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8  
9 **BEFORE THE**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**  
11 **STATE OF CALIFORNIA**

12 In the Matter of the Statement of Issues  
Against:

Case No. BPPE24-0366

13 **PROFESSIONAL MEDICAL CAREERS**  
14 **INSTITUTE**

**STATEMENT OF ISSUES**

15 Application for Renewal of Approval to  
Operate an Institution Non-Accredited

16 Institution Code 75356466

17 Respondent.  
18

19  
20 **PARTIES**

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

24 2. On or about January 24, 2020, the Bureau received an Application for Renewal of  
25 Approval to Operate an Institution Non-Accredited, from Professional Medical Careers Institute  
26 (Respondent), owned by Professional Medical Careers Institute of California, LLC. Professional  
27 Medical Careers Institute of California, LLC is owned by Helen Taylor. On or about January 17,  
28 2020, Helen Taylor certified under penalty of perjury to the truthfulness of all statements,

1 answers, and representations in the application. The Bureau denied the application on April 16,  
2 2024.

3 **JURISDICTION**

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

7 4. Code section 94886 states:

8 Except as exempted in Article 4 (commencing with Section 94874) or in  
9 compliance with the transition provisions in Article 2 (commencing with Section  
10 94802), a person shall not open, conduct, or do business as a private postsecondary  
11 educational institution in this state without obtaining an approval to operate under this  
12 chapter.

13 5. Code section 94887 states:

14 An approval to operate shall be granted only after an applicant has presented  
15 sufficient evidence to the bureau, and the bureau has independently verified the  
16 information provided by the applicant through site visits or other methods deemed  
17 appropriate by the bureau, that the applicant has the capacity to satisfy the minimum  
18 operating standards. The bureau shall deny an application for an approval to operate if  
19 the application does not satisfy those standards. The bureau may deny an application  
20 for an approval to operate institutions that would be owned by, have persons in  
21 control of, or employ institution managers that had knowledge of, should have  
22 known, or knowingly participated in any conduct that was the cause for revocation or  
23 unmitigated discipline at another institution.

24 **REGULATORY PROVISIONS**

25 6. California Code of Regulations, title 5, section 71400.5(b) states:

26 In addition to denying an application pursuant to section 94887 of the Code, the  
27 Bureau may deny any application based on any act that constitutes grounds for the  
28 denial of a license under Section 480 of the Business and Professions Code,  
incorporated herein by reference.

7. California Code of Regulations, title 5, section 71475 states, in pertinent part:

...

(e) The institution shall submit at the time it applies for renewal current  
financial statements that meet the requirements of section 74115 as follows: (1) for an  
institution with annual gross revenues of \$500,000 and over, statements shall be  
audited; (2) for an institution with annual gross revenues less than \$500,000,  
statements shall be reviewed.

...

1 (ii) Provided that a complete renewal application is received by the Bureau  
2 prior to the expiration of the approval, a valid approval to operate shall continue until  
3 the Bureau has acted upon the renewal application.

3 . . .

4 8. California Code of Regulations, title 5, section 71745 states:

5 (a) The institution shall document that it has at all times sufficient assets and  
6 financial resources to do all of the following:

7 (1) Provide all of the educational programs that the institution represented it  
8 would provide.

9 (2) Ensure that all students admitted to its educational programs have a  
10 reasonable opportunity to complete the programs and obtain their degrees or  
11 diplomas.

12 (3) Maintain the minimum standards required by the Act and this chapter.

13 (4) Pay timely refunds as required by Article 13 of the Act.

14 (5) Pay all operating expenses due within 30 days.

15 (6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or  
16 greater at the end of the most recent fiscal year when using generally accepted  
17 accounting principles, or for an institution participating in Title IV of the federal  
18 Higher Education Act of 1965, meet the composite score requirements of the U.S.  
19 Department of Education. For the purposes of this section, current assets does not  
20 include: intangible assets, including goodwill, going concern value, organization  
21 expense, startup costs, long-term prepayment of deferred charges, and non-returnable  
22 deposits, or state or federal grant or loan funds that are not the property of the  
23 institution but are held for future disbursement for the benefit of students. Unearned  
24 tuition shall be accounted for in accordance with general accepted accounting  
25 principles.

