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

14 In the Matter of the Accusation Against:

Case Number 1002785

15 **BUSINESS AND INSURANCE SCHOOL**  
16 **150 Paularino Avenue, Ste. D 176,**  
**Costa Mesa, CA 92626**

**ACCUSATION**

17 **Mailing Address:**  
18 **3400 Irvine Avenue, Ste. 218**  
**Newport Beach, CA 92660**

19 **Institution Number 64494378**

20 Respondent.

21  
22 **PARTIES**

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

26 2. On or about January 20, 2016, the Bureau issued Approval to Operate Number  
27 64494378 to Business and Insurance School owned by Cyber Insurance Group Corporation  
28 (Respondent). Respondent is approved to offer non-degree programs as follows: Code and Ethics

1 Insurance Code (in class, webcam, or online self-study); Life Only-Agent Insurance Course (in  
2 class, webcam, or online self-study); Life, Accident and Health-Agent Insurance Course (in class,  
3 webcam, or online self-study); Limited Lines Automobile-Agent Insurance Course (in class,  
4 webcam, or online self-study); Personal Lines Broker-Agent Insurance Course (in class, webcam,  
5 or online self-study); Property and Casualty Broker-Agent Insurance Course (in class, webcam, or  
6 online self-study).

7 3. On or about March 3, 2016, the Bureau issued Approval to Operate the following  
8 additional non-degree programs: Business Executive Administrator and Insurance/Agent/CSR  
9 Life; Accident and Health Education; Business Executive Administrator and  
10 Insurance/Agent/CSR Property and Casualty Education; and Business Executive Administrator  
11 and Insurance /Agent/CSR Property and Casualty/Life, Accident, and Health Education. On or  
12 about February 21, 2018, the Bureau issued approval to operate non-degree programs in Security  
13 Officer; Private Investigator; and Private Patrol Officer. The Approvals to Operate were in full  
14 force and effect at all times relevant to the charges brought herein and expired on January 19,  
15 2021.

### 16 **JURISDICTION**

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

21 5. Business and Professions Code, section 118, subdivision (b), provides that the  
22 suspension, expiration, surrender or cancellation of a license shall not deprive the Bureau of  
23 jurisdiction to proceed with a disciplinary action during the period within which the license may  
24 be renewed, restored, reissued or reinstated.

25 6. Section 94875 provides that the Bureau shall regulate private postsecondary  
26 educational institutions.

27 7. Section 94877 provides, in relevant part, that:

28 (a) The bureau shall adopt and shall enforce regulations to implement this

chapter pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

....

8. Section 477 of the Business and Professions Code states:

As used in this division:

(a) "Board" includes "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency."

(b) "License" includes certificate, registration or other means to engage in a business or profession regulated by this code.

### **STATUTORY PROVISIONS**

9. Section 94893 of the Code provides:

If an institution intends to make a substantive change to its approval to operate, the institution shall receive prior authorization from the bureau. Except as provided in subdivision (a) of Section 94896, if the institution makes the substantive change without prior bureau authorization, the institution's approval to operate may be suspended or revoked.

10. Section 94894 of the Code provides, in pertinent part:

The following changes to an approval to operate are considered substantive changes and require prior authorization:

...

(g) A significant change in the method of instructional delivery.

11. Section 94897 of the Education Code states:

An institution shall not do any of the following:

....

(b) Promise or guarantee employment, or otherwise overstate the availability of jobs upon graduation.

(c) Advertise concerning job availability, degree of skill, or length of time required to learn a trade or skill unless the information is accurate and not misleading.

(d) Advertise, or indicate in promotional material, without including the fact that the educational programs are delivered by means of distance education if the educational programs are so delivered.

....

(i) Use a name in any manner improperly implying any of the following:

(1) The institution is affiliated with any government agency, public or private

corporation, agency, or association if it is not, in fact, thus affiliated.

....

(l) Use the terms approval, approved, approval to operate, or approved to operate without stating clearly and conspicuously that approval to operate means compliance with state standards as set forth in this chapter. If the bureau has granted an institution approval to operate, the institution may indicate that the institution is licensed or licensed to operate, but may not state or imply either of the following:

(1) The institution or its educational programs are endorsed or recommended by the state or by the bureau.

(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

(m) Direct any individual to perform an act that violates this chapter, to refrain from reporting unlawful conduct to the bureau or another government agency, or to engage in any unfair act to persuade a student not to complain to the bureau or another government agency.

