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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 Accusation Against:	Case No. BPPE24-0120
13 <b>CALIFORNIA SOUTH BAY</b>	14 <b>ACCUSATION</b>
14 <b>UNIVERSITY</b>	
15 <b>577 Salmar Avenue Suite 120</b>	
16 <b>Campbell, CA 95008</b>	
17 <b>Approval to Operate No. 13317491</b>	
Respondent.	

18 **PARTIES**

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

22 2. On or about June 17, 2016, the Bureau issued Approval to Operate Number 13317491  
23 to California South Bay University (Respondent), owned by California South Bay University Inc.  
24 The Approval to Operate expired on June 17, 2021, and has not been renewed. An application for  
25 Renewal of Approval to Operate the Institution is pending with the Bureau.

26 **JURISDICTION**

27 3. This Accusation is brought before the Director of the Department of Consumer  
28 Affairs (Director) for the Bureau, under the authority of the following laws. All section

1 references are to the Education Code (Code) unless otherwise indicated.

2 4. Business and Professions Code section 118, subdivision (b), provides that the  
3 suspension, expiration, surrender, or cancellation of a license shall not deprive the Bureau of  
4 jurisdiction to proceed with a disciplinary action during the period within which the license may  
5 be renewed, restored, reissued or reinstated.

6 5. Section 94875 provides that the Bureau shall regulate private postsecondary  
7 educational institutions.

8 6. Section 94877 states, in relevant part, that:

9 (a) The bureau shall adopt and shall enforce regulations to implement this chapter  
10 pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section  
11 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

12 (b) The bureau shall develop and implement an enforcement program, pursuant to  
13 Article 18 (commencing with Section 94932) to implement this chapter . . .

### 13 **STATUTORY PROVISIONS**

14 7. Section 94932 states:

15 The bureau shall determine an institution’s compliance with the requirements of  
16 this chapter. The bureau shall have the power to require reports that institutions shall  
17 file with the bureau in addition to the annual report, to send staff to an institution’s  
18 sites, and to require documents and responses from an institution to monitor  
19 compliance. When the bureau has reason to believe that an institution may be out of  
20 compliance, it shall conduct an investigation of the institution. If the bureau  
21 determines, after completing an investigation, that an institution has violated any  
22 applicable law or regulation, the bureau shall take appropriate action pursuant to this  
23 article.

24 8. Section 94932.5, subdivision (a) states: “As part of its compliance program, the  
25 bureau shall perform announced and unannounced inspections of institutions at least every five  
26 years.”

### 23 **REGULATORY PROVISIONS**

24 9. Title 5, California Code of Regulations, section 71930, subdivision (e) states: “All  
25 records that the institution is required to maintain by the Act or this chapter shall be made  
26 immediately available by the institution for inspection and copying during normal business hours  
27 by the Bureau and any entity authorized to conduct investigations.”

28 10. Title 5, California Code of Regulations, section 75050, subdivision (b) states:

1 “Failure of an applicant or institution issued an approval to operate to abate the violation or to pay  
2 the fine within the time allowed is a ground for denial or discipline of an approval to operate.”

3 11. Title 5, California Code of Regulations, section 76130 states:

4 (a)(1) A qualifying institution shall collect the assessment from each student in an  
5 educational program at the time it collects the first payment from or on behalf of the  
6 student at or after enrollment. The assessment shall be collected for the entire period of  
7 enrollment, regardless of whether the student pays the institutional charges in increments.

8 (2) The assessment to be collected from a re-enrolling student shall be limited to any  
9 amount that is due after crediting any prior assessment amount paid by the student. The  
10 enrollment agreement shall clearly identify any prior STRF assessment paid by the student.

11 (b) A qualifying institution shall complete the STRF Assessment report and remit it  
12 with the STRF assessments collected from students to be received by the Bureau no later  
13 than the last day of the month following the close of the quarter as follows:

- 14 (1) April 30 for the first quarter,
- 15 (2) July 31 for the second quarter,
- 16 (3) October 31 for the third quarter, and
- 17 (4) January 31 for the fourth quarter.

18 If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date  
19 shall be extended to the next regular business day for the Bureau.

20 (c) The STRF Assessment report shall contain the following information:

- 21 (1) Total number of students who signed enrollment agreements for educational  
22 programs during the reporting period; and
- 23 (2) Total number of students eligible for STRF who signed enrollment agreements for  
24 educational programs during the reporting period; and
- 25 (3) The total number of students who signed their enrollment agreement during the  
26 reporting period, were eligible for STRF, and who made their first payment during the  
27 reporting period; and
- 28 (4) The total number of students who signed their enrollment agreement in a previous  
reporting period, were eligible for STRF, and who made their first payment during the  
current reporting period; and
- (5) Total amount of institutional charges after rounding each student's institutional  
charges to the nearest \$1,000, for all eligible STRF students whose STRF assessment was  
collected in the reporting period; and
- (6) Current contact telephone number of the person preparing the form; and
- (7) A declaration dated and signed under penalty of perjury by the person preparing  
the form that the form and any attachments are true and correct.

