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

13 In the Matter of the Statement of Issues
Against:
14 **THE LEARNING SOURCE**
15 **Application for Renewal of Approval to**
16 **Operate and Offer Educational Programs**
17 **for Non-Accredited Institutions and**
18 **Application for Change in Educational**
19 **Objectives**
20 **Institution Code No. 58707895**
Respondent.

Case No. BPPE23-0713 & BPPE24-0259

STATEMENT OF ISSUES

21
22 **PARTIES**

23 1. Deborah Cochran (Complainant) brings this Statement of Issues solely in her official
24 capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of
25 Consumer Affairs.

26 2. On or about September 28, 2020, the Bureau received an application for Renewal of
27 Approval to Operate and Offer Educational Programs for Non-Accredited Institutions from The
28 Learning Source (Respondent), owned by The Learning Source, LLC, Leland Mench. On or

1 about September 25, 2020, Leland Mench and Gloria Gonzalez, for Respondent, certified under
2 penalty of perjury to the truthfulness of all statements, answers, and representations in the
3 application. The Bureau denied the application on September 7, 2023.

4 3. On or about March 23, 2023, the Bureau received an application for Change in
5 Educational Objectives from Respondent. The Bureau denied the application on January 24,
6 2024. On March 21, 2024, Respondent filed an appeal requesting an informal hearing.

7 **JURISDICTION**

8 4. This Statement of Issues is brought before the Director of the Department of
9 Consumer Affairs (Director) for the Bureau under the authority of the following laws. All section
10 references are to the Education Code (Code or CEC) unless otherwise indicated.

11 5. Code section 94885 states:

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

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

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

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

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

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

20 (6) The institution is financially sound and capable of fulfilling its
21 commitments to students.

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

23 (8) Adequate records and standard transcripts are maintained and are
24 available to students.

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

26 ...

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28 ///

1 (2) Information or records relating to the student's eligibility for student
financial aid at the institution.

2 (3) Any other record or document required by this chapter or by the bureau.

3 (k) Willfully falsify, destroy, or conceal any document of record while that
4 document of record is required to be maintained by this chapter.

5 ...

6 (q) In any manner commit fraud against, or make a material untrue or
7 misleading statement to, a student or prospective student under the institution's
authority or the pretense or appearance of the institution's authority.

8 ...

9 (u) Fail to maintain policies related to compliance with this chapter or adhere to
the institution's stated policies.

10 10. Section 94898 of the Code states:

11 (a) An institution shall not merge classes unless all of the students have
12 received the same amount of instruction. This subdivision does not prevent the
13 placement of students, who are enrolled in different educational programs, in the
14 same class if that class is part of each of the educational programs and the placement
in a merged class will not impair the students' learning of the subject matter of the
class.

15 ...

16 11. Section 94899 of the Code states:

17 (a) If an institution offers an educational program in a profession, occupation,
18 trade, or career field that requires licensure in this state, the institution shall have an
educational program approval from the appropriate state licensing agency to conduct
19 that educational program in order that a student who completes the educational
20 program, except as provided in Section 94905, is eligible to sit for any required
licensure examination.

21 12. Section 94905 of the Code states:

22 (a) During the enrollment process, an institution offering educational
23 programs designed to lead to positions in a profession, occupation, trade, or career
field requiring licensure in this state shall exercise reasonable care to determine if
24 the student will not be eligible to obtain licensure in the profession, occupation,
trade, or career field at the time of the student's graduation and shall provide all
25 students enrolled in those programs with a written copy of the requirements for
licensure established by the state, including any applicable course requirements
26 established by the state.

27 (1) If the minimum course requirements of the institution exceed the
28 minimum requirements for state licensure, the institution shall disclose this
information, including a list of those courses that are not required for state
licensure.

1 (2) The institution shall not execute an enrollment agreement with a student
2 that is known to be ineligible for licensure, unless the student's stated objective is
3 other than licensure.

4 ...

5 13. Section 94906 of the Education Code states:

6 (a) An enrollment agreement shall be written in language that is easily
7 understood. If English is not the student's primary language, and the student is unable
8 to understand the terms and conditions of the enrollment agreement, the student shall
9 have the right to obtain a clear explanation of the terms and conditions and all
10 cancellation and refund policies in his or her primary language.

11 (b) If the recruitment leading to enrollment was conducted in a language other
12 than English, the enrollment agreement, disclosures, and statements shall be in that
13 language.

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

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

18 ...

19 (5) A description of the programs offered and a description of the instruction
20 provided in each of the courses offered by the institution, the requirements for
21 completion of each program, including required courses, any final tests or
22 examinations, any required internships or externships, and the total number of credit
23 hours, clock hours, or other increments required for completion.

24 (6) If the educational program is designed to lead to positions in a
25 profession, occupation, trade, or career field requiring licensure in this state, a notice
26 to that effect and a list of the requirements for eligibility for licensure.

27 ...

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

...

REGULATORY PROVISIONS

15. California Code of Regulations, title 5, section 71220 states:

...

(f) If licensure is a goal of an educational program, a copy of the approval from
the appropriate licensing agency if required. A copy of the intent to approve
conditioned solely upon institutional approval from the Bureau will also meet this
requirement.

Upon request, the institution shall provide to the Bureau copies of the
curriculum or syllabi required pursuant to section 71710.

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16. California Code of Regulations, title 5, section 71230 states:

If the institution offers an educational program, or a portion of it, in a language other than English, the Form Application 94886 shall contain a description of all of the following for each educational program or portion thereof.

