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7

8 **BEFORE THE**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
9 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**  
**STATE OF CALIFORNIA**

10  
11 In the Matter of the Statement of Issues  
Against:

Case No. 1001487

12 **COMPUTER TRAINING COLLEGE,**  
13 **WHA-YOUNG LEE, OWNER**

**STATEMENT OF ISSUES**

14  
15 **Approval of Renewal to Operate an**  
**Institution Non-Accredited Applicant**

16 Respondent.  
17

18 Complainant alleges:

19 **PARTIES**

20 1. Joanne Wenzel ("Complainant") brings this Statement of Issues solely in her official  
21 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of  
22 Consumer Affairs.

23 2. On or about November 1, 2013, the Bureau for Private Postsecondary Education  
24 received an Application for Renewal of Approval to Operate an Institution Non-Accredited from  
25 Computer Training College, with Wha-Young Lee as the Owner ("Respondent"). On or about  
26 October 3, 2013, Wha-Young Lee certified under penalty of perjury to the truthfulness of all  
27 statements, answers, and representations in the application. The Bureau denied the application on  
28 January 28, 2016.

1 **JURISDICTION**

2 3. This Statement of Issues is brought before the Director of the Department of  
3 Consumer Affairs ("Director") for the Bureau for Private Postsecondary Education, under the  
4 authority of the following laws. All section references are to the Business and Professions Code,  
5 unless otherwise indicated.

6 **STATUTORY PROVISIONS**

7 4. Business and Professions Code section 22 states: "Board," as used in any provision of  
8 this code, refers to the board in which the administration of the provision is vested, and unless  
9 otherwise expressly provided, shall include "bureau," "commission," "committee," "department,"  
10 "division," "examining committee," "program," and "agency."

11 5. Business and Professions Code section 480 states, in pertinent part:

12 "(a) A board may deny a license regulated by this code on the grounds that the applicant  
13 has one of the following:

14 ....

15 "(3) (A) Done any act that if done by a licentiate of the business or profession in question,  
16 would be grounds for suspension or revocation of license."

17 6. Section 94885 of the Education Code<sup>1</sup> states:

18 "(a) The bureau shall adopt by regulation minimum operating standards for an institution  
19 that shall reasonably ensure that all of the following occur:

20 "(1) The content of each educational program can achieve its stated objective.

21 "(2) The institution maintains specific written standards for student admissions for each  
22 educational program and those standards are related to the particular educational program.

23 "(3) The facilities, instructional equipment, and materials are sufficient to enable students to  
24 achieve the educational program's goals.

25 "(4) The institution maintains a withdrawal policy and provides refunds.

26 "(5) The directors, administrators, and faculty are properly qualified.

27 \_\_\_\_\_  
28 <sup>1</sup> California Private Postsecondary Education Act of 2009, Ed. Code §§ 94800, et seq.

1           “(6) The institution is financially sound and capable of fulfilling its commitments to  
2 students.

3           “(7) That, upon satisfactory completion of an educational program, the institution gives  
4 students a document signifying the degree or diploma awarded.

5           “(8) Adequate records and standard transcripts are maintained and are available to students.

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

8           “(b) Except as provided in Section 94855.1, an institution offering a degree must satisfy one  
9 of the following requirements:

10           “(i) Accreditation by an accrediting agency recognized by the United States Department of  
11 Education, with the scope of that accreditation covering the offering of at least one degree  
12 program by the institution.

13           “(ii) An accreditation plan, approved by the bureau, for the institution to become fully  
14 accredited within five years of the bureau's issuance of a provisional approval to operate to the  
15 institution. The provisional approval to operate to an unaccredited degree-offering institution  
16 shall be in compliance with Section 94885.5.”

17           7.       Section 94886 of the Education Code states: “Except as exempted in Article 4  
18 (commencing with Section 94874) or in compliance with the transition provisions in Article  
19 (commencing with Section 94802), a person shall not open, conduct, or do business as a private  
20 postsecondary educational institution in this state without obtaining an approval to operate under  
21 this chapter.”

22           8.       Section 94887 of the Education Code states:

23           “An approval to operate shall be granted only after an applicant has presented sufficient  
24 evidence to the bureau, and the bureau has independently verified the information provided by the  
25 applicant through site visits or other methods deemed appropriate by the bureau, that the applicant  
26 has the capacity to satisfy the minimum operating standards. The bureau shall deny an application  
27 for an approval to operate if the application does not satisfy those standards.”