....

12. Section 94898 of the Education Code states:

....

(c) If an institution enrolls a student in an educational program that is conducted at a specific site at the time of enrollment, the institution shall not convert the educational program to another method of delivery, such as by means of distance education. This subdivision does not apply to an educational program that also includes a distance education component, if the student is notified during the enrollment process, in writing, that the program contains a distance education component.

....

13. Section 94900.5 of the Code states:

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:

(a) The educational programs offered by the institution and the curriculum for each.

(b) The names and addresses of the members of the institution's faculty and records of the educational qualifications of each member of the faculty.

(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).

14. Section 94902 of the Code states:

(a) A student shall enroll solely by means of executing an enrollment

1 agreement. The enrollment agreement shall be signed by the student and by an  
2 authorized employee of the institution.

3 (b) An enrollment agreement is not enforceable unless all of the following  
4 requirements are met:

5 (1) The student has received the institution's catalog and School Performance  
6 Fact Sheet prior to signing the enrollment agreement.

7 (2) At the time of the execution of the enrollment agreement, the institution  
8 held a valid approval to operate.

9 (3) Prior to the execution of the enrollment agreement, the student and the  
10 institution have signed and dated the information required to be disclosed in the  
11 Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of  
12 Section 94910 . Each of these items in the Student Performance Fact Sheet shall  
13 include a line for the student to initial and shall be initialed and dated by the student.

14 (c) A student shall receive a copy of the signed enrollment agreement, in writing or  
15 electronically, regardless of whether total charges are paid by the student.

16 15. Section 94904 of the Code provides, in pertinent part:

17 (a) Except as provided in subdivision (c), before an ability-to-benefit student  
18 may execute an enrollment agreement, the institution shall have the student take an  
19 independently administered examination from the list of examinations prescribed by  
20 the United States Department of Education pursuant to Section 484(d) of the federal  
21 Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.). The student shall not  
22 enroll unless the student achieves a score, as specified by the United States  
23 Department of Education, demonstrating that the student may benefit from the  
24 education and training being offered.

25 (b) If the United States Department of Education does not have a list of  
26 relevant examinations that pertain to the intended occupational training, the bureau  
27 may publish its own list of acceptable examinations and required passing scores.

28 . . .

16. Section 94912 of the Code states:

Prior to the execution of an enrollment agreement, the information required to  
be disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be  
signed and dated by the institution and the student. Each of these items shall also be  
initialed and dated by the student.

17. Section 94920 of the Education Code states:

An institution that does not participate in the federal student financial aid  
programs shall do all of the following:

(a) The institution shall advise each student that a notice of cancellation shall be  
in writing, and that a withdrawal may be effectuated by the student's written notice or

1 by the student's conduct, including, but not necessarily limited to, a student's lack of  
attendance.

2 (b) Institutions shall refund 100 percent of the amount paid for institutional  
3 charges, less a reasonable deposit or application fee not to exceed two hundred fifty  
4 dollars (\$250), if notice of cancellation is made through attendance at the first class  
session, or the seventh class day after enrollment, whichever is later.

5 (c) The bureau may adopt by regulation a different method of calculation for  
6 instruction delivered by other means, including, but not necessarily limited to,  
distance education.

7 (d) The institution shall have a refund policy for the return of unearned  
8 institutional charges if the student cancels an enrollment agreement or withdraws  
during a period of attendance. The refund policy for students who have completed 60  
percent or less of the period of attendance shall be a pro rata refund.

9 (e) The institution shall pay or credit refunds within 45 days of a student's  
10 cancellation or withdrawal.

11 18. Section 94927 of the Education Code states:

12 An institution shall be considered in default of the enrollment agreement when  
13 an educational program is discontinued or canceled or the institution closes prior to  
14 completion of the educational program. When an institution is in default, student  
15 institutional charges may be refunded on a pro rata basis if the bureau determines that  
16 the school has made provision for students enrolled at the time of default to complete  
a comparable educational program at another institution at no additional charge to the  
students beyond the amount of the total charges in the original enrollment agreement.  
If the institution does not make that provision, a total refund of all institutional  
charges shall be made to students.

17 19. Section 94937 of the Education Code states:

18 (a) As a consequence of an investigation, which may incorporate any materials  
19 obtained or produced in connection with a compliance inspection, and upon a finding  
20 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:

21 (1) Obtaining an approval to operate by fraud.