(a) The language in which each educational program will be offered.

(b) A statement that the institution has contracted with sufficient duly qualified faculty who will teach each language group of students.

(c) The language of the textbooks and other written materials to be used by each language group of students.

17. California Code of Regulations, title 5, section 71400.5 states:

(a) The inclusion of false or misleading information, or the intentional or negligent omission of pertinent information on any application may result in the denial of the application or a delay in processing, and may be grounds for action pursuant to Article 18 of the Act.

(b) In addition to denying an application pursuant to section 94887 of the Code, the Bureau may deny any application based on any act that constitutes grounds for the denial of a license under Section 480 of the Business and Professions Code, incorporated herein by reference.

(c) The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

18. California Code of Regulations, title 5, section 71405 states:

(a) If, after the submission of an application but prior to the Bureau's decision to approve or deny an approval to operate, there is any material change in circumstances affecting any information contained in the application or submitted by the institution in support of the application, the institution shall immediately inform the Bureau in writing.

(b) For the purposes of this section, a change in circumstance is "material" if, without the inclusion of the new or different information into the application, the information contained in or the supporting documentation to the application would be false, misleading, or incomplete.

19. California Code of Regulations, title 5, section 71475 states:

...

(c) The application for renewal of approval to operate and offer educational programs for non-accredited institutions shall include all of the following:

...

1 (4) The physical address, phone number and fax number of each campus and
2 branch at which the educational programs will be offered, including the
3 identification of the institution's main location and branch locations.

4 ...

5 (p) If an institution receives financial aid because its students qualify for it
6 under any state or federal financial aid program, the application shall include a
7 statement of its policies, practices, and disclosures regarding financial aid. If there
8 have been no substantive changes since the last submission, the institution may so
9 state and is not required to submit documentation.

10 (u) For each educational program that the institution offers or proposes to offer,
11 the application shall contain a statement that the educational program meets the
12 requirements of section 71710, as well as the following unless there have been no
13 substantive changes since the last submission. If there have been no substantive
14 changes made the institution may so state and is not required to provide
15 documentation:

16 (1) A description of the educational program.

17 ...

18 (6) If licensure is a goal of an educational program, a copy of the approval
19 from the appropriate licensing agency. A copy of the intent to approve conditioned
20 solely upon institutional approval from the Bureau will also meet this requirement.

21 (7) Upon request, the institution shall provide to the Bureau copies of the
22 curriculum or syllabi required pursuant to section 71710.

23 ...

24 (v) If the institution offers an educational program, or a portion of it, in a
25 language other than English, the application shall contain a description of all of the
26 following for each educational program or portion thereof unless there have been no
27 substantive changes since the last submission. If there have been no substantive
28 changes made the institution may so state and is not required to provide
documentation.

(1) The language in which each educational program will be offered.

(2) A statement that the institution has contracted with sufficient duly
qualified faculty who will teach each language group of students.

...

(x) The application shall include a statement that the institution has contracted
with sufficient duly qualified faculty members who meet the qualifications of section
71720 unless there have been no substantive changes since the last submission. If
there have been no substantive changes made the institution may so state and is not
required to provide documentation.

(dd) ...

(2) The description in the application shall include the name, physical
address, email address, and telephone number of the custodian of records, and the

1 physical addresses and telephone numbers of the offices or buildings where the
2 records will be maintained unless there have been no substantive changes since the
3 last submission. If there have been no substantive changes made the institution may
4 so state and is not required to provide documentation.

5 20. California Code of Regulations, title 5, section 71650 states:

6 (a) An institution seeking to change its educational objectives, or increase or
7 decrease by 25 percent or more the number of clock hours or credit hours required for
8 successful completion of a program under section 94894(i) of the Code, shall
9 complete the “Application for Change in Educational Objectives or Clock or Credit
10 Hours Required to Complete a Program (An Increase or decrease by 25% or More)”
11 form (OBJ rev. 8/22)), which is hereby incorporated by reference, to obtain prior
12 authorization from the Bureau in accordance with 94894 of the Code. The form shall
13 be submitted to the Bureau along with the appropriate fee as provided in Section
14 94930.5(c) of the Code.

15 ...

16 21. California Code of Regulations, title 5, section 71700 states in pertinent part, “The
17 Bureau may request that an institution document compliance with the standards set forth in the
18 Act and this Division to obtain and maintain an approval to operate.”

19 22. California Code of Regulations, title 5, section 71710 states:

20 (a) In order to meet its mission and objectives, the educational program defined
21 in section 94837 of the Code shall be comprised of a curriculum that includes:

22 (1) Those subject areas that are necessary for a student to achieve the
23 educational objectives of the educational program in which the student is enrolled;

24 (2) Subject areas and courses or modules that are presented in a logically
25 organized manner or sequence to students;

26 (3) Course or module materials that are designed or organized by duly
27 qualified faculty. For each course or module, each student shall be provided with a
28 syllabus or course outline that contains:

(A) A short, descriptive title of the educational program;

(B) A statement of educational objectives;

(C) Length of the educational program;

(D) Sequence and frequency of lessons or class sessions;

(E) Complete citations of textbooks and other required written materials;
Bureau for Private Postsecondary Education Regulations, effective July 1, 2024

(F) Sequential and detailed outline of subject matter to be addressed or a
list of skills to be learned and how those skills are to be measured;

(G) Instructional mode or methods.

...

1
2 (5) Specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and

3 (6) Evaluation by duly qualified faculty of those learning outcomes.

