in paragraphs 25 through 36, above.

24 **DISCIPLINARY CONSIDERATIONS**

25 47. To determine the degree of discipline, if any, to be imposed on Respondent,
26 Complainant alleges that on or about May 27, 2020, in a prior action, the Bureau issued Citation
27 Number 1920314 to Respondent, imposing a fine and order of abatement, for failing to submit the
28

1 STRF Assessment Reporting Forms for the second quarter of 2015 and the fourth quarter of 2018.
2 Respondent paid the fine and provided evidence of compliance. That Citation is now final.

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 Number School Code 34483502, issued
8 to Ryon College;

9 2. Prohibiting Oswaldo Forero from being employed, or continuing to be employed, by
10 an institution, pursuant to Regulation 71730, subdivision (g);

11 3. Prohibiting Melbe Zepeda from being employed, or continuing to be employed, by an
12 institution, pursuant to Regulation 71730, subdivision (g);

13 4. Ordering Oswaldo Forero and Melbe Zepeda to pay the Bureau for Private
14 Postsecondary Education the reasonable costs of the investigation and enforcement of this case,
15 pursuant to Business and Professions Code section 125.3; and,

16 5. Taking such other and further action as deemed necessary and proper.

17
18
19
20 DATED: 4/24/2023

"Original Signature on File"

21 DEBORAH COCHRANE
22 Chief
23 Bureau for Private Postsecondary
24 Education
25 Department of Consumer Affairs
26 State of California
27 *Complainant*

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