

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

In the Matter of the Statement of Issues Against:

CAMINO REAL CAREER SCHOOLS

BPPE Case No.: BPPE24-1060

OAH Case No.: 2025020769

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 July 18, 2025.

It is so ORDERED June 16, 2025.

"Original Signature on File"

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

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FOR THE BUREAU FOR PRIVATE POSTSECONDARY
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INSTITUTION CODE: 70800849,

Respondent.

Case No. BPPE24-1060

OAH No. 2025020769

PROPOSED DECISION

Ji-Lan Zang, Administrative Law Judge (ALJ), Office of Administrative Hearings, State of California, heard this matter on March 18 and 19, 2025, by videoconference.

Blaine A. Noblett, Deputy Attorney General, represented complainant Deborah Cochrane, Chief of the Bureau for Private Postsecondary Education (Bureau), Department of Consumer Affairs.

Rajpal Dhillon, Attorney at Law, represented Camino Real Career Schools (respondent), which appeared through its sole owner, David Chin (Chin).

This matter was consolidated with the *In the Matter of the Accusation Against Camino Real Career Schools*, case number BPPE21-719, OAH case number 2024110894. However, pursuant to California Code of Regulations, title 1, section 1016, subdivision (d), the proposed decision for the Accusation (Accusation PD) and this proposed decision for the Statement of Issues (SOI) are issued separately for these consolidated matters.

Oral and documentary evidence was received. Complainant moved to amend the SOI by interlineation, as follows: on page 6, line 15, the phrase "behind-the-wheel theory instruction" is stricken, and the "behind-the-wheel and theory instruction" is inserted. Additionally, the ALJ held the record open until March 21, 2025, to allow complainant to amend the Accusation in these consolidated matters for reasons discussed in the preamble to the Accusation PD. The ALJ closed the record on March 21, 2025, after receiving the Amended Accusation without objections from respondent.

On April 15, 2025, the ALJ reopened the record for complainant to provide legal authority to support the allegations contained in Paragraph 32b of the SOI by April 23, 2025, and for respondent to raise any objections to the ALJ's motion to take official notice of the legal authority cited by complainant by April 30, 2025. Complainant timely filed a supplemental brief citing both Education Code section 94891, subdivision (b), and title 49, Code of Federal Regulations, section 380.600 to support the allegations in Paragraph 32b of the SOI. The ALJ marked this supplemental brief for identification as Exhibit 53. Respondent timely filed a written objection, contending that Education Code section 94891, subdivision (b), does not grant the Bureau authority to deny an application for renewal to operate based on a federal regulation. The ALJ marked this written objection as Exhibit M. The ALJ's ruling on respondent's objection is set forth in Legal Conclusions 8 to 10.

The ALJ re-closed the record, and these consolidated matters were submitted for decision on April 30, 2025.

FACTUAL FINDINGS

Jurisdictional Matters

1. On January 8, 2021, the Bureau received an Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions (Application) from respondent. Chin is respondent's 100 percent owner and President. On December 10, 2020, Chin certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the Application. The Bureau denied respondent's Application on September 19, 2024.

2. On February 4, 2025, complainant filed the SOI in her official capacity. Respondent timely filed a Notice of Defense and a Request for Hearing. All jurisdictional requirements have been met.

Background

3. The Bureau operates pursuant to the California Private Postsecondary Education Act of 2009 (Act), Education Code section 94800, et seq., which is comprised of complex and detailed statutes and regulations. Among other things, the statutes and regulations require that institutions provide students and prospective students with a catalog and an enrollment agreement, each of which must contain specific and highly detailed information about the school and its programs, policies, costs, etc. The application contains 25 sections, some of which require the applicant to attach exemplars, including the catalog and the enrollment agreement. In reviewing

applications, the Bureau's licensing analysts ensure that all statutory and regulatory requirements are met.

4. The Bureau initially issued respondent's Approval to Operate on January 5, 2016, subject to renewal every five years. (Ex. 3, p. A50.) Respondent is a school that teaches adult commercial driving. The Bureau approved respondent to provide commercial driving programs in Class A and B (tractor-trailer and bus), Class A (tractor-trailer only), and Class Bp (bus only) courses (collectively, commercial driving courses). (*Id.* at p. A51.) Respondent is not approved to provide distance education. (*Ibid.*) Respondent's most recent Approval to Operate expired on January 4, 2021. (*Id.* at p. A50.)

