



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

To: Ex'pression Center for New Media Inc.  
Michael Bottrill, CEO  
SAE Expression College  
6601 Shellmound Street  
Emeryville, CA 94608

**INSTITUTION CODE: 0106261**  
**CITATION NUMBER: 1718001**  
**CITATION ISSUANCE/SERVICE DATE: August 15, 2017**  
**DUE DATE: September 14, 2017**  
**FINE AMOUNT: \$ 5000.00**  
**ORDER OF ABATEMENT INCLUDED: YES**

Yvette Johnson issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Enforcement Chief of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

### CITATION

A Citation is hereby issued to Ex'pression Center for New Media Inc., Owner of SAE Expression College (institution) located at 6601 Shellmound Street, Emeryville, CA 94608 pursuant to Business and Professions Code section 125.9; California Education Code (CEC) section 94936; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

### BACKGROUND

On November 16, 2015, the Bureau's Complaint Investigations Unit received a complaint from G.R., a former student of SAE Expression College who enrolled in the Sound Arts program on May 18, 2015, and withdrew on November 24, 2015. In the complaint, G.R. alleged that during his enrollment, several staff left, library hours had been reduced, student schedules were not available in a timely manner, and two instructors, H.R. and J.S., did not teach effectively.

On December 2, 2015, Bureau staff visited the institution and toured the campus, interviewed institution staff and obtained G.R.'s student file. Additionally, Bureau staff requested to copy the contents of the faculty file for H.R. and J.S., but institution staff refused and only allowed the files to be reviewed onsite. The Bureau staff review of the faculty files for H.R. and J.S. revealed that they both held master's degrees and as such were appropriately qualified to teach Bachelor degree courses.

During the course of the investigation, the allegations listed in G.R.'s complaint were found to be either unsubstantiated or the institution was now in compliance. SAE Expression College had changed their instructor educational qualification policy and required that all instructors hold at least master's degree or have a plan to work towards earning a higher degree. The implementation of the new policy led to the departure of some staff who did not meet the new requirement. The institution had hired new instructors to replace the faculty members who left. The head librarian had quit and until a replacement was found, the library hours were temporarily reduced. A full-time librarian was later hired by the institution. New student schedules are available two weeks before the start of the next semester. If a student fails a class, they will have to be rescheduled which could cause a delay in receiving their new schedule.

However, Bureau staff found evidence that the institution was in violation of 5, CCR §71745(a)(6) regarding financial stability.

VIOLATION

#	The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the code section(s) of law you are charged with violating.
1.	<p><b><u>Violation:</u></b>            5, CCR 71745(a)(6) – Financial Resources  <i>“(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:            (6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.”</i></p> <p>The composite score listed for SAE Expression College on the United States Department of Education (USD OE) spreadsheet for FY 13-14 is 0.2. Subsequently, a letter from the USD OE sent to SAE Institute Group Inc. and subsidiaries dated November 13, 2015, indicated that the institution's composite score was -0.4. Pursuant to the USD OE, a school with a composite score of less than 1.0 is not considered financially responsible.</p> <p>On March 29, 2017, SAE Expression College was removed from the USD OE list of schools on Heightened Cash Monitoring due to financial responsibility.</p> <p><b><u>Order of Abatement:</u></b>            The Bureau orders that the institution submit a written plan of how it will maintain sufficient financial resources to ensure that it can retain a composite score of at least 1.5.</p> <p><b><u>Assessment of Fine</u></b>            The fine for this violation is <u>\$00.00</u></p>

<p>2. <b>Violation:</b>  5, CCR 71930(e) – Maintenance of Records  <i>“All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.”</i></p> <p style="color: red;">Multiple times during a school visit on December 2, 2015, Bureau staff requested to copy the contents of the faculty files for instructors H.R. and J.S. However, Campus Director E.F. and Director of Education D.W. only permitted Bureau staff to review the files onsite and would not allow Bureau staff to make any copies of faculty documents. Additionally, a follow-up e-mail that E.F. sent to Bureau staff on December 7, 2015, stated “...we cannot release employee files or copies/parts of an employee file to an independent body outside of our college structure.”</p> <p><b>Order of Abatement:</b>  The Bureau orders that the institution draft, implement and submit procedures for granting Bureau staff immediate access to make copies of all required records in accordance with 5, CCR 71930(e). Submit written evidence that these procedures have been distributed to all SAE Expression College employees. The Bureau further orders that the institution provide copies of the contents of the faculty files for instructors H.R. and J.S.</p> <p><b>Assessment of Fine</b>  The fine for this violation is <u>\$5000.00</u></p>
<p><b>TOTAL ADMINISTRATIVE FINE DUE: \$5000.00</b></p>

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5 CCR Sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$5000.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC Section 94936 and 5 CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; **and/or** through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the ‘Notice of Appeal of Citation – Request for Informal Conference **and/or** Administrative Hearing’ form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference **and/or** an administrative*

hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.

Unless a written request for an informal conference **and/or** an administrative hearing is signed by you and delivered to the Bureau by September 14, 2017, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference **and/or** an administrative hearing, this Citation shall become effective on **August 15, 2017**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **September 14, 2017**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

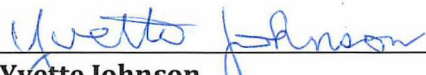
**Payment of the administrative fine and/or written request for appeal must be mailed to:**

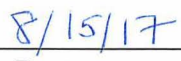
- Gurinder Sandhu, Discipline Citation Program
- Bureau for Private Postsecondary Education
- 2535 Capitol Oaks Drive, Suite 400
- Sacramento, CA 95833

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this Citation, or desire further information, please contact Gurinder Sandhu, Discipline Analyst, at 916-431-6940 or [Gurinder.Sandhu@dca.ca.gov](mailto:Gurinder.Sandhu@dca.ca.gov).

  
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**Yvette Johnson**  
**Enforcement Chief**

  
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**Date**

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First Class Mail