

1 ROB BONTA
Attorney General of California
2 DAVID E. BRICE
Supervising Deputy Attorney General
3 PHILLIP L. ARTHUR
Deputy Attorney General
4 State Bar No. 238339
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 210-7866
Facsimile: (916) 327-8643
7 E-mail: Phillip.Arthur@doj.ca.gov
Attorneys for Complainant
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9 **BEFORE THE**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

Case No. BPPE23-0309

14 **MODESTO TECHNICAL COLLEGE**
15 **WORKFORCE TRAINING, INC.,**
16 **OWNER**

1300 N. 9th Street, Suite D
Modesto, CA 95350

Institution Code No. 5001251

ACCUSATION

Respondent.

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20 **PARTIES**

21 1. Deborah Cochrane (Complainant) brings this Accusation solely in her official
22 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
23 Consumer Affairs (Bureau).

24 2. On or about May 16, 1996, the Bureau issued an initial approval to operate for
25 Institution Code Number 5001251 to Modesto Technical College (Respondent), owned by
26 Workforce Training Inc. Workforce Training Inc. is owned by Larry Qualls. The approval to
27 operate expired on April 19, 2023, and has not been renewed.

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JURISDICTION

3. This Accusation is brought before the Director of the Department of Consumer Affairs (Director) for the Bureau under the authority of the following laws. All section references are to the Education Code (Code) unless otherwise indicated.

4. Code section 94886 states:

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.

5. Code section 94933 states:

The bureau shall provide an institution with the opportunity to remedy noncompliance, impose fines, place the institution on probation, or suspend or revoke the institution’s approval to operate, in accordance with this article, as it deems appropriate based on the severity of an institution’s violations of this chapter, and the harm that results or may result to students.

6. Code section 94937 states:

(a) As a consequence of an investigation, which may incorporate any materials obtained or produced in connection with a compliance inspection, and upon a finding that an institution has committed a violation, the bureau may place an institution on probation or may suspend or revoke an institution’s approval to operate for:

(1) Obtaining an approval to operate by fraud.

(2) A material violation or repeated violations of this chapter or regulations adopted pursuant to this chapter that have resulted, or may result, in harm to students. For purposes of this paragraph, “material violation” includes, but is not limited to, misrepresentation, fraud in the inducement of a contract, and false or misleading claims or advertising, upon which a student reasonably relied in executing an enrollment agreement and that resulted, or may result, in harm to the student.

(b) The bureau shall adopt regulations, within one year of the enactment of this chapter, governing probation and suspension of an approval to operate.

(c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business and Professions Code.

(d) An institution shall not be required to pay the cost of investigation to more than one agency.

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1 **REGULATORY PROVISIONS**

2 7. Title 5 of the California Code of Regulations (Regulation) section 71475 states, in
3 pertinent part:

4 (a) Unless renewed, an approval to operate shall expire at 12 midnight on the
5 last day of the institution's term of approval to operate as granted pursuant to section
6 94802 or section 94889 of the Code.

7 (b) An institution seeking to renew its Approval to Operate pursuant to section
8 94891 of the Code shall, prior to its expiration, complete and submit to the Bureau the
9 "Application for Renewal of Approval to Operate and Offer Educations Programs for
10 Non-Accredited Institutions," Form Application 94891 (rev. 2/10). . . .

11 8. Regulation section 715050, subdivision (b), states, "Failure of an applicant or
12 institution issued an approval to operate to abate the violation or to pay the fine within the time
13 allowed is a ground for denial or discipline of an approval to operate."

14 **COST RECOVERY**

15 9. Business and Professions Code section 125.3 provides, in pertinent part, that the
16 Board may request the administrative law judge to direct a licentiate found to have committed a
17 violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of
18 investigation and enforcement of the case, with failure of the licentiate to comply subjecting the
19 license to not being renewed or reinstated. If a case settles, recovery of investigation and
20 enforcement costs may be included in a stipulated settlement.