5. According to respondent's catalog, respondent's institutional mission and objective are "to provide each individual with the necessary knowledge and skills to pass the California DMV [Department of Motor Vehicles] State Exam for a commercial driver's license. The curriculum of all programs is based on the California Commercial Driver Handbook and Entry Level Driver Training, (ELDT) as required by 49 CFR part 380 appendices A through E as implemented and monitored by the Federal Motor Carrier Safety Administration (FMCSA)." (Ex. 19, p. A643.)

6. As respondent noted in its catalog, the issuance of a commercial driver's license is regulated by both state and federal law. At the federal level, any individual seeking to obtain a Class A or Class B or bus commercial driver's license for the first time after February 7, 2022, must meet the requirements set forth under the Entry Level Driver Training (ELDT) regulations. (49 C.F.R. § 380.107.) ELDT regulations mandate that entry-level drivers must complete both a theory portion and a behind-the-wheel portion of training before obtaining a commercial driver's license. (*Id.*, § 380.601.) All ELDT training providers, such as respondent, must also register with

FMCSA and self-certify that they meet applicable federal and state training requirements. (*Id.*, §§ 380.700 & 380.703.) Respondent is registered with FMCSA to offer ELDT training. (See <<https://tp.fmcsc.dot.gov/Search?Ing=&lat=&state=&location=&name=camino+real>>.)

7. On the state level, the DMV must electronically verify with the FMCSA registry that commercial driver's license applicants have successfully completed ELDT before administering a skills test. (49 C.F.R. §§ 383.73.) California has additional specific ELDT requirements under which Class A or B commercial driver's license applicants must complete a 15-hour behind-the-wheel training course. (Veh. Code, § 15250.01, subd. (b).)

Respondent's Application and the Bureau's Denial

8. On January 8, 2021, the Bureau received respondent's Application. (Ex. 7.) On February 25, 2021, the Bureau sent respondent a letter advising it of certain deficiencies in its Application. (Ex. 8.) On March 15, 2021, respondent responded in writing to the Bureau's licensing deficiency letter. (Ex. 9.) However, deficiencies remained in respondent's Application.

9. On April 2, 2021, the Bureau sent respondent its second licensing deficiency letter. (Ex. 10.) On April 14, 2021, the Bureau received respondent's response to the second deficiency letter. (Ex. 11.) However, deficiencies remained, and on October 21, 2021, Bureau Analyst Houa Her wrote an internal memorandum recommending denial of the Application on the grounds that the Bureau did not receive requested financial statements from respondent. (Ex. 12.)

10. This internal memorandum also referred the Application to an Education Specialist (ES) for review. ES Dianne Arechiga was assigned to the case. On February

12, 2024, ES Arechiga sent respondent a Quality of Education (QE) deficiency letter, which identified additional deficiencies in the Application, including those relating to respondent's syllabi, financial statements, faculty qualification, and organization chart. (Ex. 13.) On March 12, 2024, the Bureau received respondent's response to the Bureau's first QE deficiency letter. (Ex. 14.)

11. Although respondent's response resolved some issues relating to the Application, other deficiencies remained. On April 11, 2024, the Bureau sent respondent a second QE deficiency letter, identifying deficiencies including faculty qualification and financial statements (Ex. 15.)

12. Between May 13, 2024, and July 1, 2024, the Bureau exchanged emails with respondent concerning the remaining deficiencies in the Application. Although respondent addressed some of these deficiencies, other deficiencies remained. (Exs. 16-18.)

13. On July 1, 2024, the Bureau sent respondent a third QE deficiency letter, identifying deficiencies including faculty qualification and issues with syllabi. (Ex. 18.) On July 12, 2024, the Bureau received respondent's response to the third QE deficiency letter, but deficiencies remained. (Ex. 19.)

14. On September 19, 2024, the Bureau sent respondent a Notice of Denial of Application for Renewal of Approval to Operate (Denial Letter). The Denial Letter advised respondent that the Bureau was denying respondent's Application because respondent's ELDT is an online course for which respondent has not sought or received approval for distance education. Additionally, the Denial Letter alleged that respondent failed to meet minimum operating standards because respondent had not identified any faculty to teach the theory portion of its commercial driving courses.

