

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

In the Matter of the First Amended Statement of Issues Against:

MICRO-EASY COMPUTER ENTERPRISES, INC. dba MICRO-EASY VOCATIONAL INSTITUTE

2300 El Portal Dr. Suite C

San Pablo, CA 94806

Institution Code: 0703041

Case No.: BPPE22-540

OAH Case No.: 2022120291

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 June 9, 2023.

It is so ORDERED May 9, 2023.

"Original Signature on File"

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 First Amended Statement of Issues

Against:

**MICRO-EASY COMPUTER ENTERPRISES, INC., dba MICRO-
EASY VOCATIONAL INSTITUTE,**

Institution Code No. 0703041

Respondent.

Agency Case No. BPPE 22-540

OAH No. 2022120921

PROPOSED DECISION

Administrative Law Judge Karen Reichmann, State of California, Office of Administrative Hearings, heard this matter on March 8 and 9, 2023, by videoconference.

Deputy Attorney General Carter Ott represented complainant Deborah Cochrane, Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs.

Respondent Micro-Easy Vocational Institute¹ was represented by Kola Onafowode, its owner and Chief Executive Officer.

The record closed and the matter was submitted for decision on March 9, 2023.

FACTUAL FINDINGS

Background

1. Respondent Micro-Easy Vocational Institute (respondent or the institution), located in San Pablo, is a private postsecondary education institution which was initially approved by the Bureau of Private Postsecondary Education (BPPE or Bureau) in 2000. It holds Institution Code No. 0703041. Kola Onafowode is respondent's owner and Chief Executive Officer, and is also an instructor. Respondent's approval to operate expired July 1, 2020.

2. On August 14, 2020, the Bureau received respondent's Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions (renewal application). Institutions are required to submit renewal applications every five years.

¹ Complainant identifies the respondent as "Micro-Easy Computer Enterprises, Inc., dba Micro-Easy Vocational Institute." As explained further below, the relationship between these two entities has not been established. Accordingly, this proposed decision refers to Micro-Easy Vocational Institute as the respondent, because it is the name of the institution which the Bureau granted approval to operate.

3. On July 11, 2022, the Bureau notified respondent that the renewal application was denied. Respondent requested an administrative hearing.

4. Complainant Deborah Cochrane filed a Statement of Issues on November 2, 2022, in her official capacity as Chief of the Bureau. An Amended Statement of Issues was filed on March 3, 2023, omitting several causes for denial.

Bureau's Decision

5. On October 12, 2020, after the renewal application was received and reviewed, BPPE licensing analyst Mika Scott sent respondent a deficiency letter, notifying respondent of deficiencies in the application in the following sections: student agreements, financial resources and statements, and catalog. A checklist was attached providing detailed information regarding the deficiencies and directions for correcting them, and Scott provided her phone number and email address for respondent to contact her with any questions. Respondent was directed to submit all requested information by November 12, 2020.

6. Respondent provided additional documentation on December 22, 2020, which was reviewed by BPPE personnel. Financial statements for Micro-Easy Computer Enterprises, Inc., for calendar year 2019 (its fiscal year coincides with the calendar year) were submitted to BPPE by respondent's accountant on April 16, 2021.

7. On June 17, 2021, Scott sent respondent an email identifying minor issues with the enrollment agreement and catalog, and asking for more recent financial statements. Scott cited to the Bureau's regulation

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." (Cal. Code Regs., tit. 5, § 74115.)

8. Respondent submitted additional documentation on June 29, 2021. Respondent submitted financial statements for Micro-Easy Computer Enterprises, Inc. for the calendar year 2020 on August 16, 2021. Scott reviewed these submissions and concluded that the application could not be granted. Respondent's application was referred to BPPE Education Specialist Dianne Arechiga, who performed a "deep dive" review.

9. On November 18, 2021, Arechiga sent respondent a letter of deficiency, identifying numerous issues of non-compliance, and affording respondent an opportunity to revise the renewal application. Some of the deficiencies identified by Arechiga in this letter were not identified by Scott in her most recent communication with respondent. Arechiga directed respondent to reply by December 18, 2021. Discussions took place between the Bureau, respondent, and respondent's accountant over the next few months. Respondent requested and was granted several extensions of time to reply to the November 18, 2021, deficiency letter.

