



Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Hee Young Ahn
Pacific States University
3450 Wilshire Boulevard, 5th Floor
Los Angeles, CA 90010

INSTITUTION CODE: 1905291
CITATION NUMBER: 1516033
CITATION ISSUANCE/SERVICE DATE: September 29, 2015
DUE DATE: October 28, 2015
FINE AMOUNT: \$2,100.00
ORDER OF ABATEMENT INCLUDED: YES

Elainea Shotwell issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Enforcement Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Hee Young Ahn, President of Pacific States University located at 3450 Wilshire Boulevard, 5th Floor, Los Angeles, CA 90010, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) section 94936; and Title 5 of the California Code of Regulations (5 CCR) section 75020 for the violations described below.

VIOLATION

Table with 2 columns: # and description of violation. Row 1: # 1, Violation: CEC 94902 (b)(3) - General Enrollment Requirements. Row 2: #, The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the code section(s) of law you are charged with violating.

CEC 94912 Signature, Initials Required

*"Prior to the execution of an enrollment agreement, the information required to be disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be signed and dated by the institution and the student. Each of these items shall also be initialed and dated by the student."*

5, CCR 71920 (B)(3) Student Records

*"(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program; (3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;"*

The institution's Enrollment Agreement is not enforceable because the School Performance Fact Sheet (SPFS) did not contain a line for the student to initial and date next to the required SPFS discourse listed in CEC 94910 (a)-(d) and CEC 94912. Student Performance Fact Sheets were not in the student files as required by 5, CCR 71920 (B)(3).

**Order of Abatement:**

The Bureau orders that the institution make corrections to their Enrollment Agreement and provide detailed information of how the institution will ensure that all students and the institution sign and date the required documents. Provide detailed information of how the institution will ensure that documents are kept in student files. Submit written evidence of compliance with CEC 94902 (b)(3), CEC 94912 and 5, CCR 71920(B)(3) to the Bureau.

**Assessment of Fine**

The fine for this violation is \$1500.00

2. **Violation:**

CEC 94911 (c) - Minimum Requirements for Enrollment Agreements

*"(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."*

The institution's Enrollment Agreement failed to include the total charges the student is obligated to pay upon enrollment as required by CEC 94911 (c).

**Order of Abatement:**

The Bureau orders that the institution make corrections to their Enrollment Agreement and submit written evidence of compliance with CEC 94911 (c) to the Bureau.

**Assessment of Fine**

The fine for this violation is \$500.00

3. **Violation:**

5, CCR 76120 (a) - Amount of STRF Assessment

*"Each qualifying institution shall collect an assessment of fifty cents (\$.50) per one thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars, from each student in an educational program who is a California resident or is enrolled in a residency program. For institutional charges of one thousand dollars (\$1,000) or less, the assessment is fifty cents (\$.50)."*

Only two out of five student files had a STRF calculation form and they were both inaccurate. The institution failed to collect from and/or accurately calculate STRF fees for qualifying students as required by 5, CCR 76120 (a).

**Order of Abatement:**

The Bureau orders that the institution provide detailed information of how the institution will properly collect and accurately calculate STRF fees in compliance with 5, CCR 76120 (a). Submit written evidence to the Bureau.

**Assessment of Fine**

The fine for this violation is \$50.00

\*As of January 1, 2015, the STRF assessment fee was changed to \$0.00

4. **Violation:**

5, CCR 76130 (a) – Collection and Submission of Assessments

*“(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.”*

Only two out of five student files had a STRF calculation form and they were both inaccurate. The institution failed to properly collect STRF fees for qualifying students as required by 5, CCR 76130 (a).

**Order of Abatement:**

The Bureau orders that the institution provide detailed information of how the institution will properly collect STRF fees in compliance with 5, CCR 76130 (a). Submit written evidence to the Bureau.

**Assessment of Fine**

The fine for this violation is \$50.00

**TOTAL ADMINISTRATIVE FINE DUE: \$2,100.00**

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5 CCR Sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$2,100.00** for the violations described above.

**Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

ORDER OF ABATEMENT

In accordance with the provisions of CEC Section 94936 and 5 CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

## BACKGROUND

On 8/21/14, Bureau staff conducted a visit to Pacific State University (PSU) located at 3450 Wilshire Boulevard, 5<sup>th</sup> Floor, Los Angeles, CA 90010. Bureau staff met M.K., Associate Dean of PSU. During the visit Bureau staff gathered randomly selected student records and found that there were no Student Performance Fact Sheets in the student files; three enrollment agreements had initials and signed acknowledgments that they were received. Further review found that the Enrollment Agreement failed to include the total charges the student is obligated to pay upon enrollment. Bureau staff also found that STRF calculations were included on only two of the Enrollment Agreements and did not appear to be correct.

On 6/08/11, the Bureau sent PSU a confirmation letter acknowledging receipt of the non-substantive change of location within ten miles. On 7/26/11, the Bureau confirmed review and approval to operate an accredited institution. On 09/29/14, the Bureau received an application for renewal from PSU.

## APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by October 28, 2015, you will be deemed to have waived or forfeited your right to appeal this matter.

## EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **September 29, 2015**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **October 28, 2015**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

### **Payment of the administrative fine and/or written request for appeal must be mailed to:**

Jody Wright, Discipline Citation Program  
Bureau for Private Postsecondary Education  
2535 Capitol Oaks Drive, Suite 400  
Sacramento, CA 95833

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this Citation, or desire further information, please contact Jody Wright, Enforcement Analyst, at 916-431-6940 or Jody.Wright@dca.ca.gov.

  
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**Elainea Shotwell**  
**Enforcement Manager**

September 29, 2015  
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**Date**

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine - Waiver of Appeal
- Declaration of Service by Certified and First Class Mail