4 23. California Code of Regulations, title 5, section 71715 states:

5 (a) Instruction shall be the central focus of the resources and services of the institution.

6
7 (b) The institution shall document that the instruction offered leads to the achievement of the learning objectives of each course.

8 (c) Direct instruction requires the physical presence of one or more students and one or more faculty members at the same location. Direct instruction includes instruction presented in a classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning settings consistent with the mission, purposes, and objectives of the institution.

9
10 (d) Distance education as defined in section 94834 of the Code, does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as telecommunication, correspondence, electronic and computer augmented educational services, postal service, and facsimile transmission. In addition to the other requirements of this chapter and the Act, an institution offering distance education shall:

11 (1) ensure that the educational program offered through distance education is appropriate for delivery through distance education methods;

12 (2) assess each student, prior to admission, in order to determine whether each student has the skills and competencies to succeed in a distance education environment;

13 (3) ensure that the materials and programs are current, well organized, designed by faculty competent in distance education techniques and delivered using readily available, reliable technology;

14 (4) provide for meaningful interaction with faculty who are qualified to teach using distance education methods;

15 (5) maintain clear standards for satisfactory academic progress;

16 (6) timely complete student evaluations of learning outcomes by duly qualified faculty, which are appropriate for use with the distance education methods used, and evaluated by duly qualified faculty.

17 (7) employ a sufficient number of faculty to assure that (A) the institution's response to, or evaluation of, each student lesson is returned to the student within 10 days after the lesson is received by the institution; and (B) the institution's response to, or evaluation of, each student project or dissertation is returned to the student within the time disclosed in the catalog; and

18 (8) shall maintain a record of the dates on which lessons, projects, and dissertations were received and responses were returned to each student.

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24. California Code of Regulations, title 5, section 71720 states:

...

(b) Instructors in an Educational Program Not Leading to a Degree.

(1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are equivalent to the minimum qualifications.

(2) Each instructor shall maintain their knowledge by completing continuing education courses in his or her subject area, classroom management or other courses related to teaching.

(3) The institution shall not employ or continue to employ an instructor who was adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter, or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

25. California Code of Regulations, title 5, section 71810 states:

...

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

...

(6) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program;

...

(15) Policies on the retention of student records.

...

26. California Code of Regulations, title 5, section 71930 states:

(a) An institution shall maintain all records required by the Act and this chapter. The records shall be maintained in this state.

(b)

(1) In addition to permanently retaining a transcript as required by section 94900(b) of the Code, the institution shall maintain for a period of 5 years the pertinent student records described in Section 71920 from the student's date of completion or withdrawal.

1 (2) Notwithstanding (b)(1), the institution shall maintain records relating to
federal financial aid programs as provided by federal law.

2 (c) A record is considered current for three years following a student's
3 completion or withdrawal. A record may be stored on microfilm, microfiche,
4 computer disk, or any other method of record storage only if all of the following
5 apply:

6 (1) The record may be stored without loss of information or legibility for the
7 period within which the record is required to be maintained by the Act;

8 (2) For a record that is current, the institution maintains functioning devices
9 that can immediately reproduce exact, legible printed copies of stored records. The
10 devices shall be maintained in reasonably close proximity to the stored records at the
11 institution's primary administrative location in California. For a record that is no
12 longer current, the institution shall be able to reproduce exact, legible printed copies
13 within two (2) business days.

14 (3) The institution has personnel scheduled to be present at all times during
15 normal business hours who know how to operate the devices and can explain the
16 operation of the devices to any person authorized by the Act to inspect and copy
17 records; and

18 (4) Any person authorized by the Act or this chapter to inspect and copy
19 records shall be given immediate access to the document reproduction devices for the
20 purpose of inspecting and copying stored records and shall, upon request, reimburse
21 the institution for the reasonable cost of using the institution's equipment and material
22 to make copies at a rate not to exceed ten cents (\$0.10) per page.

23 (d) The institution shall maintain a second set of all academic and financial
24 records required by the Act and this chapter at a different location unless the original
25 records, including records stored pursuant to subdivision (b) of this section, are
26 maintained in a manner secure from damage or loss. An acceptable manner of storage
27 under this subsection would include fire resistant cabinets.

28 (e) 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.

(f) If an institution closes, the institution and its owners are jointly and severally
responsible to arrange at their expense for the storage and safekeeping in California
of all records required to be maintained by the Act and this chapter for as long as
those records must be maintained. The repository of the records shall make these
records immediately available for inspection and copying, without charge except as
allowed under subdivision (c)(4) of this section, during normal business hours by any
entity authorized by law to inspect and copy records.

FIRST CAUSE FOR DENIAL OF APPLICATION

(Minimum Operating Standards – Exemplars of Student Agreements)

27. Respondent's application for renewal is subject to denial under California
Education Code sections 94891 subdivision (b), in conjunction with California Code of

1 Regulations, title 5, section 71700, for failing to meet the legally required minimum operating
2 standards at the time of its renewal application and as confirmed by the Bureau’s investigation in
3 June 2023. The deficiencies are as follows:

4 a. As of June 2023, the Institution was not using the Spanish exemplars it indicated
5 in its renewal application, and which were required because the Institution advertises in Spanish,
6 recruits in Spanish, and offers the Computer Basics with Small Business Marketing program in
7 Spanish. (CEC § 94906) Instead, the Bureau’s investigation revealed that the enrollment
8 agreements for Spanish-speaking students enrolled in this program were entirely in English.

