



Bureau for Private Postsecondary Education
1747 N. Market Blvd. Ste 225 Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 574-8900 F (916) 263-1897 www.bppe.ca.gov



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Terry Kim, Owner
NexGenT, Inc.
135 N. 2nd Ave., 6th Fl.
Phoenix, AZ 85003

INSTITUTION CODE: Unapproved
CITATION NUMBER: 2223027
CITATION ISSUANCE/SERVICE DATE: October 18, 2022
DUE DATE: November 17, 2022
FINE AMOUNT: \$ 25,000.00
ORDER OF ABATEMENT INCLUDED: Yes

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

CITATION

A Citation is hereby issued to Terry Kim, Owner of NexGenT, Inc., (Institution) located at 135 N. 2nd Ave., 6th Fl., Phoenix, AZ 85003 pursuant to Business and Professions Code section 125.9 and 149; California Education Code (CEC) section 94944; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violation(s) described below.

BACKGROUND

On August 20, 2021, the Bureau received a complaint regarding concerns about the cost of the programs in the Income Share Agreements (ISAs) and that the education that was paid for was not received, as well as the allegation that the Institution was operating as a private postsecondary institution without Bureau approval in California and offers programs with tuition prices in excess of \$2,500.00. Through the course of the investigation and evidence obtained, it was determined that the Institution is in violation of Bureau laws and regulations and is operating unapproved.

VIOLATION

| | |
|----|--|
| # | Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating. |
| 1. | <p><u>Violation:</u> CEC Section 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> |

CEC Section 94817.5. Approved to Operate or Approved

“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.”

CEC Section 94868. To Offer to the Public

“To offer to the public” means to advertise, publicize, solicit, or recruit.”

CEC Section 94869. To Operate

“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.”

On August 20, 2021, the Bureau received an anonymous complaint with concerns about the cost of the programs in the Income Share Agreements (ISAs) and not receiving the education that was paid for.

On September 14, 2021, Bureau staff reviewed the Institution’s website and found the following courses offered:

- Full Stack Network Engineer, tuition price \$12,500.00 to be paid up front or apply for an ISA (ISA agreement - 10% of the student’s gross income until tuition is paid in full with a seven (7) year cap, but only if the student is earning at least \$3,333.00/month);
- Cyber Security Specialist, tuition price \$12,500.00 to be paid up front or apply for an ISA (ISA agreement - 10% of the student’s gross income until tuition is paid in full with a seven (7) year cap, but only if the student is earning at least \$3,333.00/month).

In addition, the Institution’s website indicated that it is based, and operates out of, 135 North 2nd Ave. 6th Floor, Phoenix, AZ 85003. The contact phone number is (602) 760-5370 and the email is support@nexgent.com.

Between September 22, 2021, and September 24, 2021, Bureau staff corresponded with the complainant via email and was informed of the following:

- The complainant is enrolled in the Cyber Security Specialist course;
- The tuition price is \$12,500.00 along with ISA the total tuition price is \$25,000.00;
- As of September 22, 2021, the complainant has not made payments towards the tuition;
- The complainant signed an enrollment agreement and an ISA;
- All classes were online.

Between September 24, 2021- November 12, 2021, Bureau staff corresponded with the Institution via email at support@nexgent.com and were informed of the following:

- The prices listed on the website are up to date;
- The base tuition for the full program (Part time or Full time) is \$12,500;
- The classes are conducted via online and/or remote via Zoom;
- The Institution does not have a California location.

Between December 2, 2021 and February 10, 2022, Bureau staff corresponded with the Institution’s Head of Student Success via email and were informed of the following:

- The Institution stopped operations in California around February or March 2022 and that the Institution has around 70 signed ISAs
- The Institution moved out of California due to the cost of operating an institution in California

The Institution submitted a student roster for the California campus for students who signed an ISA. Bureau staff reviewed the student roster that included verbiage referring to the Bureau such as submitting complaints and Student Tuition Recovery Fund (STRF). Bureau staff informed the Head of Student Success that the Institution does not have an approval to operate.

Through the course of the investigation and evidence obtained, it was determined that the Institution was operating without Bureau approval or a valid exemption and offering courses with tuition prices in excess of \$2,500.00 while offering ISAs.

Order of Abatement:

The Bureau orders that the Institution cease to operate as a private postsecondary educational institution, unless the Institution qualifies for an exemption under CEC section 94874. To comply with the Order of Abatement the Institution must submit a school closure plan to the Bureau pursuant to California Education Code section 94926. The Institution must provide a roster of each student currently enrolled at the Institution. The roster must include the names of the students, their contact information (including phone number, email address, and physical address), the programs in which they are enrolled, the amount paid for the programs.

Assessment of Fine

The fine for this violation is \$25,000.00

TOTAL ADMINISTRATIVE FINE DUE: \$25,000.00

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 **\$25,000.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of 5, CCR section 75020 (b) 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 **November 17, 2022**, 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 **October 18, 2022**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **November 17, 2022**. 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:

Cheryl Lardizabal, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

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 Cheryl Lardizabal, Citation Analyst, at (916) 574-7427 or Cheryl.Lardizabal@dca.ca.gov.

“Original Signature on File”

“10/18/2022”

Christina Villanueva
Discipline Manager

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