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

In the Matter of the Accusation Against:

**MODESTO TECHNICAL COLLEGE
WORKFORCE TRAINING, INC.,
OWNER**
1300 N. 9th Street, Suite D
Modesto, CA 95350

Institution Code No. 5001251

Respondent.

Case No. BPPE23-0309

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

FINDINGS OF FACT

1. On or about November 2, 2023, Complainant Deborah Cochrane, in her official capacity as the Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs (Bureau), filed Accusation No. BPPE23-0309 against Modesto Technical College (Respondent), owned by Workforce Training, Inc., before the Director of the Department of Consumer Affairs. (Accusation attached as Exhibit A.)

2. On or about May 16, 1996, the Bureau issued an initial approval to operate for Institution Code Number 5001251 to Respondent, owned by Workforce Training Inc. Workforce Training Inc. is owned by Larry Qualls. The approval to operate expired on April 19, 2023, and has not been renewed.

1 3. On or about November 6, 2023, Respondent was served by Certified and First Class
2 Mail copies of Accusation No. BPPE23-0309, Statement to Respondent, Notice of Defense,
3 Request for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6,
4 and 11507.7) at Respondent's address for service of process which, pursuant to California
5 Education Code section 94943.5, is required to be reported and maintained with the Bureau.
6 Respondent's address for service of process was and is:

7 1300 N. 9th Street, Suite D
8 Modesto, CA 95350.

9 4. Service of the Accusation was effective as a matter of law under the provisions of
10 Government Code section 11505(c).

11 5. Government Code section 11506(c) states, in pertinent part:

12 (c) The respondent shall be entitled to a hearing on the merits if the respondent
13 files a notice of defense . . . and the notice shall be deemed a specific denial of all
14 parts of the accusation . . . not expressly admitted. Failure to file a notice of defense
15 . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its
16 discretion may nevertheless grant a hearing.

17 6. The Bureau takes official notice of its records and the fact that Respondent failed to
18 file a Notice of Defense within 15 days after service upon them of the Accusation, and therefore
19 waived their right to a hearing on the merits of Accusation No. BPPE23-0309.

20 7. Government Code section 11520(a) states, in pertinent part:

21 (a) If the respondent either fails to file a notice of defense . . . or to appear at
22 the hearing, the agency may take action based upon the respondent's express
23 admissions or upon other evidence and affidavits may be used as evidence without
24 any notice to respondent

25 8. Pursuant to its authority under Government Code section 11520, the Director finds
26 Respondent is in default. The Director will take action without further hearing and, based on the
27 relevant evidence contained in the Default Decision Investigatory Evidence Packet in this matter,
28 finds that the charges and allegations in Accusation No. BPPE23-0309, are separately and
severally, found to be true and correct by clear and convincing evidence.

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DETERMINATION OF ISSUES

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2 1. Based on the foregoing findings of fact, Respondent Modesto Technical College,
3 owned by Workforce Training, Inc., has subjected its approval to operate for Institution Code No.
4 5001251 to discipline.

5 2. The agency has jurisdiction to adjudicate this case by default.

6 3. The Director of the Department of Consumer Affairs is authorized to revoke
7 Respondent's approval to operate and Institution Code based upon the following violations
8 alleged in the Accusation which are supported by the evidence contained in the Default Decision
9 Investigatory Evidence Packet in this case:

10 a. Violation of Education Code sections 94886, 94933, and 94937, subdivision (a)(2), in
11 that Respondent's approval to operate expired on April 19, 2023, Respondent has continued to
12 operate after that date, and Respondent has not submitted a renewal application.

13 b. Violation of Education Code sections 94886, 94933, and 94937, subdivision (a)(2),
14 by and through California Code of Regulations, title 5, section 71475, subdivision (b), in that
15 Respondent's approval to operate expired on April 19, 2023, and Respondent failed to submit a
16 renewal application before its expiration.

17 c. Violation of Education Code section 94937, subdivision (a)(2), by and through
18 California Code of Regulations, title 5, section 75050, subdivision (b), in that Respondent failed
19 to abate the violation or pay the fine within the time allowed for Citation no. 2223111, which was
20 issued to Respondent on March 29, 2023, and required Respondent to submit its annual 2019,
21 2020, and 2021 Annual Reports, as well as pay an administrative fine of \$15,000.