9 **SECOND CAUSE FOR DENIAL OF APPLICATION**

10 **(Minimum Operating Standards – Advertising and other Public Statements)**

11 28. Respondent's application for renewal is subject to denial under California
12 Education Code section 94891 subdivision (b), in conjunction with California Code of
13 Regulations, title 5, section 71700, for failing to meet the legally required minimum operating
14 standards at the time of its renewal application and as confirmed by the Bureau’s investigation.
15 The deficiencies are as follows:

16 a. As of July 26, 2023, the Institution’s website stated, regarding the general Real
17 Estate program offered, “This course, when passed successfully, will help you pass the State of
18 California Real Estate Exam.” However, the Institution is not approved by the California
19 Department of Real Estate (DRE) to offer any pre-licensure courses. As of April 2024, the
20 Institution had removed assertions that the specific objective of the Real Estate program was
21 licensure. However, the Institution’s website states, “Taking the test is not a requirement of
22 completing the course but it is supported if the student wishes to pursue it.” The Institution has
23 made public statements that are materially untrue and misleading to a prospective student under
24 the Institution’s authority or the pretense or appearance of the Institution’s authority in that the
25 Institution is not approved by DRE to offer any courses leading to licensure. (CEC §§ 94897(q),
26 94899(a), 94905(a), and 5 CCR § 71475(u)(6).)

27 b. As of April 9, 2024, the course content and educational objectives for the
28 Computer Basics with Small Business Marketing curriculum (English & Spanish) advertised on

1 the Institution's website does not match the content and objectives displayed on the course
2 syllabus submitted to the Bureau as part of the renewal application. The Institution has made
3 public statements that are materially untrue and misleading to a prospective student under the
4 Institution's authority or the pretense or appearance of the Institution's authority in that the
5 currently posted Computer Basics with Small Business Marketing curriculum does not
6 correspond to the program description on the Institution's website. (CEC § 94897(q).)

7 **THIRD CAUSE FOR DENIAL OF APPLICATION**

8 **(Minimum Operating Standards - Instruction and Degrees Offered)**

9 29. Respondent's application for renewal is subject to denial under California
10 Education Code sections 94891 subdivision (b), in conjunction with California Code of
11 Regulations, title 5, section 71700, for failing to meet the legally required minimum operating
12 standards at the time of its renewal application and as confirmed by the Bureau's investigation.
13 The deficiencies are as follows:

14 a. The Institution represented to the Bureau during its renewal application that *First*
15 *Tuesday*, a Bureau-exempt institution, is no more than a textbook supplier for the Institution's
16 Real Estate programs. However, when accessing the Institution's online learning resources, the
17 Bureau discovered that *First Tuesday* is an independent educational organization where students
18 can enroll in a self-directed real estate program that may lead to eligibility to take the DRE
19 licensure examination. The package of learning materials provided to the enrolled students
20 indicated that the real estate instruction was being provided by *First Tuesday*, and not by the
21 Institution. In addition, a large portion of the students' real estate instruction was self-directed
22 (not live online/in-real-time as described in the Institution's published materials), and the
23 instruction materials are designed and organized by *First Tuesday*, instead of the Institution.
24 Therefore, the Institution could not document that the instruction they offered would lead to
25 achieving the learning objectives of each course, since most of the instruction provided to the
26 students was offered by and through *First Tuesday*, instead of the Institution.

27 b. As of April 9, 2024, the Institution had prepared more of its own curriculum and
28 appeared to no longer be entirely dependent on *First Tuesday* to deliver the bulk of instruction.

1 However, since the program does not include livestream instruction for all approved instructional
2 hours, the Institution failed to demonstrate that the instruction is sufficient to achieve the learning
3 objectives of each course. The Bureau determined that the Real Estate courses appear poorly
4 organized because program lengths and course meeting times are not clearly or consistently
5 represented amongst the submitted documents and the Institution’s website postings. In addition,
6 the Bureau found that the syllabus for the Loan Origination & Loan Processing course contains
7 contradictory statements regarding course components. (5 CCR §§ 71710(a)(3), 71715(b) and
8 (d)(3).)

9 c. The mode and method of instructional delivery by the Institution is not consistent
10 with what has been represented to and approved by the Bureau, nor is it consistent with the
11 Institution’s website, which states that distance education is “live online.” In addition, as of June
12 6, 2023, the Institution’s course catalog, posted online, stated that classes not held on campus
13 were “in real-time online.” The Bureau’s investigation determined that the Real Estate classes
14 taught by Mr. Mench often started 30 minutes later than listed on the catalog’s class schedule, and
15 often ended almost 45 minutes early. In addition, during three class visits, the Bureau observed
16 only one actively enrolled student in attendance during the Real Estate classes. The Institution
17 also appeared to be giving the enrolled students credit for instructional time when they were
18 performing independent work on the *First Tuesday* materials. In addition, the instructional hours
19 represented to be in real-time appeared to be optional question and answer sessions where Mr.
20 Mench would review DRE practice exams, meant for real estate licensure preparation, which was
21 not the program’s approved objective. The Institution fails to adhere to its stated policies
22 regarding the method of instruction and is therefore making false or misleading statements in its
23 current application, as well as to current and prospective students. Although the Institution has
24 indicated that it will now enforce class attendance during live instructional hours, it appears that
25 the Institution’s programs are now designed to improperly count homework (class preparation) as
26 instructional hours. The Institution remains noncompliant because it continues to offer less than
27 the approved hours in livestream instruction, thereby falsely representing that the program hours
28 are longer than they are. (CEC § 94897(q) and (u).)

