

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

In the Matter of the Statement of Issues Against:

**NEW CREATION COLLEGE,**

BPPE Case No. BPPE24-0159

OAH Case No.: 2024090869

Respondent.

**DECISION AND ORDER**

The attached Proposed Decision of the Administrative Law Judge is hereby accepted and adopted by the Director of the Department of Consumer Affairs as the Decision in the above-entitled matter.

This Decision shall become effective on August 1, 2025.

It is so ORDERED July 1, 2025.

"Original Signature on File"

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RYAN MARCROFT  
DEPUTY DIRECTOR, LEGAL AFFAIRS DIVISION  
DEPARTMENT OF CONSUMER AFFAIRS

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

**In the Matter of the Statement of Issues Against:**

**NEW CREATION COLLEGE,**

**Institution Code No. 63859779,**

**Respondent.**

**Case No. BPPE24-0159**

**OAH No. 2024090869**

**PROPOSED DECISION**

Irina Tentser, Administrative Law Judge (ALJ), Office of Administrative Hearings (OAH), State of California, heard this matter by videoconference on May 5, 2025.

Sheronda L. Edwards, Deputy Attorney General, appeared on behalf of Deborah Cochrane (Complainant), Chief of the Bureau for Private Postsecondary Education (Bureau), Department of Consumer Affairs.

Carolyn Dillinger, Attorney, Passion Law, appeared on behalf of New Creation College (Respondent). Glenn Swanson, Chief Executive Officer (CEO) of New Creation

Behavioral Health Foundation, Respondent's owner, was present throughout the hearing.

Testimonial and documentary evidence was received. The record was left open for Respondent to file and serve additional application documents by May 6, 2025, which were marked and admitted as Exhibit H. Complainant was ordered to file and serve any objection to Exhibit H by May 20, 2025, which was marked as Exhibit 25. (The May 7, 2025 memorandum Complainant filed and served on May 20, 2025 as an attachment to Exhibit 25 was marked and admitted as Exhibit 24.) Respondent was ordered to file and serve its reply to Complainant's objection by May 27, 2025, which was marked as Exhibit I. (Respondent's attachments to Exhibit I, designated by Respondent as "Ex. H, I, J, and K," were not admitted into evidence based on the admission of Respondent's additional application documents, Exhibit H.).

The record closed and the matter was submitted for decision on May 27, 2025.

## **SUMMARY**

In 2021, Respondent filed its Application for Renewal of Approval to Operate an Institution Non-Accredited (Application). The Application was denied by the Bureau in 2024. Respondent has cured some, but has failed to cure all, existing deficiencies in the Application, without reasonable justification. Accordingly, Respondent's Application is denied.

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## **FACTUAL FINDINGS**

### **ALJ Evidentiary Rulings**

1. Complainant's objections regarding timeliness, as set forth in Exhibit 25, to the admission of Respondent's Exhibit H are noted for the evidentiary weight provided to Exhibit H, but overruled, and Exhibit H is admitted. (Exhibit 25, pp. A652-A669; Exhibit H, pp. B126-B220.) Based on the admission of Exhibit H, and to avoid prejudice to Complainant by the admission of Exhibit H after the May 5, 2025 hearing, Complainant's Exhibit 24 is admitted. (Exhibit 24, pp. A670-A681.)

2. In its Reply to Complainant's Objections to the Admissibility of Exhibit H (Reply), Respondent requested to have the email communications it attached to its Reply, designated by Respondent as "Ex. H, I, J, and K," be admitted if Exhibit H was not admitted by the ALJ. (Exhibit I, p. B205.) Because Exhibit H is admitted the documents Respondent seeks admission of are not relevant. Respondent's request to have the foregoing documents, located at Exhibit I, pages B207 through B219, admitted into evidence is denied.

### **Background and Jurisdictional Matters**

3. On August 10, 2015, the Bureau issued a full approval to Respondent, owned by New Creation Behavioral Health Foundation (Foundation), to provide a 570 hour, non-degree Chemical Dependency Counseling program. Respondent's full approval expiration date was August 9, 2020.

4. On February 12, 2021, the Bureau received Respondent's Application seeking to renew its approval to operate and offer educational programs for non-accredited institutions. After review, the Bureau issued three deficiency letters to

Respondent, dated April 6, 2021, November 17, 2021, and April 20, 2022. The letters notified Respondent of a number of violations contained in Respondent's Application and supporting documents of provisions of the California Education Code (Education Code) and/or Title 5 of the California Code of Regulations (Regulations).

