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

12
13 In the Matter of the Accusation Against:
14 **CYBER INSURANCE GROUP CORP.**
15 **Owner of Business and Insurance School**
16 **150 Paularino, Building #D, Suite D-176**
17 **Costa Mesa, CA 92626**
18 **Approval to Operate Institution No.**
19 **64494378**

Case No. 1004332

ACCUSATION

20 Respondent.

21
22 **PARTIES**

23 1. Dr. Michael Marion, Jr. (Complainant) brings this Accusation solely in his official
24 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
25 Consumer Affairs.

26 2. On or about January 20, 2016, the Bureau for Private Postsecondary Education
27 (Bureau) issued an Approval to Operate to Cyber Insurance Group Corp. Owner of Business and
28 Insurance School (Respondent), Institution Code Number 64494378. Respondent is approved to

1 offer non degree programs as follows; Code and Ethics Insurance Code (in class, webcam, or
2 online self-study), Life Only-Agent Insurance Course (in class, webcam, or online self-study),
3 Life, Accident and Health-Agent Insurance Course (in class, webcam, or online self-study),
4 Limited Lines Automobile- Agent Insurance Course (in class, webcam, or online self-study),
5 Personal Lines Broker- Agent Insurance Course (in class, webcam, or online self-study), Property
6 and Casualty Broker- Agent Insurance Course (in class, webcam, or online self-study).

7 3. On or about March 3, 2016, the Bureau issued approval to operate non degree
8 programs as follows: Business Executive Administrator and Insurance/Agent/CSR Life, Accident
9 and Health Education, Business Executive Administrator and Insurance/Agent/CSR Property and
10 Casualty Education, and Business Executive Administrator and Insurance /Agent/CSR Property
11 and Casualty/Life, Accident and Health Education. On or about February 21, 2018, the Bureau
12 issued approval to operate non degree programs in Security Officer, Private Investigator and
13 Private Patrol Officer.

14 **JURISDICTION**

15 4. This Accusation is brought before the Director of the Department of Consumer
16 Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the
17 following laws. All section references are to the Education Code (Code) unless otherwise
18 indicated.

19 5. Section 118 of the Bus. & Prof. Code states in pertinent part:

20 ...

21 (b) The suspension, expiration, or forfeiture by operation of law of a license
22 issued by a board in the department, or its suspension, forfeiture, or cancellation by
23 order of the board or by order of a court of law, or its surrender without the written
24 consent of the board, shall not, during any period in which it may be renewed,
25 restored, reissued, or reinstated, deprive the board of its authority to institute or
26 continue a disciplinary proceeding against the licensee upon any ground provided by
27 law or to enter an order suspending or revoking the license or otherwise taking
28 disciplinary action against the licensee on any such ground.

(c) As used in this section, board includes an individual who is authorized by
any provision of this code to issue, suspend, or revoke a license, and 'license'
includes 'certificate,' 'registration,' and 'permit.'

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1 6. Section 94875 states:

2 The Bureau for Private Postsecondary Education, as established by Section 6 of
3 Chapter 635 of the Statutes of 2007, is continued in existence and shall commence
4 operations. This chapter establishes the functions and responsibilities of the bureau,
5 for the purposes of Section 6 of Chapter 635 of the Statutes of 2007. The bureau shall
6 regulate private postsecondary educational institutions through the powers granted,
7 and duties imposed, by this chapter. In exercising its powers, and performing its
8 duties, the protection of the public shall be the bureau's highest priority. If protection
9 of the public is inconsistent with other interests sought to be promoted, the protection
10 of the public shall be paramount.

11 7. Section 94936 states:

12 (a) As a consequence of an investigation, which may incorporate any materials
13 obtained or produced in connection with a compliance inspection, and upon a finding
14 that the institution has committed a violation of this chapter or that the institution has
15 failed to comply with a notice to comply pursuant to Section 94935, the bureau shall
16 issue a citation to an institution for violation of this chapter, or regulations adopted
17 pursuant to this chapter.