22 (2) A material violation or repeated violations of this chapter or regulations  
23 adopted pursuant to this chapter that have resulted in harm to students. For purposes  
24 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 in harm to the student.

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

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

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

3 **REGULATORY PROVISIONS**

4 20. The California Code of Regulations (CCR), title 5, section 71600, provides, in  
5 pertinent part:

6 (a) An institution seeking to make a significant change in its method of instructional  
7 delivery shall complete the "Significant Change in Method of Instructional Delivery"  
8 form (INS rev. 2/10) to obtain prior authorization. For the purposes of this section a  
9 "significant change in instructional delivery" is any change that alters the way  
10 students interact with faculty or access significant equipment. The form shall be  
11 submitted to the Bureau along with the appropriate fee as provided in Section  
12 94930.5(c) of the Code. For an institution approved under section 94885 of the Code,  
13 it shall be signed and dated by the signatory(ies) required by section 71380, and for  
14 an institution approved under section 94890 of the Code, it shall be signed and dated  
15 by the signatory(ies) required by section 71390, and each fact stated therein and each  
16 attachment thereto shall be declared to be true under penalty of perjury, in the  
17 following form:

18 "I declare under penalty of perjury under the laws of the State of California that the  
19 foregoing and all attachments are true and correct.....

20 (Date).....

21 (Signature)"

22 21. The California Code of Regulations (CCR), title 5, section 71750, provides, in  
23 pertinent part:

24 . . .

25 (f) The institution shall maintain a cancellation and withdrawal log, kept current  
26 on a monthly basis, which shall include the names, addresses, telephone numbers, and  
27 dates of cancellations or withdrawal of all students who have cancelled the enrollment  
28 agreement with, or withdrawn from, the institution during the calendar year.

29 22. The California Code of Regulations (CCR), title 5, section 71600, provides, in  
30 pertinent part:

31 (a) An institution seeking to make a significant change in its method of instructional  
32 delivery shall complete the "Significant Change in Method of Instructional Delivery"  
33 form (INS rev. 2/10) to obtain prior authorization. For the purposes of this section a  
34 "significant change in instructional delivery" is any change that alters the way  
35 students interact with faculty or access significant equipment. The form shall be  
36 submitted to the Bureau along with the appropriate fee as provided in Section  
37 94930.5(c) of the Code. For an institution approved under section 94885 of the Code,  
38 it shall be signed and dated by the signatory(ies) required by section 71380, and for  
an institution approved under section 94890 of the Code, it shall be signed and dated  
by the signatory(ies) required by section 71390, and each fact stated therein and each  
attachment thereto shall be declared to be true under penalty of perjury, in the

following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.....

(Date).....

(Signature)"

23. CCR, title 5, section Title 5 of the California Code of Regulations (Regulations), section 71660 provides in pertinent part:

An institution shall notify the Bureau of a non-substantive change including: change of location of less than 10 miles; addition of a program related to the approved programs offered by the institution; addition of a new branch five miles or less from the main or branch campus; addition of a satellite; and change of mailing address. All such notifications shall be made within 30 days of the change and sent to the Bureau, in writing, to the address listed in section 70020.

24. CCR, title 5, section 71920 states:

(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.

(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(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:

(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;

...

(D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit;

...

(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;

...

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1 25. CCR, title 5, section 71930 states:

2 . . .

3 (e) All records that the institution is required to maintain by the Act or this  
4 chapter shall be made immediately available by the institution for inspection and  
5 copying during normal business hours by the Bureau and any entity authorized to  
6 conduct investigations.

6 26. CCR, title 5, section 74112, subdivision (m) states in pertinent part:

7 . . .

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

11 (1) the list of job classifications determined to be considered gainful  
12 employment for the educational program;

12 (2) student name(s), address, phone number, email address, program  
13 completed, program start date, scheduled completion date, and actual completion  
14 date;

13 (3) graduate's place of employment and position, date employment began, date  
15 employment ended, if applicable, actual salary, hours per week, and the date  
16 employment was verified;

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

18 (5) for students who become self-employed, all documentation necessary to  
20 demonstrate self-employment;

19 (6) a description of all attempts to contact each student or employer;

20 (7) any and all documentation used to provide data regarding license  
21 examinations and examination results;

21 (8) for each student determined to be unavailable for graduation or unavailable  
22 for employment, the identity of the student, the type of unavailability, the dates of  
23 unavailability, and the documentation of the unavailability; and

22 (9) the name, email address, phone number, and position or title of the  
24 institution's representative who was primarily responsible for obtaining the students'  
25 completion, placement, licensing, and salary and wage data, the date that the  
26 information was gathered, and copies of notes, letters or emails through which the  
27 information was requested and gathered.