5. The Bureau's deficiency letters detailed the violations and provided Respondent the opportunity to correct the violations and deficiencies in writing. Respondent provided responses to the Bureau's Licensing Section on September 30, 2021, and May 16, 2022 (May 16, 2022 mitigating evidence letter). Because Respondent's responses did not cure many of the violations and the Application continued to have deficiencies, the Bureau's Licensing Section referred Respondent's Application to the Bureau's Quality Education Unit (QEU).

6. On June 13, 2023, QUE issued its first deficiency letter to Respondent in response to Respondent's May 16, 2022 mitigating evidence letter. QUE granted Respondent an extension to respond to its June 13, 2023 deficiency letter. On August 7, 2023, Respondent's mitigating evidence package was received by QUE.

7. Because Respondent's August 7, 2023 responses did not cure the Application's deficiencies, on August 17, 2023, the QUE issued a second deficiency letter outlining continued violations and/or deficiencies of the Education Code and the Regulations. On September 19, 2023, Respondent submitted a response which failed to cure existing violations and deficiencies.

8. On January 2, 2024, the Bureau issued Respondent a Notice of Denial for Renewal of Approval to Operate.

9. On February 21, 2024, Respondent timely submitted its Notice of Appeal, requesting an administrative hearing.

10. On August 16, 2024, Complainant executed the Statement of Issues (SOI) in her official capacity, which was filed with OAH on September 24, 2024.

11. Complainant's SOI alleges six causes for denial of Respondent's Application based on allegations that Respondent: (1) Failed to Meet Minimum Operating Standards – Enrollment Agreement; (2) Failed to Meet Minimum Operating Standards – Instruction and Degrees Offered; (3) Failed to Meet Minimum Operating Standards – Educational Programs; (4) Failed to Meet Minimum Operating Standards – Financial Resources and Statements; (5) Failed to Meet Minimum Operating Standards – Catalog; (6) Failed to Meet Minimum Operating Standards – Website. In addition, the SOI alleged two prior citations and orders of abatement issued to Respondent on December 24, 2019, and April 20, 2023, which were satisfied by Respondent, as denial considerations.

12. Between the time of the filing of the SOI and the May 5, 2025 hearing in this matter, Respondent submitted additional mitigating evidence on February 3, 2025, and April 28, 2025. The Bureau's considered Respondent's additional mitigating evidence and issued memos, on February 11 and April 30, 2025, pertaining to Application deficiencies that had been corrected by Respondent, and which deficiencies remained at issue. There was an inadvertent delay in Respondent receiving the Bureau's February 11, 2025 memo.

13. Additional mitigating evidence was submitted by Respondent at hearing and after the hearing on May 6, 2025, and was considered in rendering this Decision.

14. The Bureau evaluated Respondent's additional mitigating evidence presented at hearing and on May 6, 2025, and submitted a May 7, 2025 memorandum,

asserting deficiencies remain in Respondent's Application. The Bureau's May 7, 2025 memorandum was considered in rendering this Decision.

### **Application's Corrected Deficiencies**

15. The evidence established Respondent corrected and resolved the following deficiencies in its Application, and therefore meets minimum operating standards in the following respects.

#### **FIRST CAUSE FOR DENIAL OF APPLICATION – NOT ESTABLISHED - MEETS MINIMUM OPERATING STANDARDS - ENROLLMENT AGREEMENTS**

16. A. The enrollment agreement now includes the period of time covered, in compliance with Regulations, section 71800, subdivision (b).

B. The enrollment agreement now includes an itemization of all institutional charges and fees, in compliance with Regulations, section 71800, subdivision (e).

C. The enrollment agreement now includes a schedule of total charges. It provides a list of clearly identified nonrefundable charges including the student's obligation to the Student Tuition Recovery Fund, in compliance with Education Code section 94911, subdivision (b).

D. The enrollment agreement now includes in underlined capital letters on the same page as the student's signature, the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment, in compliance with Education Code section 94911, subdivision (c).

E. The enrollment agreement now includes the transferability disclosure, which is also contained, as required, in the school catalog, in compliance with Education Code sections 94911, subdivision (h), and 94909, subdivision (a)(15).