18 (b) The citation may contain any of the following:

19 (1) An order of abatement that may require an institution to demonstrate how
20 future compliance with this chapter or regulations adopted pursuant to this chapter
21 will be accomplished.

22 (2) Notwithstanding Section 125.9 of the Business and Professions Code, an
23 administrative fine not to exceed five thousand dollars (\$5,000) for each violation.
24 The bureau shall base its assessment of the administrative fine on:

25 (A) The nature and seriousness of the violation.

26 (B) The persistence of the violation.

27 (C) The good faith of the institution.

28 (D) The history of previous violations.

 (E) The purposes of this chapter.

 (F) The potential harm to students.

 ...

 (c)(1) The citation shall be in writing and describe the nature of the violation
and the specific provision of law or regulation that is alleged to have been violated.

 (2) The citation shall inform the institution of its right to request a hearing in
writing within 30 days from service of the citation.

 (3) If a hearing is requested, the bureau shall select an informal hearing
pursuant to Article 10 (commencing with Section 11445.10) of Chapter 4.5 of Part 1
of Division 3 of Title 2 of the Government Code or a formal hearing pursuant to
Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the

Government Code.

1 (4) If a hearing is not requested, payment of the administrative fine is due 30
2 days from the date of service, and shall not constitute an admission of the violation
3 charged.

4 (5) If a hearing is conducted and payment of an administrative fine is ordered,
5 the administrative fine is due 30 days from when the final order is entered.

6 (6) The bureau may enforce the administrative fine as if it were a money
7 judgment pursuant to Title 9 (commencing with Section 680.010) of Part 2 of the
8 Code of Civil Procedure.

9 (d) All administrative fines shall be deposited in the Private Postsecondary
10 Education Administration Fund.

11 **REGULATORY PROVISIONS**

12 8. California Code of Regulations, title 5, section 75020 states, in part:

13 (a) The Bureau Chief, or his or her designee, or the Director's designee, is
14 authorized to issue citations containing orders of abatement and/or administrative
15 fines pursuant to section 94936 of the Code against approved private, postsecondary
16 institutions that have committed any acts or omissions that are in violation of the Act
17 or any regulation adopted pursuant thereto.

18 . . .

19 (c) In addition to the requirements of section 94936 of the Code, each citation
20 shall inform the cited institution or person that:

21 (1) if a hearing pursuant to the Administrative Procedure Act (APA) is not
22 requested, payment of the administrative fine is due 30 days from the date of service,
23 and shall not constitute an admission of the violation charged.

24 . . .

25 (3) if the cited institution or person desires an informal conference to contest
26 the finding of a violation prior to an APA hearing, the informal conference shall be
27 requested by written notice to the Bureau within 30 days from service of the citation;

28 (4) failure to comply with any order of abatement within the time set forth in
the citation, unless the citation is being appealed, may result in disciplinary action
being taken by the Bureau; and

(5) the Bureau may enforce the administrative fine as if it were a money
judgment pursuant to the California Code of Civil Procedure (beginning with section
680.010).

(d) Each citation shall be served on the cited institution or person, in person, or
by certified and regular mail at the address of record on file with the Bureau.
Citations served by certified and regular mail shall be deemed "served" on the date of
mailing.

. . . .

1 9. California Code of Regulations, title 5, section 75040 states, in part:

2 (a) Pursuant to section 94936(c)(2) of the Code, a cited institution or person
3 may, within 30 days of service of the citation, request a hearing in writing to the
4 Bureau, or it is waived. In addition to contesting a citation by requesting a hearing,
5 the cited institution or person may, within the same 30 days, submit a written request
6 to the Bureau for an informal conference.

7 (b) The Bureau Chief, or his or her designee, or the Director, or his or her
8 designee, shall within 30 days from the Bureau's receipt of a written request for an
9 informal conference, hold an informal conference with the cited institution or person.
10 The 30-day period may be extended by the Bureau Chief or the Director for good
11 cause. The informal conference may be by telephone.