28 ///

1 27. CCR, title 5, section 76140 states:

2 (a) A qualifying institution shall collect and maintain records of student  
3 information to substantiate the data reported on the STRF Assessment Reporting  
4 Form and records of the students' eligibility under the Fund. Such records shall  
5 include the following for each student:

- 6 (1) Student identification number,
- 7 (2) First and last names,
- 8 (3) Email address,
- 9 (4) Local or mailing address,
- 10 (5) Address at the time of enrollment,
- 11 (6) Home address,
- 12 (7) Date enrollment agreement signed,
- 13 (8) Courses and course costs,
- 14 (9) Amount of STRF assessment collected,
- 15 (10) Quarter in which the STRF assessment was remitted to the Bureau,
- 16 (11) Third-party payer identifying information,
- 17 (12) Total institutional charges charged, and
- 18 (13) Total institutional charges paid.

19 (b) The qualifying institution shall maintain the data required under this section  
20 in an electronic format that is readily available and open to inspection by the Bureau  
21 upon request. The institution shall make the records immediately available to a  
22 Bureau representative conducting a site inspection or, upon written request, shall  
23 provide a copy within 14 calendar days of the request. All records shall be provided  
24 to the Bureau in an intelligible and orderly manner and in an electronic format.

### 25 **COST RECOVERY**

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

///

**FACTUAL ALLEGATIONS**

1  
2           29. On or about July 10, 2017, the Bureau received a complaint from student AD. AD  
3 alleged that she enrolled in an in person course titled “Insurance Administrator/Agent/CSR  
4 P&C/LAH,” a 368 hour course offered by Respondent. The Santa Ana Work Center (SAWC)  
5 paid AD’s tuition as part of a government funded job skills training program. AD alleged that on  
6 or around December 30, 2016, Respondent notified AD that a fire occurred at the school campus  
7 and classes would be postponed and that all future courses would occur online only. AD  
8 repeatedly requested an in-person setting as guaranteed by the school catalog and enrollment  
9 agreement and was dropped by Respondent from enrollment on or around May 30, 2017 without  
10 the option to cancel enrollment or offer a refund to SAWC.

11           30. On or about October 26, 2019, the Bureau sent Respondent correspondence indicating  
12 that the institution was subject to an announced compliance inspection. The compliance  
13 inspection included a desk review, wherein the Bureau requested Respondent complete and return  
14 forms and documents such as the school catalog, sample Enrollment Agreement, website and  
15 print advertisements, Student Tuition Recovery Funds (STRF) Forms and Annual Reports and  
16 School Performance Fact Sheets (SPFS) including back up data and an in person inspection. On  
17 or about March 20, 2019, Bureau Compliance Inspector LC mailed Respondent a deficiency letter  
18 outlining remaining missing documents and outlining necessary corrections on documents  
19 received. Bureau Inspector LC determined that Respondent failed to submit STRF assessment  
20 reporting forms for the 2016, 2017, and 2018 school years. Bureau Inspector LC provided a pre-  
21 arrival letter checklist for requested documentation related to Respondent’s STRF, rosters for  
22 current, graduate, and dropped or withdrawn students for the prior two years. The Bureau did not  
23 receive a written response from Respondent regarding the deficiency letter. Compliance  
24 Inspector LC sent a confirming email to Chief Executive Officer (CEO) identified as Ryan  
25 Bridges, also known as Ryan A. Nassbridges, Ryan Nasserabadi, and Aaron Bridges (Bridges).

26           31. On or about March 27, 2019, Compliance Inspector LC conducted an onsite  
27 inspection at the Institution. This inspection was conducted simultaneously with a Bureau  
28 Investigation conducted by Bureau Investigative Analysts BB and NF and consisted of a physical

1 tour of the campus, review and copying of student and faculty files, and interviews with  
2 employees of the institution. Corrections to the deficiency letter were expected to have been  
3 prepared and available for inspection, however they were not.