26 (b) At an institution's request, the Bureau may consider the financial resources  
27 of a parent company if the parent company, as defined by section 94853 of the Code,  
28 meets and maintains all of the following provisions:

(1) consents in writing to be sued in California;

(2) consents in writing to be subject to the jurisdiction of the Bureau with  
respect to the institution's regulation under the Act and this Chapter;

(3) designates and maintains an agent for service of process, consistent with  
section 74190;

(4) agrees in writing to pay any refund, claim, penalty, or judgment that the  
institution is obligated to pay; and

(5) files financial reports, maintains financial records, and consents in writing to  
permit the inspection and copying of financial records to the same extent as is  
required of the institution.

1 (c) An institution shall provide to the Bureau its most current financial  
2 statements upon request.

3 9. California Code of Regulations, title 5, section 74115(d) states:

4 “Current” with respect to financial statements means completed no sooner than  
5 120 days prior to the time it is submitted to the Bureau, and covering no less than the  
6 most recent complete fiscal year. If more than 8 months will have elapsed between  
the close of the most 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.

7 **FIRST CAUSE FOR DENIAL OF APPLICATION**

8 **(Failure to Produce Current Audited or Reviewed Financial Statements)**

9 10. Respondent's application is subject to denial under Code section 94887 and California  
10 Code of Regulations, title 5, sections 71745(c), and 74115(d), in that Respondent did not provide  
11 financial statements sufficient to establish its financial resources to conduct business. The  
12 circumstances are as follows:

13 a. On or about January 24, 2020, as a part of the renewal application, Respondent was  
14 required to submit either current audited or reviewed financial statements. However, the  
15 Respondent submitted financial statements that were not current, and only covered fiscal years  
16 2017 and 2018.

17 b. Between March 2020 and August 3, 2021, the Bureau sent Respondent four  
18 deficiency letters.

19 c. The Respondent failed to respond to the Bureau’s communication attempts on  
20 November 15, 2021, April 21, 2022, and July 20, 2022.

21 d. On or about August 4, 2022, the Respondent requested additional time to respond to  
22 the Bureau’s requests.

23 e. The Respondent failed to respond to the Bureau’s emails requesting an update on the  
24 financial statements. The emails were sent on October 3, 2022, December 14, 2022, February 27,  
25 2023, and April 12, 2023.

26 f. On or about April 17, 2023, the Respondent sent an email claiming they were  
27 searching for a certified public accountant regarding the financial statement for fiscal year 2022.  
28

1 g. In May 2023, the Bureau sent two emails to Respondent requesting a copy of the  
2 letter of engagement from the accountant or firm that would be handling the audit.

3 h. On or about June 12, 2023, the Respondent provided the letter of engagement.

4 i. In August 2023, the Respondent requested an extension until October 9, 2023.

5 j. On or about December 12, 2023 and December 20, 2023, the Bureau requested an  
6 update on the completion of the financial statements.

7 k. Between December 28, 2023 and December 29, 2023, the Respondent provided the  
8 Bureau a modified letter of engagement to complete fiscal year 2023 financial statements and  
9 submit to the Bureau in 2024.

10 l. On or about February 22, 2024 – February 27, 2024, the Respondent provided an  
11 update that the fiscal year 2023 financial statements would be completed by mid-March 2024.

12 m. Follow up emails were sent to Respondent between January 2, 2024 and March 25,  
13 2024 requesting an update on the fiscal year 2022 and 2023 financial statements.

14 **PRAYER**

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

18 1. Denying the application of Professional Medical Careers Institute, owned by  
19 Professional Medical Careers Institute of California, LLC; Helen Taylor as Owner, for a Renewal  
20 of Approval to Operate an Institution Non-Accredited; and

21 2. Taking such other and further action as deemed necessary and proper.

22  
23 DATED: 7/29/2024

"Original Signature on File"

24 \_\_\_\_\_  
25 DEBORAH COCHRANE  
26 Chief  
27 Bureau for Private Postsecondary  
28 Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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