Testimony of ES Arechiga

15. At the hearing, ES Arechiga testified about the reasons for the Bureau's denial of the Application. ES Arechiga has worked for the Bureau for approximately 10 years. She was a Licensing Analyst for over five years before becoming an Education Specialist. ES Arechiga authored all three QE deficiency letters on the Bureau's behalf.

16. ES Arechiga explained that the Bureau approved respondent to provide direct, in-person instructions only. However, during her review of the Application, she found that respondent was offering courses with distance education components. Specifically, ES Arechiga pointed to a portion of respondent's catalog that stated, in relevant part:

Enty [sic] Level Driver Training (effective February 07, 2022):

Every individual pursuing to obtain a commercial driver license must complete a Theory course for commercial drivers. This is an online course that covers basic and safe operation of a commercial vehicle. . . .

(Ex. 19, p. A643, emphasis in original.)

17. Moreover, respondent's catalog indicates that the theory portion of the commercial driving courses takes place in the "traditional classroom setting." (Ex. 19, pp. A652, A656, A660.) However, the catalog also states the instructional mode is "[s]elf-[s]tudy the questions & answers for each study guide. Perform practice test on the [Commercial Driver's License] Application indicated. Instructor will come into the classroom to answer any questions." (*Ibid.*) Furthermore, the catalog lists several study

guides and online learning materials, including the DMV commercial driving handbook and the commercial driver's license application preparation, for students to refer to as study guides. (*Ibid.*)

18. Additionally, ES Arechiga explained that respondent did not identify in the Application any faculty qualified to teach the theory portion of the commercial driving courses. According to ES Arechiga, FMCSA establishes the standards for theory instruction at a commercial driver's license school such as respondent. FMCSA regulations state: "Theory instruction means knowledge instruction on the operation of a [commercial vehicle] and related matters provided by a theory instructor through lectures, demonstrations, audio-visual presentations, computer-based instruction, driving simulation devices, online training or similar means." (49 C.F.R. § 380.605.) ES Arechiga reasoned that the theory portion of respondent's commercial driving courses does not meet this minimum standard because it is self-study, rather than taught by a theory instructor.

19. Based on the information provided by respondent in its Application, ES Arechiga concluded that the theory portion of the Class A and B (tractor-trailer and bus), Class A (tractor-trailer only), and Class Bp (bus only) courses were self-study, with distance education components. ES Arechiga stated this instructional delivery method violates Bureau laws and regulations because respondent is not approved for distance education, and respondent failed to identify any theory instructors who are required to provide theory instruction.

20. During cross-examination, ES Arechiga conceded that using online resources, such as the DMV commercial driving handbook, does not necessarily constitute distance education. However, ES Arechiga insisted that the theory portion of the commercial driving courses requires actual instructors, not just self-study

materials, to educate students on the rules of the road. ES Arechiga was questioned about whether the three QE deficiency letters provided notice to respondent of the Bureau's denial of the Application based on the provision of distance education. ES Arechiga, in response, noted that each of the three QE deficiency letters indicated to respondent that qualified faculty was not identified to teach the theory portion of the commercial driving courses.

Statements by Respondent's Campus Director and Students

21. Bureau Special Investigator (SI) Matthew Wiggins also testified at the hearing. SI Wiggins was assigned to investigate a separate complaint regarding respondent's practices. In August and September 2023, SI Wiggins conducted interviews with respondent's Campus Director, Alicia Galdino (Galindo), and several students, who made statements about the instructional methods for the theory portion of the commercial driving courses. These statements confirm the theory portion of respondent's commercial driving courses is self-study, without faculty teaching the students in lecture or demonstration format.

22. Specifically, on September 20, 2023, Galindo stated, in relevant part:

Students are enrolled prior to obtaining their commercial driver's permit. The commercial driver's permit is obtained after the student completes the classroom portion of the program. Students spend [the] first week of the program in the classroom preparing for their written permit examination. The classroom portion is self-study with instructors available to answer questions and provide

practice tests. Students are provided a study guide to memorize.

(Ex. 47, p. 1232.)

23. Several students also confirmed Galindo's account that respondent's instructors did not provide instruction. For example, on August 15, 2023, student R.M. (students are identified by initials to protect their privacy) told S.I. Wiggins:

Instructors did not provide classroom instruction; the classroom setting was self-taught where students sat outside or in a shed reviewing booklets and study guides to prepare for the Class A driver permit test with the DMV. The institution provided students [with] approximately 500 pages to review, then instructors gave verbal or physical tests to determine student's achievements.