12 (c) Following the informal conference, the Bureau Chief, or his or her designee,
13 or the Director, or his or her designee, will affirm, modify, or dismiss the citation,
14 including any fine assessed and/or order of abatement issued. A written order
15 affirming, modifying, or dismissing the original citation shall be served on the cited
16 institution or person within 30 days from the informal conference. If the order affirms
17 or modifies the original citation, said order shall fix a reasonable period of time for
18 abatement of the violation and/or payment of the fine of not more than 30 days.

19 ...

20 (g) If a written request for a hearing pursuant to section 94936(c)(2) of the
21 Code, or for an informal conference as provided in subsection (a), or both, is not
22 submitted to the Bureau within 30 days from service of the citation, the cited
23 institution or person is deemed to have waived the right to an informal conference
24 and/or administrative hearing.

25 10. California Code of Regulations, title 5, section 75050 states, in part:

26 ...

27 (b) Failure of an applicant or institution issued an approval to operate to abate
28 the violation or to pay the fine within the time allowed is a ground for denial or
discipline of an approval to operate.

....

COST RECOVERY

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

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1 **FACTUAL ALLEGATIONS**

2 12. On or about May 16, 2019, the Bureau issued Citation Number 1819162 for failure to
3 submit its 2016 Annual Report; failure to submit its Student Tuition Recovery Fund (STRF)
4 Assessment Reporting for the first, third, and fourth quarters of 2016, first, third, and fourth
5 quarters of 2017, and first, second, third, and fourth quarters of 2018; and failure to pay its annual
6 fees for 2017, 2018, and 2019. The Citation ordered Respondent to submit Orders of Abatement
7 to remedy each violation and pay a total fine assessment of \$5,050.00.

8 13. On or about April 9, 2019, the Bureau held an informal conference with Respondent.
9 Respondent provided evidence of compliance for its 2016 Annual Report and 2016, 2017 and
10 2018 STRF Assessment Reporting forms. On June 18, 2019, the Bureau issued a Modified
11 Citation that included an Order of Abatement to pay its 2017, 2018, and 2019 Annual Fees, and
12 reduced the fine assessment to \$750.00.

13 14. On July 19, 2020, Respondent submitted payment in the amount of \$750.00 to the
14 Bureau. On August 6, 2019, the Bureau notified Respondent by mail acknowledging payment of
15 the fine and requested compliance with the Order of Abatement. On or about September 18,
16 2019, the Bureau mailed a Demand for Abatement letter to Respondent. On or about November
17 12, 2019, Respondent submitted abatement documents for the 2019 Annual fee. The Bureau
18 returned the check to Respondent as the amount submitted was incorrect and Respondent failed to
19 include a fee for the previous dishonored check. To date, Respondent owes the Bureau Annual
20 fees for the years 2017, 2018, and 2019.

21 **CAUSE FOR DISCIPLINE**

22 **(Failure to Abate Citation)**

23 15. Respondent subjected its Non-Accredited Institution Approval to Operate to
24 disciplinary action for failing to comply with an order of abatement in Citation Number 1819162,
25 affirmed by the Bureau on or about June 16, 2019 (Cal. Code of Regs., title 5, §§ 75020, subd.
26 (c)(4) and 75050, subd. (b)). The circumstances are set forth in paragraphs 12 through 14, above.

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PRAYER

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

- 1. Revoking or suspending Approval to Operate Institution Number 64494378, issued to Cyber Insurance Group Corp.;
- 2. Ordering Cyber Insurance Group Corp. to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,
- 3. Taking such other and further action as deemed necessary and proper.

DATED: “6/22/2020”

“Original signature on file”
DR. MICHAEL MARION, JR.
Chief
Bureau for Private Postsecondary
Education
Department of Consumer Affairs
State of California
Complainant

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