



**APPEAL OF CITATION INFORMAL CONFERENCE**  
**DECISION: CITATION AFFIRMED**

January 5, 2023

California University of Business and Technology, Owner  
 California University of Business and Technology  
 2440-131 South Hacienda Blvd.  
 Hacienda Heights, CA 91745

Date of Issuance	Citation Number	Institution Code
January 5, 2023	2223006	1925821

On November 3, 2022, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 2223006 (Citation) against California University of Business and Technology, Owner of California University of Business and Technology (Institution). In attendance were Ebony Santee, Education Administrator, Leo Chan, Authorized Representative, and George Huang, Authorized Representative.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 2223006.

It is the decision of the Education Administrator that on November 21, 2022, Citation No. 2223006 is affirmed for the following reason(s):

- No new substantive facts were presented at the conference.

VIOLATION CODE SECTIONS

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p><b><u>Violation:</u></b>  <b>5, CCR Section 76130 (a-e)- Collection and Submission of Assessments</b>  <i>“(a) A qualifying institution shall collect the 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.</i>  <i>(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit 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:</i>  <i>(1) April 30 for the first quarter,</i>  <i>(2) July 31 for the second quarter,</i>  <i>(3) October 31 for the third quarter, and</i>  <i>(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.</i></p>

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

*(c) The STRF Assessment Reporting Form shall contain the following information:*

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

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

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

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

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

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

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

*(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.*

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

**The Institution has failed to submit STRF Assessment Reporting Forms for the following quarters:**

- **Third and Fourth Quarters for 2021**
- **First Quarter for 2022**

**On September 22, 2021, the Institution was notified via mail at, 2440-131 South Hacienda Blvd., Hacienda Heights, CA 91745, that the STRF Assessment Reporting Form for the 3rd quarter of 2021 was due.**

**On November 12, 2021, the Institution was notified via mail at, 2440-131 South Hacienda Blvd., Hacienda Heights, CA 91745 that the STRF Assessment Reporting Form for the 3rd quarter of 2021 was due.**

**On November 15, 2021, the Institution was notified via email at, peter@cubt.edu, that the STRF Assessment Reporting Form for the 3<sup>rd</sup> quarter of 2021 was due.**

**As of August 1, 2022, the Bureau has not received the STRF Assessment Reporting Form from the Institution.**

**On December 22, 2021, the Institution was notified via mail at, 2440-131 South Hacienda Blvd., Hacienda Heights, CA 91745, that the STRF Assessment Reporting Form for the 4th quarter of 2021 was due.**

**On March 1, 2022, the Institution was notified via email, at peter@cubt.edu, that the STRF Assessment Reporting Form for the 4<sup>th</sup> quarter of 2021 was due.**

**On March 10, 2022, the Institution was notified via mail at, 2440-131 South Hacienda Blvd.,**

Hacienda Heights, CA 91745 that the STRF Assessment Reporting Form for the 4th quarter of 2021 was due.

As of August 1, 2022, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On March 24, 2022, the Institution was notified via mail at, 2440-131 South Hacienda Blvd., Hacienda Heights, CA 91745, that the STRF Assessment Reporting Form for the 1st quarter of 2022 was due.

On May 23, 2022, the Institution was notified via email, at peter@cubt.edu, that the STRF Assessment Reporting Form for the 1st quarter of 2022 was due.

On June 2, 2022, the Institution was notified via mail at, 2440-131 South Hacienda Blvd., Hacienda Heights, CA 91745 that the STRF Assessment Reporting Form for the 1st quarter of 2022, was due.

As of August 1, 2022, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

**Order of Abatement:**

The Bureau orders that the Institution submit the delinquent STRF Assessment Reporting Forms with the STRF Assessments collected from students for the quarters listed above. The information provided shall comply with "Record Keeping Requirements" Pursuant to 5, CCR section 76140.

**Assessment of Fine**

The fine for this violation is \$100.00

2.

**Violation:**

**CEC Section 94926(a)(b)(c)(d) - Procedures Prior to Closing, Teach-Out Plans**

*"At least 30 days prior to closing, the institution shall notify the bureau in writing of its intention to close. The notice shall be accompanied by a closure plan, which shall include, but not necessarily be limited to, all of the following:*

*(a) A plan for providing teach-outs of educational programs, including any agreements with any other postsecondary educational institutions to provide teach-outs.*

*(b) If no teach-out plan is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.*

*(c) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning these programs and institutional closures.*

*(d) A plan for the disposition of student records."*

**5, CCR Section 76240(a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2) - Required Notices and Teach-Out Plan**

*"All institutions, including those exempts from Bureau regulation pursuant to the Code, shall do the following prior to closing:*

*(a) At least 30 days prior to closing, the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. The closure plan shall include:*

*(1) The exact date and reason for the closure.*

*(2) The last date of instruction for each educational service or program.*

- (3) A list of students who were enrolled at any time during the 60 days prior to closure.
- (4) If any student will not be provided complete educational services or the educational program, the institution shall provide:
  - (A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.
  - (B) If no teach-out is contemplated, or aid programs arrangements for making refunds and returning federal student financial aid program funds.
  - (5) A plan for the disposition of student records.
  - (6) A plan to notify students of their rights and options under the Act and this chapter.
- (b) The institution shall notify the students of the following:
  - (1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.
  - (2) If any student will not be provided complete educational services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses."

