



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

To: Janek Ratnatunga
Calwest University
7050 Owensmouth Ave, Suite 200
Canoga Park, California 91303

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1718006
CITATION ISSUANCE/SERVICE DATE: November 3, 2017
DUE DATE: December 3, 2017
FINE AMOUNT: \$ 100,000.00
ORDER OF ABATEMENT INCLUDED: YES

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

CITATION

A Citation is hereby issued to Janek Ratnatunga, Owner of Calwest University (Calwest) located at 7050 Owensmouth Avenue Ste. 200, Canoga Park, CA 91303 pursuant to Business and Professions Code section 148; California Education Code (CEC) §94944; and Title 5 of the California Code of Regulations (5 CCR) §75020 for the violation(s) described below.

BACKGROUND

On June 9, 2015, the Bureau received an Enforcement Referral from the Bureau's Licensing Unit alleging Calwest University is operating without Bureau approval. During the course of the Bureau's investigation, Bureau staff was able to confirm that Calwest is currently operating as an online private postsecondary educational institution with a physical presence in California without Bureau approval and charging over \$2,500 for their programs. On December 23, 2014, Calwest submitted an application to the Bureau for approval to operate an institution but as of the date of this citation, has not received approval to operate from the Bureau. Calwest requested a Verification of Exempt Status from the Bureau on the basis that their institution only serviced the members of a specific professional organization, but was denied on April 16, 2015. The Bureau has discovered that Calwest continues to advertise and operate despite not having an approval to operate from the Bureau. Calwest is in violation of Bureau law.

VIOLATION

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| # | 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. |
| 1. | <p><u>Violation:</u> CEC 94886. Approval to Operate Required <i>"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."</i></p> <p>94817.5. Approved to Operate or Approved <i>"Approved to operate" or "approved" means that an institution has received authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs.</i></p> <p>94868. To Offer to the Public <i>"To offer to the public" means to advertise, publicize, solicit, or recruit.</i></p> <p>94869. To Operate <i>"To operate" means to establish, keep, or maintain any facility or location in this state where, or from which, or through which, postsecondary educational programs are provided.</i></p> <p>On June 9, 2015, the Bureau received an Enforcement Referral from the Bureau's Licensing Unit alleging that Calwest is operating without the Bureau's approval. The referral cited Calwest's active website listing classes and a schedule for 2015.</p> <p>On June 11, 2015, Bureau staff's investigation found that on December 23, 2014, Calwest submitted to the Bureau an application for approval to operate an institution. The application has not been reviewed by the Bureau. Calwest submitted an application to the Bureau for Verification of Exempt Status on March 23, 2015 on the basis that their institution only serviced the members of a specific professional organization. That application was denied on April 16, 2015.</p> <p>On June 15, 2015, Bureau staff sent an Order of Abatement letter to Calwest at their address of record, 7050 Owensmouth Ave. Suite 200, Canoga Park, CA 91303, ordering Calwest to cease operating.</p> <p>On January 27, 2016, Bureau staff visited Calwest's address of record, 7050 Owensmouth Ave, Canoga Park, CA 91303. Bureau staff did not see indications that a school was operating or that any students were on site.</p> <p>On January 29, 2016, Bureau staff spoke with the property manager (A.F.) for Calwest's alleged location. A.F. stated the tenant in Suite 200 was working with the tenant in Suite 201, who he identified as M. J. Bureau staff spoke with M.J. and asked if Calwest was in operation or had any students currently enrolled. M.J. stated that they did have students currently enrolled in their online program and that they were awaiting the approval of their application with the Bureau. Bureau staff requested a student roster including dates of enrollment and programs in which the students were enrolled.</p> <p>On January 30, 2016, Bureau staff received an email with the student roster from Janek Ratnatunga, President and owner of Calwest. The student roster indicated that Calwest has 13 students</p> |

currently enrolled in their Masters of Business Administration (MBA) program and one student enrolled in their Doctorate of Business Administration (DBA) program. Bureau staff reviewed Calwest's website which listed four programs which cost up to \$10,500 each.

The Bureau's investigation confirmed that Calwest is operating as a private postsecondary educational institution online and at 7050 Owensmouth Avenue Suite 200, Canoga Park, CA 91303; phone number (818) 657-0330. Calwest advertises on their website (<https://www.calwest.org/>) at least four programs which cost up to \$10,500 each. Additionally, Calwest failed to qualify for exemption from the Bureau's laws and regulations. As such, Calwest falls under the definition of a private postsecondary educational institution under CEC 94858 and therefore requires approval to operate from the Bureau per CEC 94886. Despite the Bureau's request for compliance and /or to cease operations as a private postsecondary educational institution, Calwest has ignored this request and knowingly continues to operate without approval.

Order of Abatement:

The Bureau orders that Calwest cease to operate as a private postsecondary educational institution in California. Calwest must discontinue recruiting or enrolling students and cease all instructional services and advertising in any forms or type of media (including Internet web site <https://www.calwest.org/>), until such time as an approval to operate is obtained from the Bureau. Calwest must disconnect all telephone services for (818) 657-0330 and any other California telephone numbers not identified here until such time as an approval of operate is obtained from the Bureau. To comply with the Order of Abatement, Calwest must submit a school closure plan to the Bureau pursuant to CEC 94926. Calwest must provide a roster of each student currently enrolled at Calwest. The roster must include the name of the student, their contact information (including phone number, email address, and physical address), the program in which they were enrolled, the amount paid for the program, and the amount the student was refunded.

Assessment of Fine

The fine for this violation is \$100,000.00

TOTAL ADMINISTRATIVE FINE DUE: \$100,000.00

ASSESSMENT OF A FINE

In accordance with CEC section 94944; and 5 CCR section 75020(b), the Bureau hereby orders this assessment of a fine in the amount of **\$100,000.00** 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 94944 and 5 CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. In accordance with Business and Professions Code Section 149, the Bureau may disconnect any telephone service numbers used by an unapproved institution. **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.**

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 **December 3, 2017**, 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 **November 3, 2017**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **December 3, 2017**. 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.

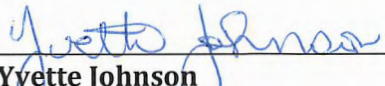
Payment of the administrative fine and/or written request for appeal must be mailed to:

Gurinder Sandhu, 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 Gurinder Sandhu, Discipline Analyst, at 916-431-6940 or Gurinder.sandhu@dca.ca.gov.



Yvette Johnson
Enforcement Chief

11/3/17

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