1 d. The Institution’s catalog, syllabi, and schedule of classes, observed sessions,
2 completed student enrollment agreements, and student attendance logs are in conflict. As a result,
3 students are being offered inadequate live online instructional hours and are being credited hours
4 during which no class meetings are scheduled, which constitutes falsified attendance. As of April
5 9, 2024, the Institution has indicated that they will now enforce class schedules and ensure that
6 instructional hours are correctly counted. However, the Institution is now counting homework
7 hours towards instructional hours when homework hours should not count as instructional time.
8 In addition, most syllabi reviewed by the Bureau contained discrepancies in total instructional
9 hours, that is, identified components do not add up to the approved program length. For example,
10 some Real Estate syllabi indicate that class sessions totaled 11.25 hours per week for 16 weeks,
11 and it is not clear how these hours satisfy the published program length since this schedule would
12 result in 180 hours, not the required 192 hours of instruction. Other syllabi contained
13 contradictory class schedules. Similarly, the class hours on the stand-alone campus-wide/master
14 schedule do not match the syllabi. (CEC § 94897(j) and 5 CCR § 71715(b).)

15 e. The amount of instructional time offered by the Institution to students in the
16 Computer Basics with Small Business Marketing course is misrepresented. Although the
17 Institution’s Computer Basic program (both English & Spanish) is approved for 240 hours of
18 “live online” instruction, numerous completed student enrollment agreements state that class
19 sessions would meet as few as eight hours per week to a maximum of 16 hours per week, which
20 would result in as few as 128 hours of instruction. The Institution’s school schedule submitted to
21 the Bureau in July 2023 shows classes meeting anywhere from three to 10 hours per week – none
22 of which would equal the approved 240 hours of instruction. In addition, the syllabus provided to
23 the Bureau for Computer Basics states that classes meet three times per week, each time for three
24 hours, which would total 144 hours over a 16-week period. The true program length could not be
25 determined by the Bureau. The Institution now asserts that it will enforce class schedules and
26 ensure that the instructional hours are counted correctly. However, to date, the Institution has not
27 provided the Bureau with documentation that the Computer Basics scheduled livestreamed class
28

1 sessions total the approved 240 hours. (CEC § 94897(j)(3) and 5 CCR §§ 71710(a)(3)(C) and
2 71715(b).)

3 f. The Institution has falsified attendance records in both the Real Estate and
4 Computer Basics programs. According to the school schedule provided to the Bureau on July 12,
5 2023, no programs have classes meeting specifically on Tuesdays, Wednesdays, and Thursdays
6 each week. However, many student attendance logs reviewed by the Bureau showed attendance
7 on Tuesdays, Wednesdays, and Thursdays. Moreover, in documentation provided by Respondent
8 to the Bureau on April 10, 2023, the Institution had a scheduled spring break from classes during
9 the week of April 10, 2023, with classes scheduled to resume on April 17, 2023. Nevertheless,
10 the Institution marked numerous students as in attendance at regular classes during the week of
11 April 10, 2023, despite the representation from Respondent that classes did not meet that week.
12 The Institution now asserts that it has made corrections to its attendance records and has updated
13 its tracking system through its policies and procedures. (CEC § 94897(j).)

14 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

15 **(Minimum Operating Standards – Description of Educational Programs)**

16 30. Respondent's application for renewal is subject to denial under California
17 Education Code sections 94891 subdivision (b), in conjunction with California Code of
18 Regulations, title 5, section 71700, for failing to meet the legally required minimum operating
19 standards at the time of its renewal application and as confirmed by the Bureau's investigation.
20 The deficiencies are as follows:

21 a. The length of programs is not consistently represented by the Institution. As of
22 June 6, 2023, the 2023 course catalog posted on the Institution's website states that the Real
23 Estate/Real Estate Management program includes 192 hours of instruction, which matches the
24 Bureau records. However, the actual scheduled class meeting times and program length only add
25 up to 180 hours of instruction. The scheduled class meeting times and program length fail to
26 account for holidays, which are referenced in the course catalog as "to be determined." In
27 addition, the Institution's class schedule information does not match the schedule set forth in the
28 class syllabus. Furthermore, none of the syllabi provided to the Bureau accurately represented the

1 program length information, and the information on the sequence and frequency of class sessions
2 is contradictory. The Institution has failed to adhere to a set number of approved instructional
3 hours and failed to provide the students with the instructional hours that the Institution is required
4 to provide. As a result, the Institution has misrepresented on its website the time required to learn
5 program-related skills and the students are receiving inadequate instruction from the Institution.
6 (CEC § 94897(c) and 5 CCR §§ 71475(u)(1), 71710(a)(1) and 71710(3)(C), & (D).)

7 b. The course description, course content and resulting education objectives
8 represented on the Institution’s website for Computer Basics with Small Business Marketing do
9 not match the information on the course syllabus provided to the Bureau. The Institution
10 advertises that the program begins with “computer set-up, WiFi connection, printer, peripheral
11 set-up, and keyboard skills.” By contrast, the course syllabus indicates that Module 1 consists of
12 “Gmail, Drive and Google Chrome,” and that, “During this module the students learn how to
13 safely navigate online, send and reply to emails, and how to manage and store files in an online
14 cloud.” The Institution’s website’s course description includes internet usage and email
15 communications, software applications, word processing and spreadsheets. The description also
16 includes a module introducing the QuickBooks software program. However, according to the
17 syllabus, the program instead covers Calendar, Meet, Forms, Docs, Slides, and Sheets – all by
18 Google. The syllabus then ends with modules on Canva and Digital Marketing. In addition, the
19 catalog program description seems to be an amalgamation of the two versions of the program.
20 The Institution has failed to clearly present the necessary subjects, and well-articulated and
21 labeled program objectives, which has resulted in a disorganized curriculum that does not appear
22 to have been designed or organized by duly qualified faculty. (5 CCR §§ 71710(a)(1), (2), & (3)
23 and 71710(a)(3)(A), (B), & (F).)