28       ///

1           9.    Section 94897 of the Education Code states, in pertinent part:

2            "An institution shall not do any of the following:

3            ....

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

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

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

13           10.   Section 94909 of the Education Code states, in pertinent part:

14           "(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a  
15 prospective student, either in writing or electronically, with a school catalog containing, at a  
16 minimum, all of the following:

17           "(1) The name, address, telephone number, and, if applicable, Internet Web site address of  
18 the institution.

19           "(2) Except as specified in Article 2 (commencing with Section 94802), a statement that the  
20 institution is a private institution and that it is approved to operate by the bureau.

21           "(3) The following statements:

22           "(A) "Any questions a student may have regarding this catalog that have not been  
23 satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary  
24 Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and  
25 fax numbers)."

26           "(B) "As a prospective student, you are encouraged to review this catalog prior to signing  
27 an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet,  
28 which must be provided to you prior to signing an enrollment agreement."

1 ....

2 “(7) Information regarding the faculty and their qualifications.

3 ....

4 “(10) A statement reporting whether the institution participates in federal and state financial  
5 aid programs, and if so, all consumer information that is required to be disclosed to the student  
6 pursuant to the applicable federal and state financial aid programs.

7 “(11) A statement specifying that, if a student obtains a loan to pay for an educational  
8 program, the student will have the responsibility to repay the full amount of the loan plus interest,  
9 less the amount of any refund, and that, if the student has received federal student financial aid  
10 funds, the student is entitled to a refund of the moneys not paid from federal student financial aid  
11 program funds.”

12 “(12) A statement specifying whether the institution has a pending petition in bankruptcy, is  
13 operating as a debtor in possession, has filed a petition within the preceding five years, or has had  
14 a petition in bankruptcy filed against it within the preceding five years that resulted in  
15 reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et  
16 seq.).”

17 11. Section 94911 of the Education Code states, in pertinent part:

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

19 ....

20 "(e) (2) The disclosure shall contain the institution's refund policy and a statement that, if  
21 the student has received federal student financial aid funds, the student is entitled to a refund of  
22 moneys not paid from federal student financial aid program funds.

23 ....

24 "(f) A statement specifying that, if the student obtains a loan to pay for an educational  
25 program, the student will have the responsibility to repay the full amount of the loan plus interest,  
26 less the amount of any refund.

27 "(g) A statement specifying that, if the student is eligible for a loan guaranteed by the  
28 federal or state government and the student defaults on the loan, both of the following may occur:

1           (1) The federal or state government or a loan guarantee agency may take action against the  
2 student, including applying any income tax refund to which the person is entitled to reduce the  
3 balance owed on the loan.

4           (2) The student may not be eligible for any other federal student financial aid at another  
5 institution or other government assistance until the loan is repaid.

6           ....

7           (i) (1) The following statement: 'Prior to signing this enrollment agreement, you must be  
8 given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to  
9 review prior to signing this agreement. These documents contain important policies and  
10 performance data for this institution. This institution is required to have you sign and date the  
11 information included in the School Performance Fact Sheet relating to completion rates,  
12 placement rates, license examination passage rates, and salaries or wages, and the most recent  
13 three-year cohort default rate, if applicable, prior to signing this agreement.'

14          (2) Immediately following the statement required by paragraph (1), a line for the student to  
15 initial, including the following statement: 'I certify that I have received the catalog, School  
16 Performance Fact Sheet, and information regarding completion rates, placement rates, license  
17 examination passage rates, and salary or wage information, and the most recent three-year cohort  
18 default rate, if applicable, included in the School Performance Fact sheet, and have signed,  
19 initialed, and dated the information provided in the School Performance Fact Sheet.'"

20    **REGULATORY PROVISIONS**

21          12.        California Code of Regulations, title 5, section 71475, subdivision (e), states: "The  
22 institution shall submit at the time it applies for renewal current financial statements that meet the  
23 requirements of section 74115 as follows: (1) for an institution with annual gross revenues of  
24 \$500,000 and over, statements shall be audited; (2) for an institution with annual gross revenues  
25 less than \$500,000, statements shall be reviewed."