4 32. During the onsite investigation, Respondent failed to submit STRF assessment  
5 reporting forms for the 2016, 2017, and 2018 school years or supporting documentation. The  
6 Institution was unable to produce any student rosters, complete student files, or instructor files.  
7 The Institution failed to produce corrected School Performance Fact Sheet (SPFS) and supporting  
8 documentation in electronic format upon the Bureau's request for any programs prior to and  
9 during the site inspection.

10 33. During the on-site visit and the pre-visit review of documents, as well as during the  
11 course of the investigation, Investigative Analyst BB and Compliance Inspector LC reviewed  
12 Respondent's website, advertisement brochure, grievance policy, and three incomplete student  
13 records. Investigative Analyst BB determined that Respondent offered non-bureau approved  
14 continuing education courses in the following subjects: "Ethics, A Modern Approach,"  
15 "Insurance Policies, An Essential Resource," and "Principles for Insurance Professionals."  
16 Additionally, Inspector LC found the following material violations:

- 17 a.) Verbiage on the website compared Respondent's institution to an Ivy League school  
18 and overstated the employment possibilities and pay. Additionally, the Institution alleged a  
19 90% pass rate for various programs and overstates employment possibilities and pay.
- 20 b.) The brochure did not indicate that the SO/PI/PPO Security Officer Course was a  
21 distance education program.
- 22 c.) The brochure and website infers approval exceed minimum state standards and that the  
23 educational programs are endorsed by the Bureau. Language located on the website  
24 includes; "Our methods, course material and curriculum have been approved by BPPE.  
25 (Bureau of Private Postsecondary Education). Meeting their high standards makes BIS the  
26 only business related school approved to offer a career skill training to clients of the EDD  
27 and WIB." Regarding the Limited Lines Automobile Agent Insurance Course, the website  
28 stated, "The CERTIFICATE OF EDUCATION issued by Business & Insurance School has

1 ACADEMICAL Education Value because it's an Approved Education Institution  
2 Approved by the Government's Bureau For Private Postsecondary Education Department,  
3 and because of this has a much higher level of value than a comparable "insurance pre-  
4 licensing exam education providers".

5 d.) Media material referred to the institution as an approved Bureau provider, and made  
6 multiple implications that the Bureau endorsed their programs as the only approved  
7 Insurance Academy and School in the country and the world. For example, in regards to  
8 the Life Only Agent Insurance course the website states,

9 "Business & Insurance School had to spend a "tremendous" amount of time and  
10 money to be Honored and Privileged to become the ["ONLY APPROVED"]  
11 INSURANCE ACADEMY & SCHOOL in the USA, and in the World, by Bureau of  
12 Private Postsecondary Education ("BPPE") and in accordance to the very high  
13 Education standards, to improve it's "EDUCATION CURRICULUM Materials and  
14 Books", can, without any exaggeration, claim that Business Insurance Business  
15 School CURRICULUM Materials and Books are structured with the most valuable  
16 topics and top quality education contents for, Executive Management, & insurance  
17 implied laws, there is today."

18 e.) Media material indicated that if student fees are voucher-paid, the student is not entitled  
19 to a refund.

20 f.) The grievance policy deterred students from filing a grievance with the Department of  
21 Insurance and that only selective grievance issues will be accepted.

22 g.) Student records did not contain the minimum mandatory documentation.

23 h.) During the course of the onsite inspection, Respondent was unable to produce student  
24 records. Respondent stated that student files were located at the main campus that was  
25 under construction and could not be accessed without making an appointment with the  
26 construction company or property owner. Respondent only produced three incomplete  
27 student records for inspection or copying.

28 i.) The institution did not submit any School Performance Fact sheet supporting data in  
electronic format upon request.

34. Investigative Analyst BB and Compliance Inspector LC reviewed student CJ's  
records. The record included vouchers issued by Orange County Workers Compensation  
Program indicating total payment in the amount of \$11,960.00. CJ's records reflect that he

1 enrolled in the Institution, did not attend courses, and was entitled to a full refund but no refund  
2 was issued to Orange County Workers Compensation on his behalf.