24 c. According to the syllabi submitted to the Bureau, the Loan Origination and Loan
25 Processing program classes are offered during the same time as the Real Estate and Real Estate
26 Management program class, both taught by Mr. Mench. Although it appears that two-thirds of
27 the coursework include the same modules, one-third of the content in the Loan Origination and
28 Loan Processing program and the corresponding educational objectives differ from those of the

1 Real Estate program since “Loan Application and Processing” must be covered in the Loan
2 Processing course. The same instructor cannot teach programs with different content and
3 objectives at the same time. Therefore, the enrolled students will not receive all of the necessary
4 instruction to achieve the stated learning objectives since both courses are listed as being taught
5 by the same instructor at the same time. The issue of overlapping schedules resulted in the
6 merging of classes. In addition, the Loan Origination and Loan Processing syllabus contains
7 contradictory statements regarding course components. (CEC § 94898(a) and 5 CCR §§
8 71710(a)(1) and 71715(b).)

9 d. The Institution’s submitted program objectives and resulting career outcomes for the
10 Real Estate and Real Estate Management program are unclear. When approved by the Bureau to
11 offer these programs in 2015, the intended career outcomes did not and could not relate to
12 licensure as the Institution did not have Bureau or DRE approval and the curriculum was
13 designed to prepare students for assistant positions working under licensed individuals in this
14 field. Since approval, the Institution has not sought or gained approval from DRE to offer pre-
15 licensure courses. However, as of July 26, 2023, the Institution’s website advertised that “This
16 course, when passed successfully, will help you pass the State of California Real Estate Exam.”
17 The syllabus provided to the Bureau in March 2023 states, “students who complete the course and
18 pass the final exam for each module will be eligible and are encouraged to take the California
19 Real Estate Sales exam. Practice tests are provided to students who wish to take the State exam.”
20 The Institution has misrepresented the career outcome to prospective and current students for the
21 Real Estate programs. In addition, the Institution has changed its course objectives without
22 Bureau authorization. Without Bureau and DRE approval, the Institution’s graduates are not
23 legally eligible to apply for a license from DRE to sell or manage real estate. As a result, the
24 Institution is making a materially untrue statement about students’ eligibility for licensure, which
25 then overstates the availability of real estate-related employment for program graduates. (CEC §§
26 94897(b) & (q), 94905(a), and 5 CCR §§ 71475(t)(7) & (u)(6) and 71650(a).)

27 e. During a Bureau campus visit on June 22, 2023, Bureau staff requested the Institution
28 provide curriculum for the Web and Mobile Marketing program. Although a syllabus for the

1 program was received by the Bureau in April 2023, the Bureau requested a more comprehensive
2 curriculum to observe and assess the nature of the instruction provided to students. Despite the
3 Bureau’s specific request during the campus visit, the Institution only provided the same syllabus
4 in response. To date, the Bureau has not been granted access to course or module materials for
5 the Web and Marketing program that are current, well organized, and designed by duly qualified
6 faculty competent in distance education techniques. (5 CCR §§ 71475(u)(7), 71710((a)(3), and
7 71715(d)(3).)

8 f. There is no evidence that the Institution’s curricula (for all programs) contain specific
9 learning outcomes that are tied to the sequence of the presentation of the material to measure the
10 students' learning of the material and that duly qualified faculty are evaluating those learning
11 outcomes. For all programs offered, when gradebooks were requested (in writing during the
12 campus visit on June 22, 2023), only “progress” reports were provided. These “progress” reports
13 were simply spreadsheets for marking student attendance. The students’ “progress” was not tied
14 to the tracked completion of assignments or achievement of outcomes. From what Respondent
15 has provided to the Bureau, there are no summative assessments that have been evaluated by
16 faculty which result in a tracked grade. There is no record of distance education-appropriate,
17 timely student evaluations being completed by duly qualified faculty. Students are not receiving
18 timely and documentable feedback, and the Institution is not maintaining proper and required
19 records of such. The Institution has failed to document that the instruction offered would lead to
20 the stated learning objectives of each course. As of April 2024, the Institution has indicated that
21 it has created projects to measure learning outcomes in the Real Estate programs. The Institution
22 has stated that campus-wide processes have been developed to track completion of student work.
23 However, curriculum content remains inadequate for both the Computer Basics and Web &
24 Mobile Marketing program. In addition, the Institution has failed to provide the Bureau with
25 sufficient documentation of the consistent evaluation of learning outcomes by duly qualified
26 faculty across the curriculum. (5 CCR §§ 71710(a)(5) & (6) and 71715(d)(6)-(8).)

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1 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

2 **(Minimum Operating Standards – Faculty)**

3 31. Respondent's application for renewal is subject to denial under California
4 Education Code sections 94891, subdivision (b), in conjunction with California Code of
5 Regulations, title 5, section 71700, for failing to meet the legally required minimum operating
6 standards at the time of its renewal application and as confirmed by the Bureau's investigation.
7 The deficiencies are as follows:

8 a. At the time of the renewal application, the Institution did not make clear that it had
9 contracted with duly qualified faculty to deliver the Computer Basics course (in both English and
10 Spanish). During the Bureau visit on June 22, 2023, it was determined that the faculty (Mirna F.)
11 identified to teach the Computer Basics course in the renewal application no longer worked for
12 the Institution. The Institution had not notified the Bureau of this change despite the pending
13 review of its renewal application.