**SECOND CAUSE FOR DENIAL OF APPLICATIONS – NOT ESTABLISHED – MEETS  
MINIMUM OPERATING STANDARDS – INSTRUCTION AND DEGREE OFFERED**

17. A. Initially, the Application listed the program name as both Chemical Dependency Counseling and Substance Use Disorder Counseling and a program description was not provided. In subsequent mitigating Application evidence, Respondent identified the program name as "Substance Use Disorder Counseling" and provided a program description. The Bureau accepted and revised the program name based on Respondent's mitigating evidence. Respondent is now in compliance with Regulations, section 71475, subdivision (r).

B. Respondent provided the graduation requirements for the Substance Use Disorder Counseling program in its mitigating evidence. Respondent is now in compliance with Regulations, section 71475, subdivision (t)(6).

C. Respondent identified each occupation and job title Respondent represents the educational program will lead to in its mitigating evidence. Respondent is now in compliance with Regulations, section 71475, subdivision (t)(7).

**THIRD CAUSE FOR DENIAL OF APPLICATIONS – NOT ESTABLISHED – MEETS  
MINIMUM OPERATING STANDARDS – EDUCATIONAL PROGRAMS**

18. Respondent identified the qualifications of the faculty needed to teach the Substance Abuse Disorder Counseling program in its mitigating evidence.



Respondent is now in compliance with Regulations, sections 71720, subdivision (b)(1), and 71475, subdivision (u)(3).

**FIFTH CAUSE FOR DENIAL OF APPLICATIONS – NOT ESTABLISHED – MEETS  
MINIMUM OPERATING STANDARDS – CATALOG**

19. A. Respondent corrected the Bureau's address contained in its Application in its mitigating evidence. Respondent is now in compliance of Education Code section 94909, subdivision (a)(3)(A).

B. Respondent separately identified the schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program in its mitigating evidence. Respondent is now in compliance of Education Code section 94909, subdivision (a)(9).

C. Respondent provided the total charges for period one and two of attendance and an estimated schedule of total charges for the entire educational program in its mitigating evidence. Respondent is now in compliance with Education Code section 94899.5, subdivision (b).

D. Respondent included the Student Tuition Recovery Fund disclosures in its mitigating evidence. Respondent is now in compliance with Regulations, section 76215.

E. Respondent included the required statement specifying that, if the student receives federal student financial aid funds, the student is entitled to a refund of the moneys not paid from federal financial aid funds in its mitigating evidence. Respondent is now in compliance of Education Code section 94909, subdivision (a)(11).

**SIXTH CAUSE FOR DENIAL OF APPLICATION – NOT ESTABLISHED – MEETS  
MINIMUM OPERATING STANDARDS – WEBSITE**

20. A. Respondent included a link to the Bureau's website on Respondent's website in its mitigating evidence. Respondent is now in compliance with Education Code section 94913, subdivision (a)(4), and Regulations, section 74117.

B. Respondent included a link to the 2021 annual report on its website homepage in its mitigating evidence. Respondent is now in compliance with Education Code section 94913, subdivision (a)(5), and Regulations, section 74117.

**Prior Citations**

21. On April 30, 2023, the Bureau issued Citation number 223132, which included an order of abatement to Respondent requiring it to, among other things (1) submit all components of the 2021 Annual Report which was due to the Bureau by December 1, 2022, (2) to submit all components of the 2020 Annual Report to the Bureau by December 1, 2021, and (3) to submit all components of the 2019 Annual Report which was due to the Bureau by December 1, 2020. Respondent did not complete the annual reports submissions for 2019, 2020 and 2021 at the time its Application was filed. Respondent submitted mitigating evidence showing it thereafter complied with Citation number 223132 and the citation was closed by the Bureau as of December 21, 2023. Respondent is now in compliance with Regulations, section 75050, subdivision (b).

22. Respondent's prior citations set forth in the SOI were not established as a basis to deny its Application.

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## **Application's Existing Deficiencies**

23. Respondent's Application is deficient and non-compliant with the minimum operating standards under the following relevant regulations and statutes: Regulations, section 71475, subdivision (t)(1) (second cause for denial, subpart (b)); Regulations, section 71475, subdivision (t)(4) (second cause for denial, subpart (c)); Regulations, sections 71710, subdivision (a)(3), 71475, subdivision (u), 71700 (third cause for denial, subpart (b)); Regulations, section 71475, subdivision (e) (fourth cause for denial, subpart (a)); Regulations, section 74115, subdivision (d) (fourth cause for denial, subpart (b)); and Education Code 94909, subdivision (a)(15) (fifth cause for denial, subpart (b)), as described below.

