



Bureau for Private Postsecondary Education
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APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION AFFIRMED

May 20, 2021

Prisma Fashion Design School, Owner
PRISMA Fashion Design School
3470 Wilshire Blvd. Suite 500
Los Angeles, CA 90010

Date of Issuance	Citation Number	Institution Code
May 20, 2021	2021199	32840264

On April 29, 2021, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. Citation # 2021199 against Prisma Fashion Design School Owner of PRISMA Fashion Design School (Institution). In attendance were Beth Danielson, Enforcement Chief, Hee Chul Shin, Owner and President, and Jason Kim, Director of Accounting.

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. 2021199.

It is the decision of the Enforcement Chief that on May 11, 2021, Citation No. 2021199 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><u>AFFIRMED</u></p> <p>CEC Section 94926 (a)(b)(c)(d) - Procedures Prior to Closing, Teach-Out Plans <i>“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:</i> <i>(a) A plan for providing teach-outs of educational programs, including any agreements with any other postsecondary educational institutions to provide teach-outs.</i> <i>(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</i></p>

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 exempt 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 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.

(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.”

On December 10, 2019, the Institution was notified via letter, at 10846 Oro Vista Avenue, Sunland, CA 91040, that the Institution needed to submit the following documents to the Bureau 30 days prior to the Institution closure:

- **School Closure Form;**
- **Student Roster in an Excel Spreadsheet of all students enrolled 120 days prior to the school closure date. The roster to contain the student’s first and last names, their email address, cell phone numbers, mailing address, program enrolled in, their enrollment dates and their anticipated graduation dates or the dates they graduated; and**
- **Information on which students received refunds from the Institution, if any.**

On December 12, 2019, a Certificate of Dissolution for the Institution was filed with the Secretary of State.

On December 24, 2019, the Bureau received a letter from the Institution owner stating that they are unable to provide the requested documentation due to personal health reasons, along with the fact that they no longer had contact with the person who was originally in charge of the documentation.

	<p>Additionally, the Institution owner stated that the documents were missing.</p> <p>As of March 11, 2021, the Bureau has not received the required closure information.</p> <p><u>Order of Abatement:</u> 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) and 5, CCR section 76240(a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2).</p> <p><u>Assessment of Fine</u> The fine for this violation is \$5,000.00</p>
2.	<p><u>AFFIRMED</u></p> <p><u>Violation</u> CEC Section 94927.5 (a)(1) - Provision of Records to Bureau Prior to Closing <i>“(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.”</i></p> <p>The Institution failed to provide copies of pertinent student records prior to closing, as required by CEC section 94927.5 (a)(1).</p> <p><u>Order of Abatement:</u> The Bureau orders that the Institution provide the Bureau with the plan of retention of student records, and information on how students may obtain their records as required by CEC section 94927.5 (a)(1)</p> <p><u>Assessment of Fine</u> The fine for this violation is \$5,000.00</p>
3.	<p><u>AFFIRMED</u></p> <p><u>Violation:</u> 5, CCR Section 76130 (a-e)- Collection and Submission of Assessments <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. (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: (1) April 30 for the first quarter, (2) July 31 for the second quarter, (3) October 31 for the third quarter, and (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. 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</i></p>

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 Form for the following quarters:

- First, Second, Third, and Fourth quarters of 2019.

On March 27, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 1st quarter of 2019 was due. As of March 4, 2021, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On June 24, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 2nd quarter of 2019 was due. As of March 4, 2021, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On September 18, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 3rd quarter of 2019 was due. As of March 4, 2021, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On December 17, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 4th quarter of 2019 was due. As of March 4, 2021, 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 \$50.00
4.	<p><u>AFFIRMED</u></p> <p><u>Violation:</u> 5, CCR Section 74006(a) and (b) - Annual Fee <i>“(a) An institution’s annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval.</i> <i>(b) An institution shall pay its annual fee in addition to any other applicable fees.”</i></p> <p>CEC Section 94930.5 (g)- Fee Schedule <i>“(g) Notwithstanding subdivision (d), effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that campus’ total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000) for each campus.”</i></p> <p>CEC Section 94931(b)- Late Payment <i>“(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee.”</i></p> <p><u>2019 Annual Fee and Late Payment Penalty Fee</u> The Institution has failed to pay its annual fee and late payment penalty fee for calendar year 2019.</p> <p>On December 3, 2018, the Institution was notified, Invoice # 900337997, via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, stating that the annual fee for calendar year 2019 was due on January 1, 2019.</p> <p>On February 19, 2019, the 1st Delinquency Notice (Invoice # 900339827) was sent via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, stating that the annual fee for calendar year 2019 was due on January 1, 2019.</p> <p>On April 15, 2019, the 2nd Delinquency Notice (Invoice # 900339827) was sent via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, stating that the annual fee for calendar year 2019 was due on January 1, 2019.</p> <p>As of March 11, 2021, the Bureau has not received the annual fee nor late payment penalty fee for calendar year 2019 from the Institution.</p> <p><u>Order of Abatement:</u> The Bureau orders the Institution to submit its annual fees for calendar year 2019 in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(g). In addition, the Institution must pay all late payment penalty fees.</p> <p><u>Assessment of Fine</u> The fine for this violation is \$00.00</p>
TOTAL MODIFIED ADMINISTRATIVE FINE DUE: <u>\$10,050.00</u>	

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:

Gabriella Perez, 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. 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 **May 20, 2021**. The order of abatement and payment are due by **June 19, 2021**

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 Gabriella Perez, Citation Analyst, at Gabriella.Perez@dca.ca.gov.

“Original signature on file”

“5/20/2021”

Christina Villanueva
Discipline Manager

Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights

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Citation No. 2021192 – AFFIRMED

Prisma Fashion Design School, Owner of PRISMA Fashion Design School

Institution Code: 32840264

➤ Declaration of Service by Certified and First-Class Mail