14 b. The faculty files reviewed by the Bureau included completed employment contracts
15 for Alicia M., Hillary V. M., and Jaime A. The contracts explicitly stated, "School hereby
16 engages Instructor in the capacity of part time or full time W2 Employee as a Computer Basics
17 and Small Business Marketing instructor." However, it also appears that Mr. Mench pays Ituarte
18 Consulting a fee for "instructor services" (this is reflected in the check register provided by the
19 Institution). In fact, one instructor, Ms. Hillary V. M., produced a requested link to her Zoom
20 class session that was scheduled for June 23, 2023. The Zoom link came from
21 hillary@ituarteconsulting.com, which appears to place her employment at Ituarte Consulting, not
22 the Institution. Therefore, it appears that the Institution did not contract with these individuals as
23 represented, but rather with Ituarte Consulting. In addition, the organizational chart provided to
24 the Bureau on August 4, 2023, states that Alicia M. is an Administrative Coordinator and not a
25 faculty member at the Institution, in contrast to the completed contract provided to the Bureau.

26 c. The Institution has not contracted with sufficient duly qualified faculty for the
27 delivery of all its approved educational programs. As of April 2024, the Institution has provided
28 documentation of previously identified faculty being contractually obligated to the Institution (not

1 just Ituarte Consulting), thereby clarifying their relationship to the Institution. However, no
2 faculty assigned to teach the approved program Web & Mobile Marketing (English and Spanish)
3 have been identified. (5 CCR §§ 71400.5, 71405(a) & (b), 71475(v)(2) & (x), 71700 and
4 71720(b).)

5 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

6 **(Minimum Operating Standards – Catalog)**

7 32. Respondent's application for renewal is subject to denial under California
8 Education Code sections 94891 subdivision (b), in conjunction with California Code of
9 Regulations, title 5, section 71700, for failing to meet the legally required minimum operating
10 standards at the time of its renewal application and as confirmed by the Bureau's investigation.

11 The deficiencies are as follows:

12 a. As part of its investigation, the Bureau determined that some catalog information was
13 inconsistent with Bureau staff observations at the Institution and/or other information provided by
14 the Institution itself. As of June 6, 2023, the Institution's program descriptions, career outcomes,
15 and the Institution's record storage practices were all incongruent or inaccurate as presented in
16 the Institution's catalog, as posted on its website (thelearningsource.net) for the January 1, 2023 -
17 December 31, 2023 schoolyear. (CEC § 94909(a)(5), (6) & and 5 CCR § 71810(b) (15).)

18 **REGULATORY PROVISIONS FOR CHANGE IN EDUCATIONAL OBJECTIVES**

19 33. California Code of Regulations, title 5, section 71210 states:

20 ...

21 (c) In addition, the institution shall list the following for each educational
22 program offered:

23 (1) The admissions requirements, including minimum levels of prior
24 education, preparation, skills, or training;

24 ...

25 (7) Whether the educational program is designed to fit or prepare students
26 for employment in any occupation. If so, the Form Application 94886 shall identify
27 each occupation and job title to which the institution represents the educational
28 program will lead.

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34. California Code of Regulations, title 5, section 71220 states:

...

(b) A description of the equipment to be used during the educational program.

(c) A description of the number and qualifications of the faculty needed to teach the educational program.

(d) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the Form Application 94886 was submitted.

(e) A description of the learning, skills, and other competencies to be acquired by students who complete the educational program.

...

35. California Code of Regulations, title 5, section 71650 states:

(c) The application shall establish that the institution, including any branch, can meet the minimum operating standards contained in Chapter 3, and shall include:(1) The name, school code, address, website address, and telephone and fax numbers of the institution;

...

(6) For addition of a new program, all information required by section 71220 and section 71210 except for 71210(c)(2)

36. California Code of Regulations, title 5, section 71710 states:

(a) In order to meet its mission and objectives, the educational program defined in Section 94837 of the Code shall be comprised of a curriculum that includes:

(1) Those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;

(2) Subject areas and courses or modules that are presented in a logically organized manner or sequence to students;

(3) Course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:

(A) A short, descriptive title of the educational program;

(B) A statement of educational objectives;

(C) Length of the educational program;

(D) Sequence and frequency of lessons or class sessions;

(E) Complete citations of textbooks and other required written materials;

1 (F) Sequential and detailed outline of subject matter to be addressed or a
list of skills to be learned and how those skills are to be measured;

2 (G) Instructional mode or methods.

3 (4) If degree granting, require research of an appropriate degree that utilizes
4 a library and other learning resources;

5 (5) Specific learning outcomes tied to the sequence of the presentation of the
6 material to measure the students' learning of the material; and

7 (6) Evaluation by duly qualified faculty of those learning outcomes.

8 37. California Code of Regulations, title 5, section 71720 states:

9 ...

10 (b) Instructors in an Educational Program Not Leading to a Degree.

11 (1) An institution shall employ instructors who possess the academic,
12 experiential and professional qualifications to teach, including a minimum of three
13 years of experience, education and training in current practices of the subject area
14 they are teaching. If an instructor does not possess the required three years of
15 experience, education and training in the subject area they are teaching, the institution
16 shall document the qualifications the instructor possesses that are equivalent to the
17 minimum qualifications.