### **SECOND CAUSE FOR DENIAL OF APPLICATIONS – SUBPARTS B AND C - ESTABLISHED – DOES NOT MEETS MINIMUM OPERATING STANDARDS – INSTRUCTION AND DEGREE OFFERED**

24. A. Respondent's admission requirements and application documents are inconsistent. The mitigating evidence submitted does not correct the deficiency. Respondent failed to include the required minimum admission requirement that potential students possess a high school diploma or its equivalent, or otherwise meet Respondent's criteria for a qualified candidate for admission without any explanation to what consists of an equivalent and criteria for a qualified candidate, if applicable. Respondent's requirements number 9 and 10 also contradict each other. Respondent's requirement 10, specifically, seemingly allows Respondent to admit every applicant, regardless of qualification or laws. Respondent's violation of Regulations, section 71475, subdivision (t)(1), was established as a basis to deny the Application.

B. Respondent appears to identify the one program it offers with two different titles. Respondent also failed to include an accurate description of the components of the instruction offered and did not include the level of courses. Respondent resolved the title issue and provided the levels of the program in its mitigating evidence. Respondent was provided with examples of components of instruction in the June 13, 2023 and August 17, 2023 deficiency letters. Despite the prior notices, Respondent continued to fail to include the components of instruction in the Application and remains deficient. Respondent's violation of Regulations, section 71475, subdivision (t)(4), was established as a basis to deny the Application.

**THIRD CAUSE FOR DENIAL OF APPLICATIONS – SUBPART B - ESTABLISHED – DOES NOT MEET MINIMUM OPERATING STANDARDS – EDUCATIONAL PROGRAMS**

25. Respondent did not provide all syllabi for its eight offered modules as part of the Application. The syllabi provided were for five of the eight modules. Of the five modules, two had different code identifiers (i.e. AD 103 versus SUD 103 and AD 106 versus SUD 106). Respondent's mitigating evidence cured some of the deficiencies. However, the mitigating evidence continued to include syllabi that failed to resolve the Application's deficiencies. For example, the revised syllabi did not include the sequence and frequency of lessons or class sessions (i.e., a schedule of attendance or a line or space where this can be used as a fill in, nor how student's journal entries, class discussion, in-class assignments, homework assignments, and hands-on practice of skills are to be measured and are associated with the points identified in the grading section of the syllabi). Respondent's violation of Regulations, section 71710, subdivision (a)(3), specifically subsections (D), sequence and frequency of lessons or class sessions and (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, was established as a basis to deny the Application.

**FOURTH CAUSE FOR DENIAL OF APPLICATIONS – SUBPARTS A AND B –  
ESTABLISHED – FINANCIAL RESOURCES AND STATEMENTS**

26. A. Respondent provided financial statements that were not “current,” because they were prepared more than 120 days prior to being submitted to the Bureau. In addition, because the Foundation’s annual gross revenue appears to exceed \$500,000 and over threshold, the Bureau informed Respondent the financial statements must be audited. Respondent’s mitigating documents included Fictitious Business Name Statements (FBN) dated March 24, 2025, and filed March 15, 2017 and September 26, 2022. In addition, the Bureau reviewed financial statements dated April 25, 2025 for New Creation College, a division of New Creation Behavioral Foundation for the years ending 2024, 2023, 2022 and 2021 which were also included. Because Respondent is not a subsidiary/separate legal entity of the corporation, the financial statements provided by Respondent only identifying New Creation College and not the Foundation are incomplete. Because Respondent’s provided financial statements were neither completed for the entirety of the Foundation, nor did the financial statements identify the annual gross revenue of the Foundation to determine if they were required to be audited, Respondent failed to provide evidence of compliance with Regulations, section 71475, subdivision (e), and thus cause for denial of the Application is established.

B. On September 19, 2023, Respondent initially provided financial statements dated September 7, 2022 to the Bureau for the fiscal year ending December 31, 2021. The provided financial statements were not “current” because they were prepared more than 120 days prior to being submitted to the Bureau and did not

cover the most recent complete fiscal year. In addition, more than eight months had elapsed between the close of the most recent complete fiscal year and the time the financial statements had been submitted to the Bureau. Further, the provided financial statements did not include no less than five months of that current fiscal year, as required. Respondent subsequent mitigating evidence included financial statements for the Foundation, dated April 25, 2025, including for the year ending 2024. While the subsequently provided financial statements were considered current, Respondent continues to be in violation of Regulations section 74115, subdivision (d), because the provided financial statements were not completed for the entirety of the Foundation. This cause for denial of the Application was established.