3 35. As part of the investigation, Investigative Analyst BB obtained attendance logs  
4 related to AD's course study. On or about July 20, 2019, Investigative Analyst BB spoke by  
5 telephone to Bridges. Bridges stated that AD completed more than the 368 hour courses and no  
6 refund was due. Bridges stated that AD was "unusually tolerated for seven months." Investigator  
7 Analyst BB reviewed the attendance logs and calculated that AD completed 184.5 of the 368 hour  
8 program which is less than 60% of the educational program. Investigative Analyst BB confirmed  
9 that AD's enrollment agreement was for in- person/classroom instruction and that Respondent did  
10 not provide AD with the option to convert to online instruction or refund the tuition collected as  
11 the change in instruction was beyond AD's control. AD's records reflect that she was entitled to  
12 a full refund but no refund was issued to SAWC. Investigator Analyst BB spoke with AD and  
13 confirmed that Respondent did not require that she provide a copy of her high school diploma,  
14 general education degree, or require that she take an ability to benefit test prior to enrollment.

15 **FIRST CAUSE FOR DISCIPLINE**

16 **(Notification of Substantive Change)**

17 36. Respondent has subjected its approval to operate to disciplinary action under  
18 California Education Code section 94898, subdivision (c), in conjunction with Education Code  
19 section 94894 subdivision (g) for failing to notify the Bureau of a substantive change, such as a  
20 change in the method of instructional delivery (online instruction), and receiving prior approval,  
21 as more fully set forth in paragraphs 29 through 35 above.

22 **SECOND CAUSE FOR DISCIPLINE**

23 **(Engaging in Prohibited Business Practices)**

24 37. Respondent has subjected its approval to operate to disciplinary action under Code  
25 section 94897 subdivision (b), (c), (d), (i)(1), l(1)(2), and (m) as follows and as more fully set  
26 forth in paragraphs 29 through 35 above and incorporated herein:

- 27 a.) Respondent's website overstated availability of jobs upon graduation and compared  
28 the possibility of income to be commensurate with an Ivy League school graduate.

1 b.) Respondent’s website improperly implied affiliation as an approved provider by the  
2 Bureau. Respondent guarantees employment multiple places - a guarantee of employment  
3 document was found in student files.

4 c.) Respondent’s marketing materials implied that the Bureau endorsed their programs or  
5 approved their programs as the only approved insurance academy and school in the country  
6 and the world.

7 d.) Respondent’s grievance policy indicated that only selected issues would be accepted.

8 **THIRD CAUSE FOR DISCIPLINE**

9 **(Conversion of Method of Delivery and Class Location)**

10 38. Respondent has subjected its approval to operate to disciplinary action under Code  
11 section 94898, subdivision (c), by converting student AD’s instruction to online instruction as  
12 more specifically set forth in paragraphs 29 through 35 above and incorporated herein.

13 **FOURTH CAUSE FOR DISCIPLINE**

14 **(Enrollment Violations)**

15 39. Respondent has subjected its approval to operate to disciplinary action by not  
16 ensuring that students had high school diplomas and/or passed Ability-to-Benefit (ATB) tests  
17 prior to signing enrollment agreements, as required by Code section 94904, as set forth above in  
18 paragraphs 29 through 35, above.

19 **FIFTH CAUSE FOR DISCIPLINE**

20 **(Mandatory Cancellation, Withdrawal, and Refund Policies)**

21 40. Respondent has subjected its approval to operate to disciplinary action under Code  
22 section 94920, subdivision (d), in that Respondent failed to issue a refund after releasing student  
23 AD prior to her completion of the program and for student CJ as more specifically set forth in  
24 paragraphs 29 through 35 above and incorporated herein.

25 **SIXTH CAUSE FOR DISCIPLINE**

26 **(Institution in Default of Enrollment Agreement)**

27 41. Respondent has subjected its approval to operate to disciplinary action under Code  
28 section 94927 by failing to provide student AD with the option to cancel her enrollment

1 agreement and offer a pro-rata refund, when it no longer offered in person/classroom based  
2 instruction, as set forth above in paragraphs 29 through 35, above and incorporated herein.

3 **SEVENTH CAUSE FOR DISCIPLINE**

4 **(Notification of Non-Substantive Change)**

5 42. Respondent is subject to disciplinary action under Code section 94937(a)(2), in  
6 conjunction with title 5, CCR, section 71660, for failing to notify the Bureau of a non-substantive  
7 change such as the addition of the following programs “Ethics, A Modern Approach,” “Insurance  
8 Policies, An Essential Resource,” and “Principles for Insurance Professionals” related to the  
9 approved programs offered by it within 30 days of the change as set forth above in paragraphs 29  
10 through 35 above and incorporated herein.