10. Respondent submitted additional financial documents for Micro-Easy Computer Enterprises, Inc., on April 20, 2022. Arechiga reviewed the submission and notified respondent that it was still not in compliance and confirmed that respondent had not submitted any other documentation relating to the numerous other deficiencies in the renewal application identified in the November 18, 2021, deficiency letter.

III

11. The denial letter was sent to respondent on July 11, 2022, detailing 12 areas of deficiency.

12. In February 2023, respondent submitted additional documents and narrative responses to some of the items in the original Statement of Issues to complainant. These items were forward to the Bureau for review.

13. Arcechiga reviewed these additional documents and wrote a memorandum with her analysis, dated February 27, 2023, which was sent to respondent. She determined that some items had been remedied, but that the renewal application remained out of compliance in most areas. The First Amended Statement of Issues was filed to omit items that are now in compliance.

14. Arechiga testified at hearing to explain BPPE's denial of respondent's renewal application. Arechiga explained that the following items remain out of compliance:

a. Institutions are required to provide information regarding their form of business organization. If an institution is a corporation, it is required to submit articles of incorporation and bylaws. Respondent reported on the renewal application that it is a "for profit corporation" and that Kola Onafowode is the owner. Respondent provided incorporation documents and bylaws for Micro-Easy Computer Enterprises, Inc., but has not provided any documents for Micro-Easy Vocational Institute. Respondent has never explained the relationship between Micro-Easy Computer Enterprises, Inc. and respondent, Micro-Easy Vocational Institute. In the financial statements for Micro-Easy Enterprises, Inc., submitted by respondent, the accountant refers to Micro-Easy Vocational Institute as a "division" of Micro-Easy Computer Enterprises, Inc. The source

of this information is not identified by the accountant, nor were any supporting documents regarding the relationship between the two entities ever provided to BPPE.

b. BPPE has set forth numerous requirements for student enrollment agreements. The student enrollment agreement submitted with the renewal application in 2020 had numerous deficiencies. Respondent has corrected several of these deficiencies, but one remains. The required disclosure regarding transferability has a blank space where the institution is required to identify the name of its educational program.

c. Institutions are required to identify and describe specific information regarding their educational programs. Respondent has been notified of several deficiencies and provided opportunities to correct them, but as of the date of the hearing, respondent failed to: (a) identify and describe each of its educational programs; (b) list the admissions requirements for each of its programs; (c) list the types and amount of general education required for each educational program offered; (d) list the title of the educational programs and other components of instruction offered for each educational program offered; (e) list the mode of instruction for each educational program offered; (f) list the graduation requirements for each educational program offered; (g) identify each occupation and job title to which the institution represents the educational program will lead; and (h) identify the duly-qualified faculty that designed or organized the proposed course or module materials.

d. Institutions are required to provide specified information to show that their educational programs satisfy minimum operating standards. Arechiga explained that respondent has failed to: (a) provide a description of the educational program, for each educational program that it proposes to offer; (b) provide compliant syllabi for

each educational program it intends to offer; (c) provide a description of the equipment to be used for each educational program it intends to offer; (d) provide a description of the number and qualifications of the faculty needed to teach its educational programs; (e) provide a projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the application was submitted; and (f) provide a description of the learning, skills, and other competencies to be acquired by students who complete its educational programs.

e. Institutions are required to provide current financial statements. An institution may request the Bureau to consider the financial statements of a parent company if certain requirements are met. These include the parent company consenting in writing to be sued in California and to be subject to the jurisdiction of the Bureau; designating an agent for proof of service; and agreeing in writing to pay any penalty, claim, refund, or judgment that the institution is obligated to pay. In February 2023, respondent provided financial statements for Micro-Easy Computer Enterprises, Inc. for the 2021 calendar year. These statements are not current. In addition, these statements cannot be considered as statements of a parent company because respondent has never established its relationship with Micro-Easy Computer Enterprises, Inc., and has not met the requirements for being deemed a parent company.

f. Institutions are required to provide the Bureau with documentation to establish whether their instructors meet criteria set forth in the Bureau's regulations. Arechiga explained that respondent provided some information regarding its two instructors, but did not provide a complete response to the Bureau's request for information regarding its faculty members, including their qualifications, diplomas,

transcripts, curriculum vitae, and teaching contracts for each instructor, in order for the Bureau to determine whether they are qualified.