#### **FIFTH CAUSE FOR DENIAL OF APPLICATIONS – SUBPART B – ESTABLISHED – CATALOG**

27. Respondent is required to use the verbatim language regarding the transferability disclosure in its catalog. (Ed. Code, § 94909, subd. (a)(15).) Respondent failed to comply with this requirement by not editing the required transferability disclosure correctly by adding language in its Application. Respondent's mitigating evidence failed to cure the deficiency because the revised catalog language omitted two words, "AND" and "CREDENTIALS," on the header. This cause for denial of the Application was established in that the catalog remains deficient because Respondent failed to use the required verbatim language in accordance with Education Code 94909, subdivision (a)(15).

#### **Respondent's Evidence**

28. Respondent attributes its ongoing failure to cure the Application's deficiencies to the Bureau's confusing communication of its requirements and argues

that it should be allowed additional time to cure any existing deficiencies in its Application. Respondent argues the Bureau's vague information caused Respondent to be unable to cure deficiencies in a timely manner. Respondent also deflects responsibility for its failure to cure deficiencies to an inadvertent delay in receiving feedback from Complainant's counsel and the Bureau to its mitigation evidence package submissions submitted after the SOI was filed in this matter.

29. Respondent argues by implication that Complainant is under an obligation to engage in settlement negotiations as part of the SOI process. Moreover, Respondent implies that it was prejudiced in this matter by Complainant's counsel's inadvertent delay in providing the Bureau's response to its mitigating evidence to Respondent. Neither argument was established by credible evidence at hearing.

30. Respondent asserts that it is now willing to provide necessary financial information and undergo an audit of the Foundation. However, Respondent has failed to do so to date without reasonable justification after ample opportunity, having been on notice since 2021, and certainly since the filing of the SOI in 2024, that the financial statements must be audited before submission to the Bureau. In addition, Respondent's Application continues to be deficient in the other respects detailed above without reasonable justification.

31. At hearing, Respondent provided letters of recommendation which are afforded little weight because they do not address the Application's deficiencies, but primarily concern the character of Respondent's board members and the laudable goals of Respondent's program, which are not at issue in this matter. (Exhibit B.)

32. Except as set forth in this Decision, all other allegations in the SOI and all other contentions by the parties lack merit or constitute surplusage.

## **LEGAL CONCLUSIONS**

1. Education Code section 94886 states that:

Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a Private Postsecondary Educational Institution in this State without obtaining an approval to operate under this chapter.

2. Education Code section 94887 states that:

An approval to operate shall be granted only after an applicant has presented sufficient evidence to the Bureau, and the Bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the Bureau, that the applicant has the capacity to satisfy the minimum operating standards. The Bureau shall deny an application for an approval to operate if the application does not satisfy those standards. The Bureau may deny an application for an approval to operate institutions that would be owned by, have persons in control of, or employ institution managers that had knowledge of, should have known, or knowingly participated in any conduct that was the cause for revocation or unmitigated discipline at another institution.



## **Applicable Statutory Provisions**

3. Education Code section 94891, subdivision (b), provides:

To be granted a renewal of an approval to operate, the institution shall demonstrate its continued capacity to meet the minimum operating standards.

4. Section 94899.5 of the Education Code states:

(a) Institutions that offer short-term programs designed to be completed in one term or four months, whichever is less, may require payment of all tuition and fees on the first day of instruction.

(b) For those programs designed to be four months or longer, an institution shall not require more than one term or four months of advance payment of tuition

at a time. When 50 percent of the program has been offered, the institution may require full payment. [1] . . . [1]

(e) At the student's option, an institution may accept payment in full for tuition and fees, including any funds received through institutional loans, after the student has been accepted and enrolled and the date of the first class session is disclosed on the enrollment agreement.

5. Education Code, section 94909, provides:

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

(3) The following statements:

(A) "Any questions a student may have regarding this catalog that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (internet website address), (telephone and fax numbers)." [¶] . . . [¶]

(9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program. [¶] . . . [¶]

(11) A statement specifying that, if a student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund, and that, if the student has received federal student financial aid funds, the student is entitled to a refund of the money's not paid from federal student financial aid program funds. [¶] . . . [¶]

(15) The following statement:

## NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION

The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer.

6. Section 94911 of the Education Code states in pertinent part:

An enrollment agreement shall include, at a minimum, all of the following: [¶] . . . [¶]

(b) A schedule of total charges, including a list of any charges that are nonrefundable and the student's obligations to the Student Tuition Recovery Fund, clearly identified as nonrefundable charges.