26          13.        California Code of Regulations, title 5, section 71810 states, in pertinent part:

27                (b) The catalog shall contain the information prescribed by Section 94909 of the Code and  
28 all of the following:

1 ....

2 “(3) If the institution admits students from other countries, whether visa services are  
3 provided or whether the institution will vouch for student status, and any associated charges;

4 ....

5 “(10) A description of library and other learning resources and the procedures for student  
6 access to those resources;

7 ....

8 “(13) Housing information including all of the following:

9 ....

10 “(B) The availability of housing located reasonably near the institution's facilities and an  
11 estimation of the approximate cost or range of cost of the housing...”

12 14. California Code of Regulations, title 5, section 74115 states, in pertinent part:

13 “(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income  
14 statement, and a cash flow statement, and the preparation of financial statements, shall comply  
15 with all of the following:

16 “(1) Audited and reviewed financial statements shall be conducted and prepared in  
17 accordance with the generally accepted accounting principles established by the American  
18 Institute of Certified Public Accountants by an independent certified public accountant who is not  
19 an employee, officer, or corporate director or member of the governing board of the institution.”

20 **FIRST CAUSE FOR DENIAL OF APPLICATION**

21 **(Enrollment Agreement)**

22 15. Respondent's application is subject to denial under section 480 subdivision (a)(3)(A),  
23 Education Code section 94911, and California Code of Regulations, title 5, section 71800, in that  
24 Respondent submitted a deficient enrollment agreement to the Bureau. Each violation is a sole  
25 and separate cause for denial. The violations are as follows:

26 a. Respondent is unable to prove compliance with California Code of Regulations, title  
27 5, section 71800, subdivision (b), in that Respondent's enrollment agreement did not contain the  
28 time period covered by the enrollment agreement.

1           b.    Respondent is unable to prove compliance with Education Code section 94911,  
2 subdivision (e)(2), in that Respondent's enrollment agreement did not contain a disclosure stating  
3 that if a student has received federal student financial aid funds, that the student is entitled to a  
4 refund of money not paid from federal student financial aid program funds.

5           c.    Respondent is unable to prove compliance with Education Code section 94911,  
6 subdivision (f), in that Respondent's enrollment agreement did not contain a statement specifying  
7 that, if the student obtains a loan to pay for an educational program, that the student will have the  
8 responsibility to repay the full amount of the loan plus interest, less the amount of any refund.

9           d.    Respondent is unable to prove compliance with Education Code section 94911,  
10 subdivisions (g)(1) and (g)(2), in that Respondent's enrollment agreement did not contain  
11 statements that if the student defaults on a federal or state loan, both of the following may occur:  
12 (1) the federal or state government or a loan guarantee agency may take action against the  
13 student, including applying any income tax refund to which the person is entitled to reduce the  
14 balance owed on the loan; and, (2) the student may not be eligible for any other federal student  
15 financial aid at another institution or other government financial assistance until the loan is  
16 repaid.

17           e.    Respondent is unable to prove compliance with Education Code section 94911,  
18 subdivisions (i)(1) and (i)(2), in that Respondent's enrollment agreement did not contain required  
19 statements that: (1) prior to signing the enrollment the student must be given a catalog or  
20 brochure and a school performance fact sheet; and, (2) a line for the student to initial followed by  
21 a statement that the student certifies that they have received the catalog, performance fact sheet,  
22 and other information as required by statute.

23                                   **SECOND CAUSE FOR DENIAL OF APPLICATION**

24   **(Financial Resources and Statements)**

25           16.    Respondent's application is subject to denial under section 480 subdivision (a)(3)(A),  
26 and California Code of Regulations, title 5, sections 71475, subdivision (e) and 74115,  
27 subdivision (b)(1), in that Respondent submitted deficient financial statements to the Bureau.  
28 Each violation is a sole and separate cause for denial. The violations are as follows:



1 a. On or about September 3, 2013, and November 30, 2015, Respondent submitted  
2 financial statements for 2012 to the Bureau along with its application. The financial statements  
3 were not audited or reviewed by a certified public accountant as required by California Code of  
4 Regulations, title 5, sections 71475, subdivision (e) and 74115, subdivision (b)(1).