1 (d) In the event of a school closure, any collected assessments shall be remitted to the  
Bureau within seven days following the cessation of instruction.

2 (e) Submission of all prior reports and assessments required by this section is a  
3 condition of renewal.

4 **COST RECOVERY**

5 12. Section 94937, subdivision (d), provides that the Bureau may seek reimbursement  
6 costs of investigation and enforcement pursuant Business and Professions Code section 125.3.

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

13 **FIRST CAUSE FOR DISCIPLINE**

14 (Failure to Comply with Citation No. 2223121)

15 14. Respondent's approval to operate is subject to disciplinary action under Title 5,  
16 California Code of Regulations, section 75050, subdivision (b), in that it failed to comply with  
17 Citation and Order of Abatement No. 2223121. The circumstances are as follows:

- 18 a. On April 7, 2023, the Bureau issued Citation No. 2223121 to Respondent for failure  
19 to submit the Student Tuition Recovery Fund (STRF) Assessment Reporting Forms  
20 and pay any applicable fees as required for the second, third, and fourth quarter  
21 reporting periods of 2022 as well as failure to pay its annual fee and 90-day late  
22 payment penalty fee for the 2022 calendar year.
- 23 b. The Bureau issued an administrative fine of \$1,002.00 and ordered Respondent to  
24 submit the required Order of Abatement items. Respondent did not appeal the  
25 Citation.
- 26 c. The Bureau mailed demand letters for payment of the administrative fine and  
27 compliance with the orders of abatement on June 5, 2023, July 26, 2023, and  
28 September 7, 2023, respectively.

1 15. To date, Respondent has failed to comply with Citation No. 2223121.

2 **SECOND CAUSE FOR DISCIPLINE**  
3 (Failure to Comply with Citation No. 2324093)

4 16. Respondent's approval to operate is subject to disciplinary action under Title 5,  
5 California Code of Regulations, section 75050, subdivision (b), in that Respondent failed to  
6 comply with Citation and Order of Abatement No. 2324093. The circumstances are as follows:

- 7 a. On October 12, 2023, the Bureau issued Citation 2324093 to Respondent for failure  
8 to submit the STRF Assessment Reporting Forms and pay any applicable fees as  
9 required for the first and second quarter reporting period of 2023 as well as failure to  
10 pay its annual fee and 90-day late payment penalty fee for the 2023 calendar year.
- 11 b. The Bureau issued an administrative fine of \$2,000.00 and ordered Respondent to  
12 submit the required Order of Abatement items. The Respondent did not appeal the  
13 Citation.

14 17. To date, Respondent has failed to comply with Citation No. 2324093.

15 **THIRD CAUSE FOR DISCIPLINE**  
16 (Failure to Comply with Inspection)

17 18. Respondent's approval to operate is subject to disciplinary action under Code sections  
18 94932 and 94932.5, subdivision (a) in that it failed to comply with an unannounced inspection.

19 The circumstances are as follows:

- 20 a. On November 28, 2023, the Bureau's Compliance Unit attempted to conduct an  
21 unannounced inspection at Respondent's premises, located at 577 Salmar Avenue  
22 Suite 120, Campbell, CA 95008. On arrival, the Bureau's Compliance Inspector  
23 found the building empty. When she questioned a security guard, the Bureau's  
24 Compliance Inspection was told that the school was closed and the building vacated a  
25 year ago. As a result, the Bureau was unable to conduct the unannounced compliance  
26 inspection.

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**FOURTH CAUSE FOR DISCIPLINE**  
(Failure to Make Records Available During Inspection)

19. Respondent’s approval to operate is subject to disciplinary action under Title 5, California Code of Regulations, section 71930, subdivision (e) in that it failed to make its records available for inspection during the Bureau’s November 28, 2023, unannounced inspection.

**DISCIPLINE CONSIDERATION**

20. To determine the degree of discipline, if any, to be imposed on Respondent, Complainant alleges that on or about July 14, 2021, in a prior action, the Bureau for Private Postsecondary Education issued its Order Suspending Approval to Operate Degree Granting Programs Number 1006766 and suspended all of the institution’s degree programs. Respondent was ordered to:

- a. Immediately cease enrolling new students in all degree programs;
- b. Submit a degree program closure plan; and
- c. Notify all currently enrolled students in writing within five (5) business days of the effective date of the Order: (1) that the institution has received a notice of suspension; (2) availability and details of a teach out plan; and (3) the right to receive a refund in lieu of participating in the teach out plan.

21. Respondent was instructed that it must provide refunds within 45 days of request by a student.

22. Respondent was advised that failure to comply with the requirements of the order would be considered a violation and subject Respondent to action by the Bureau.

23. Respondent did not appeal the Suspension Order.

**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this Accusation, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

- 1. Revoking or suspending Approval to Operate Number 13317491, issued to California South Bay University, owned by California South Bay University, Inc.;

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2. Ordering California South Bay University to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,

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

DATED: 7/17/2024

"Original Signature on File"  
DEBORAH COCHRANE  
Chief  
Bureau for Private Postsecondary  
Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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