(c) In underlined capital letters on the same page of the enrollment agreement in which the student's signature is required, the total charges for the

current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment. [¶] . . . [¶]

(h) The transferability disclosure that is required to be included in the school catalog, as specified in paragraph (15) of subdivision (a) of Section 94909.

7. Section 94913 of the Education Code provides in pertinent part:

(a) An institution that maintains an internet website shall provide on that internet website all of the following: [¶] . . . [¶]

(4) A link to the Bureau's internet website.

(5) The Institution's most recent annual report submitted to the Bureau. Section 94934 of the Education Code, section 94934, states in pertinent part:

(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

- (1) The total number of students enrolled by level of degree or for a diploma.
- (2) The number of degrees, by level, and diplomas awarded.
- (3) The degree levels and diplomas offered.
- (4) The School Performance Fact Sheet, as required pursuant to Section 94910.
- (5) The school catalog, as required pursuant to Section 94909.
- (6) The total charges for each educational program by period of attendance.
- (7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.
- (8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.
- (9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

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## **Applicable Regulatory Provisions**

8. Title 5, Section 71400.5 of the California Code of Regulations (Regulations) states, in pertinent part: [¶] . . . [¶]

(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 hereinby reference."

9. Regulations, section 71475 states, in pertinent part: [¶] . . . [¶]

(e) The institution shall submit at the time it applies for renewal current financial statements that meet the requirements of section 74115 as follows: (1) for an institution with annual gross revenues of \$500,000 and over, statements shall be audited; (2) for an institution with annual gross revenues less than \$500,000, statements shall be reviewed. [¶] . . . [¶]

(r) The institution shall identify and describe, in the application, the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title, which it will place on each degree awarded. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation. [¶] . . . [¶]

(t) In addition, the institution shall list in the application, the following for each educational program offered 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.

(1) The admissions requirements, including minimum levels of prior education, preparation, or training; [1] . . . [1]

(4) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level); [1] . . . [1]

(6) The graduation requirements.

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

(u) For each educational program that the institution offers or proposes to offer, the application shall contain a statement that the educational program meets the requirements of section 71710, as well as the following 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: [¶] . . . [¶]

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

10. Regulations, section 71700, provides, in pertinent part:

The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate.

11. Regulations, section 71710 states, in pertinent part:

(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: [¶] . . . [¶]

(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;

(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.

12. Regulations, section 71720, states, in pertinent part:

(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.

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13. Regulations, section 71800 states, in pertinent part:

(b) Period covered by the enrollment agreement. [¶] . . .

[¶]

(e) Itemization of all institutional charges and fees including, as applicable:

(1) Tuition;

(2) Registration fee (non-refundable);

(3) Equipment;

(4) Lab supplies or kits;

(5) Textbooks, or other learning media;

(6) Uniforms or other special protective clothing;

(7) In-resident housing;

(8) Tutoring;

(9) Assessment fees for transfer of credits;

(10) Fees to transfer credits;

(11) Student tuition recovery fund fee (non-refundable);

(12) Any other institutional charge or fee.

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14. Regulations, section 71485 provides that "[F]ailure of an institution to have made current payments of the assessments to the Student Tuition Recovery Fund as required by chapter 7 of this Division, and annual fees as required by chapter 5 of this Division shall render the institution ineligible for renewal."

15. Regulations, section 71745 provides in pertinent part:

(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

(1) Provide all of the educational programs that the institution represented it would provide.

(2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees or diplomas.

(3) Maintain the minimum standards required by the Act and this chapter.

(4) Pay timely refunds as required by Article 13 of the Act.

(5) Pay all operating expenses due within 30 days.

(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the

federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.

(b) At an institution's request, the Bureau may consider the financial resources of a parent company if the parent company, as defined by section 94853 of the Code, meets and maintains all of the following provisions:

- (1) Consents in writing to be sued in California;
- (2) Consents in writing to be subject to the jurisdiction of the Bureau with respect to the institution's regulation under the Act and this Chapter;
- (3) Designates and maintains an agent for service of process, consistent with section 74190;
- (4) Agrees in writing to pay any refund, claim, penalty, or judgment that the institution is obligated to pay; and

(5) Files financial reports, maintains financial records, and consents in writing to permit the inspection and copying of financial records to the same extent as is required of the institution.

(c) An institution shall provide to the Bureau its most current financial statements upon request.