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ORDER

IT IS SO ORDERED that the approval to operate for Institution Code No. 5001251, issued to Respondent Modesto Technical College, owned by Workforce Training, Inc., is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on February 11, 2024.

It is so ORDERED January 10, 2024

"Original Signature on File"

RYAN MARCROFT
DEPUTY DIRECTOR
LEGAL AFFAIRS DIVISION
DEPARTMENT OF CONSUMER AFFAIRS

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SA2023305376

Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

(WORKFORCE TRAINING, INC., DBA MODESTO TECHNICAL COLLEGE; QUAILS, LAWRENCE)

1 ROB BONTA
Attorney General of California
2 DAVID E. BRICE
Supervising Deputy Attorney General
3 PHILLIP L. ARTHUR
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7 E-mail: Phillip.Arthur@doj.ca.gov
Attorneys for Complainant
8

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

13 In the Matter of the Accusation Against:

Case No. BPPE23-0309

14 **MODESTO TECHNICAL COLLEGE**
15 **WORKFORCE TRAINING, INC.,**
16 **OWNER**
1300 N. 9th Street, Suite D
Modesto, CA 95350

ACCUSATION

17 **Institution Code No. 5001251**

18 Respondent.

19
20 **PARTIES**

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

24 2. On or about May 16, 1996, the Bureau issued an initial approval to operate for
25 Institution Code Number 5001251 to Modesto Technical College (Respondent), owned by
26 Workforce Training Inc. Workforce Training Inc. is owned by Larry Qualls. The approval to
27 operate expired on April 19, 2023, and has not been renewed.

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1 **JURISDICTION**

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

5 4. Code section 94886 states:

6 Except as exempted in Article 4 (commencing with Section 94874) or in
7 compliance with the transition provisions in Article 2 (commencing with Section
8 94802), a person shall not open, conduct, or do business as a private postsecondary
9 educational institution in this state without obtaining an approval to operate under this
10 chapter.

11 5. Code section 94933 states:

12 The bureau shall provide an institution with the opportunity to remedy
13 noncompliance, impose fines, place the institution on probation, or suspend or revoke
14 the institution's approval to operate, in accordance with this article, as it deems
15 appropriate based on the severity of an institution's violations of this chapter, and the
16 harm that results or may result to students.

17 6. Code section 94937 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
21 probation or may suspend or revoke an institution's approval to operate for:

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

23 (2) A material violation or repeated violations of this chapter or regulations
24 adopted pursuant to this chapter that have resulted, or may result, in harm to students.
25 For purposes of this paragraph, "material violation" includes, but is not limited to,
26 misrepresentation, fraud in the inducement of a contract, and false or misleading
27 claims or advertising, upon which a student reasonably relied in executing an
28 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.

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1 **REGULATORY PROVISIONS**

2 7. Title 5 of the California Code of Regulations (Regulation) section 71475 states, in
3 pertinent part:

4 (a) Unless renewed, an approval to operate shall expire at 12 midnight on the
5 last day of the institution's term of approval to operate as granted pursuant to section
6 94802 or section 94889 of the Code.

7 (b) An institution seeking to renew its Approval to Operate pursuant to section
8 94891 of the Code shall, prior to its expiration, complete and submit to the Bureau the
9 "Application for Renewal of Approval to Operate and Offer Educations Programs for
10 Non-Accredited Institutions," Form Application 94891 (rev. 2/10). . . .

11 8. Regulation section 715050, subdivision (b), states, "Failure of an applicant or
12 institution issued an approval to operate to abate the violation or to pay the fine within the time
13 allowed is a ground for denial or discipline of an approval to operate."

14 **COST RECOVERY**

15 9. Business and Professions Code section 125.3 provides, in pertinent part, that the
16 Board may request the administrative law judge to direct a licentiate found to have committed a
17 violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of
18 investigation and enforcement of the case, with failure of the licentiate to comply subjecting the
19 license to not being renewed or reinstated. If a case settles, recovery of investigation and
20 enforcement costs may be included in a stipulated settlement.