(Ex. 47, p. A1230.)

24. On the same date, student C.E. made a similar statement to S.I. Wiggins, as follows:

[Student C.E.] stated students signed into a binder with stickers marking their attendance for the day. He stated the institution instructed him to sign in and log hours for hours he attended but did not receive instruction for.

The institution provides students with a textbook [student C.E.] claimed contained questions and answers from the DMV Class A Driver permit exam for students to memorize.

Students only received help from instructors after getting the Class A Driver permit from the DMV. . . .

(Ex. 47, p. A1230.)

Testimony of Chin

25. Chin has been respondent's sole owner and president since 1996. Chin runs respondent's day-to-day operations and makes all personnel hiring or firing decisions. At the hearing, Chin testified that between 2019 and January 2025, he suffered serious illnesses that led to two major surgeries. During that time, Galindo was responsible for respondent's day-to-day operations.

26. Chin presented two letters of gratitude from students who expressed their satisfaction with their experiences with respondent's program. (Ex. I.) Respondent is also the recipient of several awards from Los Angeles County and the California Governor for its work in helping veterans to return to the workforce. (Ex. J.)

27. Chin averred that respondent never defrauded any students. Students enrolled in respondent's program got the training they paid for, and sometimes more, because respondent's staff usually accompanied students to DMV driving tests even after they failed the exam. Chin testified that respondent has done as much as possible to help its students to obtain gainful employment and live better lives.

28. However, Chin did not admit to any wrongdoing and did not present any evidence that respondent would change the self-study instructional method for the theory portion of the commercial driving courses. Chin contended that the provision of online resources for students does not equate to distance education and that the

Bureau does not have the authority to interpret federal regulations to determine respondent's minimum operating standards.

LEGAL CONCLUSIONS

Burden and Standard of Proof

1. The respondent generally bears the burden of proof at the hearing regarding a statement of issues. (*Coffin v. Department of Alcoholic Beverage Control* (2006) 139 Cal.App.4th 471, 476.) The standard of proof is preponderance of the evidence. (Evid. Code §115; *Mann v. Department of Motor Vehicles* (1999) 76 Cal.App.4th 312, 322-323.) "'Preponderance of the evidence means evidence that has more convincing force than that opposed to it.' (citations). . . . The sole focus of the legal definition of 'preponderance' in the phrase 'preponderance of the evidence' is on the *quality* of the evidence. The *quantity* of evidence presented by each side is irrelevant." (*Glage v. Hawes Firearms Co.* (1990) 226 Cal.App.3d 314, 324-325, emphasis in original.)

First Cause for Denial

2. Education Code section 94897, subdivision (d), provides that an institution shall not "advertise, or indicate in promotional material, without including the fact that the educational programs are delivered by means of distance education if the educational programs are so delivered." Education Code section 94834 defines "distance education" to mean "transmission of instruction to students at a location separate from the institution."

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3. California Code of Regulations, title 5, section 71600 provides that an institution seeking to make a significant change in its method of instructional delivery must obtain Bureau approval. The same regulation defines "significant change in instructional delivery" as any change that alters the way students interact with faculty.

4. Respondent contends that providing online resources to students for the theory portion of its commercial driving courses does not constitute "distance education," and therefore, it does not need Bureau approval for offering such courses. However, the theory portion of the commercial driving courses is self-study, which consists entirely of study materials reviewed only by the students themselves and on-line practice exams. Instructors do not provide instructions to students in the classroom but only answer questions upon request. This method of instruction delivery enables students to take the theory portion of the commercial driving courses anywhere, at locations separate from the institution. Thus, the theory portion of respondent's commercial driving courses constitutes "distance education" as defined by Education Code section 94834.

5. Under these circumstances, respondent must obtain Bureau approval before it may provide distance education because it is a change that alters the way students interact with faculty pursuant to California Code of Regulations, title 5, section 71600. Additionally, respondent violated Education Code section 94897, subdivision (d), because respondent's catalog states that the theory portion of the commercial driving courses is in the "traditional classroom" setting when, in fact, the educational program is delivered by means of distance education. Therefore, cause exists to deny the Application under Education Code section 94897, subdivision (d), and California Code of Regulations, title 5, section 71600.