16. Regulations, section 74110 states in pertinent part:

(a) The annual report required by Section 94934 of the Code shall include the information required by this section, subsections (f) through (j) of section 74112, and sections 94929.5 and 94934 of the Code for all educational programs offered in the prior calendar year, and all of the following for the prior calendar year:

(1) Information regarding institutional branch campuses, including addresses and programs offered at each campus, if applicable;

(2) Information regarding satellite locations, including addresses and with which campus(es) the satellite location is affiliated, if applicable;

(3) Name of institutional accreditors for each branch and satellite campus, and for each such campus at which any programs have programmatic accreditation, the names of the programmatic accreditor for each such program, and

effective dates for each programmatic accreditation, if applicable;

(4) Information regarding participation in state and federal student loan and grant programs, including the total amount of funding received from each source for those students enrolled in an approved California school regardless of their state of residency;

(5) Information regarding participation in other public funding programs, including the amount of funding received from each public funding source; for purposes of this section, public funding is any financial aid paid on behalf of students or directly to an institution from any public source, such as the Workforce Investment Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations or any other financial aid program that is intended to help students pay education-related expenses, including tuition, fees, room and board, and supplies for education;

(6) The total percentage of institutional income that comes from any public funding sources; and

(7) A blank copy of the institution's enrollment agreement and the catalog for the reporting year. [¶] . . . [¶]

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(b) In addition to the information required by section 94934 of the Code and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution.

(c) As part of its annual report to the Bureau, every institution shall provide graduate identification data for each student who graduated from the institution's educational program(s), which shall include:

(1) The graduate's name and federal taxpayer identification number, which is either the graduate's Social Security Number (SSN) or an SSN or ITIN, the graduate's information shall be reported as "not available";

(2) The date of graduation;

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(3) The following information regarding the educational program in which the graduate was enrolled:

(A) The federal Bureau of Labor Statistic's Standard Occupation Classification (SOC) codes for which the institution has identified that the program subdivision (i)(3) of section 74112 of this Division;

(B) Educational program's name;

(C) Program length, as measured in clock hours or credit hours; and

(D) Type of title of degree, diploma or certificate awarded.

(4) The amount of federal student loan debt for the graduate, if any, as reported by the institution under subdivision (g) of section 74112 of this Division.

(d) Specifics Timeframes for Reporting Graduate Identification Data:

(1) The written notice required by Section 94892.6(b)(5) of the Code shall inform the institution that the Director has certified that the Bureau's information technology system has been updated and is capable of processing the data required by that Section and that the institution has 120 days from receipt of the notice to comply with this section.

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(2) The first annual report submitted by an institution that contains the graduate identification data required to be reported in subsection (c) shall include information collected on all students who graduated from January 1, 2020 through the end of the prior calendar year. Subsequent annual reports containing graduate identification data filed by an institution shall include information about students who graduated in the prior calendar year only.

17. Regulations section 74115, subdivision (d), provides:

(d) "Current" with respect to financial statements means completed no sooner than 120 days prior to the time it is submitted to the Bureau, and covering no less than the most recent complete fiscal year. If more than 8 months will have elapsed between the close of the most recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than five months of that current fiscal year.

18. Regulations, section 74117 states, in pertinent part:

In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code.

19. Regulations, section 76215 provides:

(a) A qualifying institution shall include the following statement on both its enrollment agreement and school catalog:

"The State of California established the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic loss suffered by a student in an educational program at a qualifying institution, who is or was a California resident while enrolled, or was enrolled in a residency program, if the student enrolled in the institution, prepaid tuition, and suffered an economic loss.

Unless relieved of the obligation to do so, you must pay the state-imposed assessment for the STRF, or it must be paid on your behalf, if you are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition.

You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if you are not a California resident, or are not enrolled in a residency program."

(b) In addition to the statement required under subdivision (a) of this section, a qualifying institution shall include the following statement in its school catalog:

"It is important that you keep copies of your enrollment agreement, financial aid documents, receipts, or any other information that documents the amount paid to the school. Questions regarding the STRF may be directed to the Bureau for Private Postsecondary Education, 1747 North Market Blvd., Suite 225, Sacramento, California, 95834, (916) 574-8900 or (888) 370-7589.