**CEC Section 94927.5 (a)(1) – Provision of Records to Bureau Prior to Closing**

- "(a) Prior to closing, an institution shall provide the bureau with the following:
- (1) Copies of pertinent student records, including transcripts, in hardcopy or electronic form, as determined by the bureau, pursuant to regulations adopted by the bureau."

On August 26, 2020, the Bureau received notification from the Institution that they wanted to surrender the degree programs. The notification and email did not include a statement stating they were closing the school.

On May 16, 2022, the Bureau received an email from the Institution, stating that they withdrew and surrendered the approval from the Bureau on August 31, 2020, that they completely suspended operations due to the pandemic, and that all the students left on their own.

To date, the Institution has not provided the Bureau with a notice of closure, plans for teach-outs, refund arrangements, or a plan for the disposition of student's records.

**Order of Abatement:**

The Bureau orders that the institution provide the Bureau with a complete school closure plan in accordance with CEC section 94926(a)(b)(c)(d), 94927.5(a)(1) and 5, CCR section 76240(a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2).

**Assessment of Fine**

The fine for this violation is \$5,000.00

3.

**Violation:**

**CEC Section 94927 – Institutions in Default of Enrollment Agreement**

"An institution shall be considered in default of the enrollment agreement when an educational program is discontinued or canceled or the institution closes prior to completion of the educational program. When an institution is in default, student institutional charges may be refunded on a pro rata basis if the bureau determines that 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."

**CEC Section 94897(j)(3) – Prohibited Business Practices**

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

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

**Violation: CEC Section 94927 – Institutions in Default of Enrollment Agreement**

The Institution notified students that they were no longer pursuing federal accreditation and would be ceasing operations by August 31, 2020. Students C.W. and Y.C. withdrew from the Institution’s Master of Arts in Computer Information Systems (MACIS) degree program and received partial refunds of \$550.00 each. Therefore, the Institution was in default of the enrollment agreements signed by students C.W. and Y.C.

**Violation: CEC Section 94897 (j)(3) – Prohibited Business Practice**

The Institution lists the following refund policy in the 2019 school catalog, and on the enrollment agreements signed by both students:

“If the University cancels or discontinues a course or degree program, the University will make a full refund of all charges for the said course or degree program. Any refund due to the student by the above calculation will be mailed to the student within 45 days of the receipt of your request.”

On August 12, 2020, students C.W. and Y.C. withdrew from the Institution as they received notification from the school that their program would be discontinued. C.W. and Y.C. emailed the Institution and requested a full refund, however, the Institution did not respond to the students refund request and to date have not provided a full refund to the students.

**Order of Abatement:**

The Bureau orders the Institution provide refunds to any students, including C.W. and Y.C., who were not refunded properly and provide proof of refunds to the Bureau such as a declaration that includes information such as, but not limited to, stating when the refund was made, who the refund was issued to, and how much the refund was issued for.

**Assessment of Fine**

The fine for this violation is \$5,000.00

**TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$10,100.00**

ORDER OF ABATEMENT

**The Bureau orders that you comply with the orders described in the ‘Violation Code Sections’ of this document and submit evidence of compliance within 30 days from the date of this decision.**

PENALTY – ASSESSMENT OF A FINE

**Payment of the administrative fine is due within 30 days from the date of this decision.** Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

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

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this affirmed Citation. You *do*, however, have the right to appeal this affirmed Citation through an Administrative Hearing. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you do not wish to appeal this affirmed Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

You *do not* have the right to request another Informal Conference to appeal this affirmed Citation. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This affirmed Citation is effective on **January 5, 2023**. The order of abatement and payment are due by **February 4, 2023**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Affirmed 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 decision or desire further information, please contact Cheryl Lardizabal, Citation Analyst, at (916) 574-7427 or at Cheryl.Lardizabal@dca.ca.gov

“Original Signature on File”

“1/5/2023”

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**Elizabeth Elias**  
**Enforcement Chief**

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**Date**

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Declaration of Service by Certified and First-Class Mail