g. Institutions are required to provide the Bureau with a description of all facilities and equipment. Arechiga explained that respondent failed to provide the required information regarding its facilities and equipment. Specifically, respondent failed to provide: (a) a description of the facilities and the equipment which is available for use by students at the main, branch, and satellite locations of the institution; (b) the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for its facilities; (c) building diagrams or campus maps to assist the Bureau in locating these facilities; (d) specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Education Code and is sufficient to enable students to achieve the educational objectives of each education program; (e) for each item of significant equipment, whether the equipment is owned, leased, rented, or licensed for short-term or long-term, or owned by another and loaned to be used without charge; and (f) a list of all permits, certifications, or other evidence of inspections or authorizations to operate required by the jurisdictions within which the institution operates that the institution has obtained, and/or an explanation as to why those permits, certifications, or inspections have not yet been obtained. Respondent provided a cursory description of its equipment which was deemed inadequate.

h. Arechiga explained that respondent's catalog was deficient in two respects. The catalog does not: (a) does not contain the updated specific beginning and ending dates defining the time period covered by the catalog; and (b) state the type of federal and/or state financial aid available to students, and does not state the

consumer information that is required to be disclosed to students pursuant to the applicable federal and state financial aid programs.

Respondent's Testimony and Contentions

15. Kola Onafowode testified in support of respondent's renewal application. He explained that respondent used a consultant to prepare the renewal application, as it has always done, in order to prepare it correctly.

16. Onafowode believes that respondent is in compliance with all BPPE requirements. He noted that in numerous sections of the renewal application, respondent checked the box labeled, "no substantial changes." He asserted that respondent should not have to supply the Bureau with additional documentation when this box is checked on a renewal application, arguing that the Bureau previously accepted respondent's prior responses to these queries.

17. Onafowode contends that respondent did send current financial statements to the Bureau, but that the Bureau did not review them.

18. Onafowode noted that respondent submitted a separate application to the Bureau in 2020 for approval for a distance learning program with the same accompanying documents, and that this application was granted. He does not understand why the same documents have been deemed insufficient in connection to the renewal application. He also does not understand why the Bureau is rejecting the articles of incorporation and bylaws for Micro-Easy Computer Enterprises, Inc., when previously the Bureau accepted them.

III

III

19. Onafowode blames BPPE for "changing the rules" and causing confusion. He insists that he did his best to comply at all times, and followed BPPE's directions. He feels BPPE is unfairly punishing respondent for its own inadequacies.

20. Onafowode also attributed respondent's failure to provide all requested documentations to theft of certain items and to his poor health. He complained that the hearing process is unfair, and accused BPPE and the deputy attorney general of mistreating him.

21. Onafowode requests that the renewal application be granted so he can continue to operate his school.

22. Respondent submitted no documentary evidence, and Onafowode's testimony did not rebut complainant's evidence regarding the deficiencies in the renewal application and in respondent's responses to BPPE's requests.

LEGAL CONCLUSIONS

1. BPPE bears the burden of proof of establishing that its denial of the renewal application was warranted. The standard of proof is a preponderance of the evidence.

///

///

///

///

Causes for Denial of Respondent's Renewal Application

SECOND² CAUSE FOR DENIAL (ARTICLES OF INCORPORATION AND BYLAWS)

2. Education Code sections 94885, subdivision (a)(9) and 94891, subdivision (b), and California Code of Regulations, title 5, sections 71700 and 71475, subdivision (c)(6), provide that renewal applications must provide information regarding the form of business organization of the institution submitting the application. If the institution is a corporation, it must provide the Bureau with articles of incorporation and bylaws. Cause for denial of the renewal application was established in light of the matters set forth in Factual Finding 14 (a).

THIRD CAUSE FOR DENIAL (STUDENT AGREEMENTS)

3. Education Code sections 94885, subdivisions (a)(2) and (9), 94891, 94909, subdivision (a)(15), and 94911, subdivision (h), and California Code of Regulations, title 5, section 71700, provide cause to deny a renewal application if the institution's student enrollment agreement does not include a specific transferability disclosure. Cause for denial of the renewal application was established, in light of the matters set forth in Factual Finding 14 (b).