21 **FIRST CAUSE FOR DISCIPLINE**

22 **(Failure to Renew Approval to Operate)**

23 10. Respondent is subject to discipline pursuant to Code sections 94886, 94933, and
24 94937, subdivision (a)(2), in that Respondent's approval to operate expired on April 19, 2023,
25 Respondent has continued to operate after that date, and Respondent has not submitted a renewal
26 application. The facts and circumstances are as follows:

27 11. On or about April 27, 2023, a Bureau Investigator conducted an investigation of
28 Respondent's facility. During the investigation, Larry Qualls introduced himself to the
Investigator as the owner. During the investigation, Larry Qualls took the Investigator on a tour

1 of Respondent's facility, during which the Investigator observed students operating machinery in
2 the welding and mechanical classrooms.

3 12. On or about September 15, 2023, a Bureau Investigator conducted a second site visit
4 at Respondent's facility. Larry Qualls was present at Respondent's facility and informed the
5 Investigator that Respondent's facility was still operating and that he is the current CEO and
6 CFO. Larry Qualls further informed the Investigator that he was aware Respondent's approval to
7 operate had expired. The Investigator also reviewed Respondent's records, which indicated that
8 Respondent had continued to enroll students after its approval to operate had expired.

9 **SECOND CAUSE FOR DISCIPLINE**

10 **(Failure to Submit Renewal Application for Approval to Operate Before Expiration of**
11 **Approval to Operate)**

12 13. Respondent is subject to discipline pursuant to Code sections 94886, 94933, and
13 94937, subdivision (a)(2), by and through Regulation section 71475, subdivision (b), in that
14 Respondent's approval to operate expired on April 19, 2023, and Respondent failed to submit a
15 renewal application before its expiration. The facts and circumstances are described with more
16 particularity in paragraphs 11-12, above.

17 **THIRD CAUSE FOR DISCIPLINE**

18 **(Failure to Comply With Citation)**

19 14. Respondent is subject to discipline pursuant to Code section 94937, subdivision
20 (a)(2), by and through Regulation section 75050, subdivision (b), in that Respondent failed to
21 abate the violation or pay the fine within the time allowed for Citation no. 2223111, which was
22 issued to Respondent on March 29, 2023, and required Respondent to submit its annual 2019,
23 2021, and 2021 Annual Reports, as well as pay an administrative fine of \$15,000.

24 **DISCIPLINE CONSIDERATIONS**

25 15. To determine the degree of discipline, if any, to be imposed on Respondent,
26 Complainant alleges that on or about December 19, 2019, Citation no. 1920168 was issued to
27 Respondent for violating Title 5 of the California Code of Regulations, section 76130,
28 subdivisions (a)-(e)(failure to submit The Student Tuition Recovery Fund Assessment Reporting

1 Form for the fourth quarter of 2018). Respondent complied with the citation and paid the \$50
2 fine on or about January 16, 2020.

3 16. On or about January 31, 2020, Citation no. 1920197 was issued to Respondent for
4 violating Code section 94934, subdivisions (a)(1)-(9), and Title 5 of the California Code of
5 Regulations, section 74110, subdivisions (a)-(d) (failure to submit 2017 Annual Report).
6 Respondent complied with the citation and paid the \$500 fine on or about May 19, 2020.

7 17. On or about January 30, 2023, in *People of the State of California v. Lawrence Qualls*
8 (Superior Court of California, Stanislaus County, Case no. CR-22-012286), the court issued an
9 order, under Penal Code section 23, for Larry Qualls to step down as owner of Modesto Technical
10 College, have no access to student records and files, financial information, and employee records
11 and files. Larry Qualls has failed to comply with this order as he continues to act as owner of
12 Modesto Technical College.

13 **PRAYER**

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

17 1. Revoking or suspending the approval to operate for Institution Code No. 5001251,
18 issued to Modesto Technical College, owned by Workforce Training Inc., which is owned by
19 Larry Qualls.

20 2. Ordering Modesto Technical College, owned by Workforce Training Inc., which is
21 owned by Larry Qualls, to pay the Bureau for Private Postsecondary Education the reasonable
22 costs of investigation and enforcement of this case, pursuant to Business and Professions Code
23 section 125.3; and,

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3. Taking such other and further action as deemed necessary and proper.

DATED: 11/2/2023

"Original Signature on File"
DEBORAH COCHRANE
Chief
Bureau for Private Postsecondary
Education
Department of Consumer Affairs
State of California
Complainant

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