1 BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS 2 FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION STATE OF CALIFORNIA 3 4 5 6 7 In the Matter of the Accusation Against: Case No. 1000393 8 CORINTHIAN COLLEGES INC., DBA OAH No. 2015090277 EVEREST COLLEGE AND WYOTECH 9 (CALIFORNIA SCHOOLS ONLY) DEFAULT DECISION AND ORDER 10 School Code Numbers: 1900741 1045 W. Redondo Beach Blvd., #275, Gardena, CA [Gov. Code, §11520] 11 90247 (continued on page 6) 12 RESPONDENT 13 14 FINDINGS OF FACT 15 1. On or about April 23, 2015, Complainant Joanne Wenzel, in her official capacity as 16 the Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs, 17 filed Accusation 1000393 against Corinthian Colleges Inc., DBA Everest College and Wyotech 18 (Respondent) before the Director of the Department of Consumer Affairs (Director). (Accusation 19 attached as Exhibit A; First Amended Accusation attached as Exhibit B; Second Amended 20 Accusation attached as Exhibit C). 21 2. On or about September 1, 1987, the Bureau for Private Postsecondary Education 22 (Bureau) issued an Approval to Operate (School Code 1917331) to Respondent. The Bureau 23 granted an approval to operate by means of accreditation to eleven (11) Everest College 24 campuses, Institution Code Numbers 1900741, 1900731, 1904591, 1913561, 1917331, 1924201, 25 3000221, 3303781, 3600141, 3601871, 98946206; and two (2) WyoTech campuses, Institution 26 Code Numbers 0102871 and 1904031. The approval was in full force and effect at all times 27 relevant to the charges brought herein and expired on May 1, 2014.

- 3. On or about April 24, 2015, Respondent was served by Certified and First Class Mail copies of the Accusation No. 1000393, Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code sections 11507.5, 11507.6, and 11507.7 to Respondent's address of record which, pursuant to Business and Professions Code section 136 and California Code of Regulation, Title 5, sections 71160, 71500, 71655, and 71660, is required to be reported and maintained with the Bureau, which was and is: 6 Hutton Centre Dr., Suite 400, Santa Ana, CA 92707.
- 4. Service of the Accusation was effective as a matter of law under the provisions of Government Code section 11505, subdivision (c) and/or Business & Professions Code section 124.
- 5. On or about June 17, 2015, Respondent was served by Certified and First Class Mail copies of the First Amended Accusation No. 1000393.
- 6. On or about July 29, 2015, Respondent was served by Certified and First Class Mail copies of the Second Amended Accusation No. 1000393.
- 7. On or about June 30, 2015, Respondent signed and returned a Notice of Defense with current address of record requesting a hearing in this matter. On or about September 24, 2015, a Notice of Hearing was served by mail at Respondent's current addresses of record and it informed the Respondent that an administrative hearing in this matter was scheduled for January 21, 2016. Complainant presented evidence that Respondent did not appear at that hearing.
 - 8. Government Code section 11506 states, in pertinent part:

"The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense, and the notice shall be deemed a specific denial of all parts of the Accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing." (Gov. Code § 11506(c).)

9. California Government Code section 11520 states, in pertinent part:

"If the respondent either fails to file a notice of defense or to appear at the hearing, the agency may take action based upon the respondent's express admissions or upon other evidence

and affidavits may be used as evidence without any notice to respondent."	(Gov.	Code
§ 11520(a).)		

- 10. Pursuant to its authority under Government Code section 11520, the Director finds Respondent is in default. The Director will take action without further hearing and, based on Second Amended Accusation No. 1000393 and the documents contained in Default Decision Investigatory Evidence Packet in this matter which includes:
 - Exhibit 1: Pleadings offered for jurisdictional purposes; Accusation Case No. 1000393,

 Statement to Respondent, Notice of Defense (two blank copies), Request
 for Discovery and Discovery Statutes (Government Code sections
 11507.5, 11507.6 and 11507.7), proofs of service, mail receipt or copy of
 returned mail envelopes, Notice of Defense and Notice of Hearing;
 - Exhibit 2: License History Certification for Corinthian Colleges Inc., DBA Everest College and Wyotech, School Codes 1917331; 1900741, 1900731, 1904591, 1913561, 1924201, 3000221, 3303781, 3600141, 3601871, 98946206, 0102871, and 1904031.
 - Exhibit 3: Certification of Costs; Declaration of Carter Ott in Case No. 1000393 dated June 15, 2016;
 - Exhibit 4: Certification of Costs of Investigation by Bureau for Private Postsecondary

 Education in Case No. 1000393 date December 15, 2015;
 - Exhibit 5: Declaration of Carter Ott dated August 29, 2016;
 - Exhibit 6: Emergency Decision Packet (notice of Emergency Decision, Emergency Decision, Declaration of Yvette Johnson and attached exhibits to that declaration);
- Exhibit 7: Investigative Report by Investigator Yvette Johnson, dated April 17, 2015.

 The Director finds that the first and second charges and allegations in Second Amended

 Accusation No. 1000393 are separately and severally true and correct by a preponderance of the evidence.

- 11. An unsigned Certification of Costs for prosecution in the amount of \$28,267.50 as of April 8, 2015, was submitted as part of the evidence packet. Pursuant to Business and Professions Code section 125.3(c), it is hereby determined that there is no prima facie evidence that the costs are reasonable.
- 12. A Certification of Costs the investigation on the amount of \$2,480.13 as of December 15, 2015, was submitted as part of the evidence packet. Pursuant to Business and Professions Code section 125.3(c), it is hereby deemed prima facie evidence that the costs are reasonable.

DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent has subjected the following approval to discipline:

Approval to Operate – School Codes: 1917331, 1900741, 1900731, 1904591, 1913561, 1924201, 3000221, 3303781, 3600141, 3601871, 98946206, 0102871, and 1904031.

- 2. The agency has jurisdiction to adjudicate this case by default.
- 3. The Director is authorized to revoke Respondent's approval to operate based upon the declaration of the Deputy Attorney General and the following violations alleged in the Second Amended Accusation, which are supported by the evidence contained in the Default Decision Investigatory Evidence Packet in this case.
 - a. Violation of California Code of Regulations, Title 5, subsections 71745 (a) and
 (b); subsection 74115 (b)(3) Failure to Demonstrate Posession of
 Sufficient Financial Resources.
 - Violation of California Code of Regulations, Title 5, subsections 71745 (c),
 74110 (b) and (c); 74115; Education Code subsection 94934 (a)(9) –
 Failure to Provide Financial Statements Upon Request.

ORDER IT IS SO ORDERED that Approval to Operate (School Codes 1917331, 1900741, 1900731, 1904591, 1913561, 1924201, 3000221, 3303781, 3600141, 3601871, 98946206, 0102871, and 1904031), heretofore issued to Respondent, is revoked. Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute. This Decision shall become effective on ______ 0CT 2 2 It is so ORDERED _ Deputy Director, Legal Affairs Department of Consumer Affairs Attachments: Exhibit A: Accusation No. 1000393 Exhibit B: First Amended Accusation No. 1000393 Exhibit C: Second Amended Accusation No. 1000393