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Second Cause for Denial

6. California Code of Regulations, title 5, section 71220, subdivision (c), provides that for each educational program that the institution proposes to offer, the Application shall contain "[a] description of the number and qualifications of the faculty needed to teach the educational program."

7. California Code of Regulations, title 5, section 71250 states: "The Form Application 94886 shall include a statement that the institution has contracted with sufficient duly qualified faculty members who meet the qualifications of [California Code of Regulations, title 5,] section 71720."

8. The SOI alleges, in Paragraph 32b:

Additionally, Commercial Driver's License schools are required to obtain approval from the Federal Motor Carrier Safety Administration or FMCSA. FMCSA sets the standards for behind-the-wheel and theory instruction. "Theory instruction means knowledge instruction on the operation of a [commercial vehicle] and related matters provided by a theory instructor through lectures, demonstrations, audio-visual presentations, computer-based instruction, driving simulation devices, online training or similar means."

(Ex. 2, p. A47.)

9. In its supplemental brief, complainant cites title 49, Code of Federal Regulations, section 380.600, as the source material for the quoted language in paragraph 32b of the SOI regarding the definition of "theory instruction." (Ex. 53.)

Complainant further cites Education Code section 94891, subdivision (b), which requires an institution to "demonstrate its continued capacity to meet the minimum operating standards," to support its argument that respondent's self-study theory course does not meet FMCSA requirements and thus does not meet the Bureau's minimum operating standards. (*Ibid.*) Respondent, in its written objection, contends that Education Code section 94891, subdivision (b), does not grant the Bureau the authority to refer to a federal regulation to deny a renewal application to operate. (Ex. M.)

10. The ALJ takes official notice of the legal authorities cited by complainant, as respondent did not raise any legal basis to object to the official notice. Government Code section 11515 provides that the ALJ may take official notice of "any fact which may be judicially noticed by the courts of this State." Under Evidence Code section 451, subdivision (a), mandatory judicial notice must be taken of "public statutory law of this state and of the United States. . . ." Under these circumstances, the ALJ must take official notice of both the state statute and the federal regulations that complainant cited.

11. Respondent's objection asserts that the Bureau cannot consider federal regulations for setting minimum standards by which respondent must abide. This argument is not persuasive. Respondent's stated mission is to provide its students with the knowledge and skills to obtain a California DMV commercial driver's license. To obtain a California DMV commercial driver's license, an applicant must first successfully complete ELDT, as verified by the FMCSA registry. (49 C.F.R. §§ 383.73.) Respondent's own catalog recognizes that federal ELDT regulations, as monitored by the FMCSA, set the minimum standards for its curriculum. (Factual Finding 5.) Thus, federal regulations are decisive in determining whether an applicant can obtain a

California commercial driver's license, and the Bureau's reference to and reliance on those regulations to determine the adequacy of respondent's staffing and program requirements is appropriate.

12. Therefore, cause exists to deny the Application under Education Code section 94897, subdivision (b), and California Code of Regulations, title 5, sections 71220, subdivision (c), and 71250, for failure to identify any faculty qualified to teach the theory portion of each of its commercial driving courses and failure to meet minimum operating standards.

Disposition

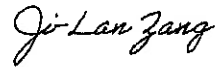
13. Respondent's self-study, distance education format of delivering instructions for the theory portion of its commercial driving courses violates the Bureau's statutes and regulations. These educational practices also cause potential harm to respondent's students, as demonstrated by the students' statements to SI Wiggins. Students logged in for hours for which they received no instruction. Students also could have failed to receive their California DMV commercial driver's license because respondent's ELDT does not meet FMCSA requirements for theory instructions to be provided by theory instructors. Although Chin testified that he was seriously ill until January 2025, he did not acknowledge any wrongdoing regarding respondent's failure to provide its students with in-person classroom instructions for the theory portion of respondent's commercial driving courses. Chin also presented no evidence showing that respondent would change its instructional delivery methods to comply with the Bureau's laws and regulations. Under these circumstances, the Application must be denied at this time.

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ORDER

Respondent Camino Real Career School's Application for Renewal of Approval to Operate and Offer Education Programs for Non-Accredited Institutions is denied.

DATE: 05/28/2025



JI-LAN ZANG

Administrative Law Judge

Office of Administrative Hearings