21 **FIRST CAUSE FOR DISCIPLINE**

22 **(Failure to Renew Approval to Operate)**

23 10. Respondent is subject to discipline pursuant to Code sections 94886, 94933, and
24 94937, subdivision (a)(2), in that Respondent's approval to operate expired on April 19, 2023,
25 Respondent has continued to operate after that date, and Respondent has not submitted a renewal
26 application. The facts and circumstances are as follows:

27 11. On or about April 27, 2023, a Bureau Investigator conducted an investigation of
28 Respondent's facility. During the investigation, Larry Qualls introduced himself to the
Investigator as the owner. During the investigation, Larry Qualls took the Investigator on a tour

1 of Respondent's facility, during which the Investigator observed students operating machinery in
2 the welding and mechanical classrooms.

3 12. On or about September 15, 2023, a Bureau Investigator conducted a second site visit
4 at Respondent's facility. Larry Qualls was present at Respondent's facility and informed the
5 Investigator that Respondent's facility was still operating and that he is the current CEO and
6 CFO. Larry Qualls further informed the Investigator that he was aware Respondent's approval to
7 operate had expired. The Investigator also reviewed Respondent's records, which indicated that
8 Respondent had continued to enroll students after its approval to operate had expired.

9 **SECOND CAUSE FOR DISCIPLINE**

10 **(Failure to Submit Renewal Application for Approval to Operate Before Expiration of**
11 **Approval to Operate)**

12 13. Respondent is subject to discipline pursuant to Code sections 94886, 94933, and
13 94937, subdivision (a)(2), by and through Regulation section 71475, subdivision (b), in that
14 Respondent's approval to operate expired on April 19, 2023, and Respondent failed to submit a
15 renewal application before its expiration. The facts and circumstances are described with more
16 particularity in paragraphs 11-12, above.

17 **THIRD CAUSE FOR DISCIPLINE**

18 **(Failure to Comply With Citation)**

19 14. Respondent is subject to discipline pursuant to Code section 94937, subdivision
20 (a)(2), by and through Regulation section 75050, subdivision (b), in that Respondent failed to
21 abate the violation or pay the fine within the time allowed for Citation no. 2223111, which was
22 issued to Respondent on March 29, 2023, and required Respondent to submit its annual 2019,
23 2021, and 2021 Annual Reports, as well as pay an administrative fine of \$15,000.

24 **DISCIPLINE CONSIDERATIONS**

25 15. To determine the degree of discipline, if any, to be imposed on Respondent,
26 Complainant alleges that on or about December 19, 2019, Citation no. 1920168 was issued to
27 Respondent for violating Title 5 of the California Code of Regulations, section 76130,
28 subdivisions (a)-(e)(failure to submit The Student Tuition Recovery Fund Assessment Reporting

1 Form for the fourth quarter of 2018). Respondent complied with the citation and paid the \$50
2 fine on or about January 16, 2020.

3 16. On or about January 31, 2020, Citation no. 1920197 was issued to Respondent for
4 violating Code section 94934, subdivisions (a)(1)-(9), and Title 5 of the California Code of
5 Regulations, section 74110, subdivisions (a)-(d) (failure to submit 2017 Annual Report).
6 Respondent complied with the citation and paid the \$500 fine on or about May 19, 2020.

7 17. On or about January 30, 2023, in *People of the State of California v. Lawrence Qualls*
8 (Superior Court of California, Stanislaus County, Case no. CR-22-012286), the court issued an
9 order, under Penal Code section 23, for Larry Qualls to step down as owner of Modesto Technical
10 College, have no access to student records and files, financial information, and employee records
11 and files. Larry Qualls has failed to comply with this order as he continues to act as owner of
12 Modesto Technical College.

13 **PRAYER**

14 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
15 and that following the hearing, the Director of the Department of Consumer Affairs issue a
16 decision:

17 1. Revoking or suspending the approval to operate for Institution Code No. 5001251,
18 issued to Modesto Technical College, owned by Workforce Training Inc., which is owned by
19 Larry Qualls.

20 2. Ordering Modesto Technical College, owned by Workforce Training Inc., which is
21 owned by Larry Qualls, to pay the Bureau for Private Postsecondary Education the reasonable
22 costs of investigation and enforcement of this case, pursuant to Business and Professions Code
23 section 125.3; and,

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3. Taking such other and further action as deemed necessary and proper.

DATED: 11/2/2023

"Original Signature on File"

DEBORAH COCHRANE
Chief
Bureau for Private Postsecondary
Education
Department of Consumer Affairs
State of California
Complainant

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