5 **THIRD CAUSE FOR DENIAL OF APPLICATION**

6 **(School Catalog)**

7 17. Respondent's application is subject to denial under section 480 subdivision (a)(3)(A),  
8 Education Code sections 94909 and 94897, as well as California Code of Regulations, title 5,  
9 section 71810, in that Respondent submitted a deficient school catalog to the Bureau. Each  
10 violation is a sole and separate cause for denial. The violations are as follows:

11 a. Respondent has failed to prove compliance with Education Code section 94909,  
12 subdivision (a)(2), in that Respondent is required to include specific statements in its catalog that  
13 it is a private institution and that it is approved to operate by the Bureau. Respondent's catalog  
14 did not include the required disclosure.

15 b. Respondent has failed to prove compliance with Education Code section 94909,  
16 subdivision (a)(3)(A), and Education Code section 94897, subdivision (l), in that Respondent is  
17 required to include a specific statement in its catalog that any questions a student may have  
18 regarding the catalog that are not satisfactorily answered by the institution may be directed to the  
19 Bureau. Respondent's catalog did not include the required disclosure.

20 c. Respondent has failed to prove compliance with Education Code section 94909,  
21 subdivision (a)(3)(B), in that Respondent is required to include a specific statement in its catalog  
22 that prospective students are encouraged to review the catalog, as well as the school performance  
23 fact sheet which must be provided to prospective students, prior to signing an enrollment  
24 agreement. Respondent's catalog did not include the required disclosure.

25 d. Respondent has failed to prove compliance with Education Code section 94909,  
26 subdivision (a)(7), in that Respondent is required to include information in its catalog regarding  
27 the faculty and their qualifications. Respondent's catalog did not include the required  
28 information.

1 e. Respondent has failed to prove compliance with Education Code section 94909,  
2 subdivision (a)(10), in that Respondent is required to include a specific statement in its catalog  
3 reporting whether the institution participates in federal and state financial aid programs, and if so,  
4 all consumer information that is required to be disclosed to the student pursuant to the applicable  
5 program. Respondent's catalog did not include the required disclosure.

6 f. Respondent has failed to prove compliance with Education Code section 94909,  
7 subdivision (a)(11), in that Respondent is required to include a specific statement in its catalog  
8 specifying that, if a student obtains a loan to pay for an educational program, that the student will  
9 have the responsibility to repay the full amount of the loan plus interest, less the amount of any  
10 refund, and that, if the student has received federal student aid financial funds, the student is  
11 entitled to a refund of the moneys not paid from federal student financial aid program funds.  
12 Respondent's catalog did not include the required disclosure.

13 g. Respondent has failed to prove compliance with Education Code section 94909,  
14 subdivision (a)(12), in that Respondent is required to include specific statements in its catalog  
15 regarding whether the institution has a pending petition in bankruptcy, is operating as a debtor in  
16 possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy  
17 filed against it within the preceding five years. Respondent's catalog did not include the required  
18 disclosure.

19 h. Respondent has failed to prove compliance with California Code of Regulations, title  
20 5, section 71810, subdivision (b)(3), in that Respondent is required to include in its catalog  
21 whether visa services are provided or whether the institution will vouch for student status if the  
22 institution admits students from other countries. Respondent's catalog did not include the  
23 required information.

24 i. Respondent has failed to prove compliance with California Code of Regulations, title  
25 5, section 71810, subdivision (b)(10), in that Respondent is required to include in its catalog a  
26 description of the library and other learning resources and the procedures for student access to  
27 those resources. Respondent's catalog did not include the required information.

28


1 j. Respondent has failed to prove compliance with California Code of Regulations, title  
2 5, section 71810, subdivision (b)(13)(B), in that Respondent is required to include in its catalog  
3 information about the availability of housing located reasonably near the institution's facilities  
4 and an estimation of the approximate cost or range of cost of housing. Respondent's catalog did  
5 not include the required information.

6 **PRAYER**

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

- 10 1. Denying the Application of Computer Training College, Wha-Young Lee, for  
11 Renewal of Approval to Operate an Institution Non-Accredited; and,  
12 2. Taking such other and further action as deemed necessary and proper.

13  
14  
15  
16 DATED: 7/5/16

  
17 JOANNE WENZEL  
18 Chief  
19 Bureau for Private Postsecondary Education  
20 Department of Consumer Affairs  
21 State of California  
22 *Complainant*

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