FOURTH CAUSE FOR DENIAL (INSTRUCTION AND DEGREES OFFERED)

4. Education Code sections 94885, subdivisions (a)(1), (2), (5), (7), and (9), and 94891, subdivision (b), and California Code of Regulations, title 5, sections 71700, 71475, subdivisions (r), and (t)(1), and (3)-(7), and 71710, subdivision (c), provide cause

² The First Amended Statement of Issues omitted several causes for denial, including the first one, but retained the numbering of the original Statement of Issues.

to deny a renewal application if the institution fails to provide details regarding educational programs, admission requirements, graduation requirements, and faculty. Cause for denial of the renewal application was established, in light of the matters set forth in Factual Finding 14 (c).

FIFTH CAUSE FOR DENIAL (DESCRIPTION OF EDUCATIONAL PROGRAM)

5. Education Code sections 94885, subdivisions (a)(1), (2), (5), (7), and (9), and 94891, subdivision (b), and California Code of Regulations, title 5, sections 71700, and 71475, subdivisions (u)(1)-(5), and (7), provide cause to deny a renewal application if the institution fails to provide details showing that its educational programs satisfy minimum operating standards. Cause for denial of the renewal application was established, in light of the matters set forth in Factual Finding 14 (d).

SIXTH CAUSE FOR DENIAL (FINANCIAL RESOURCES AND STATEMENTS)

6. California Code of Regulations, title 5, sections 74115, subdivision (d), 71475, subdivision (e), and 71745, subdivisions (b)-(c), provide cause to deny a renewal application if the institution fails to provide current financial statements, or if it submits financial statements of a parent company without requesting BPPE approval and without the proposed parent company complying with all requirements. Cause for denial of the renewal application was established, in light of the matters set forth in Factual Finding 14 (e).

SEVENTH CAUSE FOR DENIAL (FACULTY)

7. Education Code sections 94885, subdivisions (a)(5) and (9), and 94891, subdivision (b), and California Code of Regulations, title 5, sections 71700 and 71720, subdivision (b), provide cause to deny a renewal application if the institution fails to

provide sufficient documentation regarding its faculty members from which the Bureau can determine whether they are qualified. Cause for denial of the renewal application was established, in light of the matters set forth in Factual Finding 14(f).

EIGHTH CAUSE FOR DENIAL (FACILITIES AND EQUIPMENT)

8. Education Code sections 94885, subdivisions (a)(3) and(9), and 94891, subdivision (b), and California Code of Regulations, title 5, sections 71700, 71260, subdivisions (a) and (c)-(f), and 71475, subdivisions (y)(1) and (3)-(6), provide cause to deny a renewal application if the institutions fails to establish that its facilities and equipment are sufficient to enable students to achieve their educational goals. Cause for denial of the renewal application was established, in light of the matters set forth in Factual Finding 14 (g).

NINTH CAUSE FOR DENIAL (CATALOG)

9. Education Code sections 94885, subdivisions (a)(3) and (9), 94891, subdivision (b), and 94909, subdivision (a)(10), and California Code of Regulations, title 5, sections 71700 and 71810, subdivision (b)(1), provide cause to deny a renewal application if the institution's proposed catalog is not in compliance with statutes and regulations. Cause for denial of the renewal application was established, in light of the matters set forth in Factual Finding 14 (h).

Discussion

10. Respondent submitted the renewal application in 2020 and was promptly notified about numerous deficiencies. After respondent failed to correct these deficiencies, a more thorough review of the application was performed and a detailed list of deficiencies was provided. Despite repeated opportunities to correct these

deficiencies, respondent has been unable to do so. Although some of the deficiencies are minor, several are significant and relate directly to the Bureau's oversight functions and its mission to protect students against fraud, misrepresentation, and unethical business practices. Denial of respondent's renewal application is warranted and in the public interest.

ORDER

The application of respondent Micro-Easy Vocational Institute, Institution Code No. 0703041, for renewal of approval to operate and offer educational programs, is denied.

DATE: 04/06/2023

"Original Signature on File"

KAREN REICHMANN

Administrative Law Judge

Office of Administrative Hearings