18 (2) Each instructor shall maintain their knowledge by completing continuing
19 education courses in his or her subject area, classroom management or other courses
20 related to teaching.

21 (3) The institution shall not employ or continue to employ an instructor who
22 was adjudicated in a judicial or administrative proceeding as having violated any
23 provision of the Act or this chapter, or as having committed any act that would
24 constitute grounds for the denial of a license under Section 480 of the Business and
25 Professions Code.

26 **FIRST CAUSE FOR DENIAL OF CHANGE IN EDUCATIONAL OBJECTIVES**

27 **(Minimum Operating Standards)**

28 38. Respondent's Application for Change in Educational Objectives is subject to denial
under California Code of Regulations, title 5, section 71650, subdivision (c) and section 71655,
subdivision (d)(1), as the Bureau denied Respondent's application for renewal of approval on
September 7, 2023 because the Bureau determined the institution does not have the capacity to
satisfy the minimum operating standards.

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1 **SECOND CAUSE FOR DENIAL OF CHANGE IN EDUCATIONAL OBJECTIVES**

2 **(Educational Programs Unable to Meet Stated Career Outcomes)**

3 39. Respondent’s Application for Change in Educational Objectives is subject to denial
4 under California Code of Regulations, title 5, section 71210 subdivision (c)(7), in that the
5 childcare worker program purports to lead to employment in childcare centers, preschools, public
6 schools, and private homes, but not all identified career outcomes will be achievable with the
7 completion of the proposed 240 clock hours.

8 **THIRD CAUSE FOR DENIAL OF CHANGE IN EDUCATIONAL OBJECTIVES**

9 **(Faculty)**

10 40. Respondent’s Application for Change in Educational Objectives is subject to denial
11 under California Code of Regulations, title 5, section 71720, subdivision (b), in that Respondent
12 failed to identify the number and qualifications of the faculty needed for each proposed
13 educational program.

14 **FOURTH CAUSE FOR DENIAL OF CHANGE IN EDUCATIONAL OBJECTIVES**

15 **(Achievement of Learning Objectives)**

16 41. Respondent’s Application for Change in Educational Objectives is subject to denial
17 under California Code of Regulations, title 5, section section 71710, subdivision (a), (a)(1), (a)(2),
18 (a)(3), (a)(3)(a), (B), (C), (E), (G), (a)(5), and (a)(6), and section 71715, subdivision (b) and (d),
19 in that Respondent failed to describe the learning, skills, and other competencies to be acquired
20 by students who complete each educational program or show how the associated learning
21 outcomes tie to the sequence of the presentation of the material to measure student learning and
22 evaluation by duly qualified faculty. Respondent failed to provide adequate overview of core
23 curricular outcomes including how the outcomes would be measured.

24 **DENIAL CONSIDERATIONS**

25 42. On or about October 1, 2020, the Bureau issued Citation: Assessment of Fine and
26 Order of Abatement Number 2021103 to Respondent for failure to: (1) submit the Student Tuition
27 Recovery Fund (STRF) Assessment Reporting Forms to the Bureau for the first and second
28 quarters of 2020; and (2) pay its annual fee and 90-day late payment penalty fee for the 2015,

1 2016, 2019, and 2020 calendar years. The Citation required that the Institution comply with the
2 Order of Abatement within 30 days and pay a fine in the amount of \$50.00. On or about May 27,
3 2021, the Institution paid the fine of \$50.00 and complied with the Order of Abatement.

4 43. On or about January 18, 2024, the Bureau issued Citation: Assessment of Fine and
5 Order of Abatement Number 2324072 to Respondent, which was modified on or about March 6,
6 2024: (1) for failure to provide the Bureau all of the required documentation supporting all data
7 reports on the 2019/2020 School Performance Fact Sheet (SPFS); and (2) the Bureau determined
8 that the backup documentation was inconsistent with the data reported on the 2019/2020 SPFS.
9 The Citation required that the Institution comply with the Order of Abatement within 30 days and
10 pay a fine in the amount of \$5,002.00. Respondent has complied with the Order of Abatement
11 and is on a payment plan to satisfy the fine amount of \$5,002.00.

12 44. On or about February 1, 2024, the Bureau issued Citation: Assessment of Fine and
13 Order of Abatement Number 2324155 to Respondent, which was modified on or about April 25,
14 2024 for failure to: (1) submit all components of the 2019 Annual Report which was due to the
15 Bureau by December 1, 2020; (2) to submit all components of the 2020 Annual Report which was
16 due to the Bureau by December 1, 2021; (3) to submit all components of the 2021 Annual Report
17 which was due to the Bureau by December 1, 2022; and (4) to submit all components of the 2022
18 Annual Report which was due to the Bureau by December 1, 2023. The Citation required that the
19 Institution comply with the Order of Abatement within 30 days and pay a fine in the amount of
20 \$7,004.00. Respondent has complied with the Order of Abatement and is on a payment plan to
21 satisfy the fine amount of \$7,004.00.

22 **PRAYER**

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

26 1. Denying the application of The Learning Source (Respondent), owned by The
27 Learning Source, LLC, Leland Mench, for Renewal of Approval to Operate and Offer
28 Educational Programs for Non-Accredited Institutions;

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2. Denying the application of The Learning Source (Respondent), owned by The Learning Source, LLC, Leland Mench, for Change in Educational Objectives; and

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

DATED: 2/19/2025

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

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