11 **EIGHTH CAUSE FOR DISCIPLINE**

12 **(Student Records Violations)**

13 43. Respondent has subjected its approval to operate to disciplinary action under Code  
14 section 94937(a)(2) in conjunction with title 5, CCR, section 71920 for failing to maintain student  
15 files as follows and as more fully set forth in paragraphs 29 through 35 above and incorporated  
16 herein:

- 17 a.) Respondent failed to maintain student files for each student enrolled in the institution  
18 regardless of completion of educational service.
- 19 b.) Respondent failed to maintain written records and transcripts of any formal education  
20 or training, testing, or experience relevant to the student’s qualifications for admission to  
21 the institution such as verification of with the required proof of high school diploma or  
22 equivalent, or ability to benefit test results.
- 23 c.) Respondent failed to maintain copies of maintain copies of the SPFS in which the  
24 student and the institution have signed and dated the information required to be disclosed in  
25 the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section  
26 94910 in conjunction with Section 94912. Each of these items in the Student Performance  
27 Fact Sheet shall include a line for the student to initial and shall be initialed and dated by  
28 the student.



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**NINTH CAUSE FOR DISCIPLINE**

**(Record Keeping Requirements)**

44. Respondent has subjected its approval to operate to disciplinary action under Code section 94937(a)(2) in conjunction with title 5, CCR, section 71930 subdivision (e) and CCR, title 5, section 76140 for failing to make student records, CEO and faculty files immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigation as set forth in paragraphs 29 through 35 above and incorporated herein.

**TENTH CAUSE FOR DISCIPLINE**

**(Uniform Data- Annual Report, Performance Fact Sheet)**

45. Respondent has subjected its approval to operate to disciplinary action under Code section 94937(a)(2) in conjunction with title 5, CCR, section 74112, subdivision (m) in that Respondent did not submit School Performance Fact Sheet supporting data in electronic format upon request from Inspector LC as set forth in paragraphs 29 through 35 above and incorporated herein.

**ELEVENTH CAUSE FOR DISCIPLINE**

**(Record Keeping Requirements)**

46. Respondent has subjected its approval to operate to disciplinary action under Code section 94937(a)(2) in conjunction with title 5, CCR, section 76140 in that Respondent did not maintain or produce any records of student information to substantiate the data reported on the STRF Assessment Reporting Form and records of students' eligibility under the Fund as set forth in paragraphs 29 through 35 above and incorporated herein.

**DISCIPLINE CONSIDERATIONS**

47. To determine the degree of discipline, if any, to be imposed on Respondent, Complainant alleges that on or about June 18, 2019, in a prior action, the Bureau for Private Postsecondary Education issued Citation Number 1819162 and ordered Respondent to submit its annual fees for the calendar years 2017, 2018, and 2019, including any and all late payment penalty fees and assessed a \$750.00 fine. That Citation is now final.

1 48. To determine the degree of discipline, if any, to be imposed on Respondent,  
2 Complainant alleges that on or about June 24, 2020, in a prior action, the Bureau for Private  
3 Postsecondary Education issued Citation Number 1920252 and ordered Respondent to complete  
4 and submit its 2018 Annual Report and assessed a \$5,000.00 fine. That Citation is now final.

5 49. To determine the degree of discipline, if any, to be imposed on Respondent,  
6 Complainant alleges that on or about September 17, 2020, in a prior action, the Bureau for Private  
7 Postsecondary Education issued a Disciplinary Order for Public Repeval as resolution to the  
8 Bureau's Accusation case for failure to comply with Citation Number 1819162. That  
9 Disciplinary Order became effective October 25, 2020.

10 **PRAYER**

11 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,  
12 and that following the hearing, the Director of the Department of Consumer Affairs issue a  
13 decision:

- 14 1. Revoking Approval to Operate Institution Number 64494378 issued to Business and  
15 Insurance School;
  - 16 2. Ordering Business and Insurance School pay the Bureau for Private Postsecondary  
17 Education the reasonable costs of the investigation and enforcement of this case, pursuant to  
18 Business and Professions Code section 125.3; and,
  - 19 3. Taking such other and further action as deemed necessary and proper.
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23 DATED: "6/17/2021"

"Original signature on file"

24 Deborah Cochrane  
25 Chief  
26 Bureau for Private Postsecondary  
27 Education  
28 Department of Consumer Affairs  
State of California  
*Complainant*

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