To be eligible for STRF, you must be a California resident or enrolled in a residency program, prepaid tuition, paid or deemed to have paid the STRF assessment, and suffered an economic loss as a result of any of the following:

1. The institution, a location of the institution, or an educational program offered by the institution was closed or discontinued, and you did not choose to participate in a teach-out plan approved by the Bureau or did not complete a chosen teach-out plan approved by the Bureau.
2. You were enrolled at an institution or a location of the institution within the 120 day period before the closure of the institution or location of the institution, or were enrolled in an educational program within the 120 day period before the program was discontinued.
3. You were enrolled at an institution or a location of the institution more than 120 days before the closure of the institution or location of the institution, in an educational

program offered by the institution as to which the Bureau determined there was a significant decline in the quality or value of the program more than 120 days before closure.

4. The institution has been ordered to pay a refund by the Bureau but has not.

5. The institution has failed to pay or reimburse loan proceeds under a federal student loan program as required by law, or has failed to pay or reimburse proceeds received by the institution in excess of tuition and other costs.

6. You have been awarded restitution, a refund, or other monetary award by an arbitrator or court, based on a violation of this chapter by an institution or representative of an institution, but have been unable to collect the award from the institution.

7. You sought legal counsel that resulted in the cancellation of one or more of your student loans and have an invoice for services rendered and evidence of the cancellation of the student loan or loans.

To qualify for STRF reimbursement, the application must be received within four (4) years from the date of the action or event that made the student eligible for recovery from

STRF.

A student whose loan is revived by a loan holder or debt collector after a period of noncollection may, at any time, file a written application for recovery from STRF for the debt that would have otherwise been eligible for recovery. If it has been more than four (4) years since the action or event that made the student eligible, the student must have filed a written application for recovery within the original four (4) year period, unless the period has been extended by another act of law.

However, no claim can be paid to any student without a social security number or a taxpayer identification number."

### **Causes Not Established for Denial of Respondent's Application**

20. Cause was not established to deny Respondent's Application under Education Code section 94891, subdivision (b), in conjunction with Regulations section 71700 based on Respondent meeting the legally required minimum operating standards and curing deficiencies in the Application as follows:

A. Regulations, section 71800, subdivisions (b) and (e), and Education Code section 94911, subdivisions (b) and (c), 94911, subdivision (h), and 94909, subdivision (a)(15) (SOI, first cause for denial); (Factual Findings 15 and 16)

B. Regulations, section 71475, subdivisions (r), (t)(6), and (t)(7) (SOI, second cause for denial, subparts (a), (d), and (e)); (Factual Findings 15 and 17)

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C. Regulations, sections 71720, subdivision (b)(1), and 71475, subdivision (u)(3) (SOI, third cause for denial, subparts (a)); (Factual Findings 15 and 18)

D. Education Code sections 94909, subdivisions (a)(3)(A), (a)(9), and (a)(11), 94899.5, subdivision (b), and Regulations, section 76215 (SOI, fifth cause for denial, subparts (a), (c)-(e)); (Factual Findings 15 and 19), and,

E. Regulations, sections 74117 and 75050, subdivision (b), and Education Code section 94913, subdivisions (a)(4) and (a)(5) (SOI, sixth cause for denial). (Factual Findings 15 and 20.)

### **Causes for Denial of Respondent's Application**

21. Cause was established to deny Respondent's Application under Education Code section 94891, subdivision (b), in conjunction with Regulations section 71700 based on Respondent failing to meet the legally required minimum operating standards and failing to cure deficiencies in the Application as follows:

A. Regulations, section 71475, subdivisions (t)(1) and (t)(4) (SOI, second cause for denial, subparts (b) and (c)); (Factual Findings 23 and 24)

B. Regulations, sections 71710, subdivision (a)(3), 71475, subdivision (u), and 71700 (SOI, third cause for denial, subpart (b)); (Factual Findings 23 and 25)

C. Regulations, sections 71475, subdivision (e), and 74115, subdivision (d) (SOI, fourth cause for denial); (Factual Findings 23 and 26), and,

D. Education Code 94909, subdivision (a)(15) (SOI, fifth cause for denial, subpart (b)). (Factual findings 23 and 27.)

## **Respondent's Mitigating Evidence**

22. All evidence in mitigation has been considered. Based on the totality of the circumstances, including the extended time and multiple opportunities Respondent has had to cure the deficiencies in its Application and its ongoing failure to do so, the denial of the Application is necessary to ensure the primary purpose of protecting the public.

## **ORDER**

Respondent New Creation College Application for Renewal of Approval to Operate an Institution Non-Accredited in California is denied.

DATE: 06/20/2025

*Irina Tentser*

IRINA TENTSER

Administrative Law Judge

Office of Administrative Hearings