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8 **BEFORE THE**
9 **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:

13 **CAMINO REAL CAREER SCHOOLS**

14 **Application for Renewal of Approval to**
15 **Operate and Offer Educational Programs**
16 **for Non-Accredited Institutions**

Respondent.

Case No. BPPE24-1060

STATEMENT OF ISSUES

17
18
19 **PARTIES**

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

23 2. On or about January 8, 2021, the Bureau for Private Postsecondary Education
24 received an Application for Renewal of Approval to Operate and Offer Educational Programs for
25 Non-Accredited Institutions from Camino Real Career Schools (respondent). Respondent is 100-
26 percent owned by David Chin, President. On or about December 10, 2020, David Chin certified
27 under penalty of perjury to the truthfulness of all statements, answers, and representations in the
28 application. The Bureau denied respondent's application on September 19, 2024.

1 **JURISDICTION**

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

6 4. Section 94886 of the Education Code states:

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

12 5. Section 94887 of the Education Code states:

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

23 6. Section 94932 of the Education Code states:

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

23 **STATUTORY PROVISIONS**

24 7. Section 94897 of the Code states in pertinent part:

25 An institution shall not do any of the following:

26 . . .

27 (d) Advertise, or indicate in promotional material, without including the fact
28 that the educational programs are delivered by means of distance education if the

educational programs are so delivered.

REGULATORY PROVISIONS

8. California Code of Regulations, title 5, section 71220, subdivision (c) provides:

For each educational program that the institution offers or proposes to offer, the Form Application 94886 shall contain a statement that the educational program meets the requirements of section 71710, as well as the following:

...

(c) A description of the number and qualifications of the faculty needed to teach the educational program.

9. California Code of Regulations, title 5, section 71250 provides:

The Form Application 94886 shall include a statement that the institution has contracted with sufficient duly qualified faculty members who meet the qualifications of section 71720.

10. California Code of Regulations, title 5, section 71600 provides:

(a) An institution seeking to make a significant change in its method of instructional delivery or a change of its distance education learning management system shall complete the “Significant Change in Method of Instructional Delivery or Change in Distance Education Learning Management System” form (INS rev. 8/23, hereby incorporated by reference) to obtain prior authorization. For the purposes of this section a “significant change in instructional delivery” is any change that alters the way students interact with faculty or access significant equipment, and a “change of its distance education learning management system” is a change in the distance education learning management system other than an upgrade of the existing software of the system, or a system that is renamed but otherwise unchanged from the previous system other than an upgrade. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code.

(b) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the substantive change within 30 days of that change on the Application for Significant Change in Method of Instructional Delivery or Change in Distance Education Learning Management System form by providing the information required in sections (1) and (2) of the form, and shall attach certification from the institution’s accreditation agency demonstrating that the substantive change was made in accordance with the institution’s accreditation standards, and complies with the Act and this Division.

(c) “Distance education learning management system” is defined as an online system designed or used for the facilitation of distance education to create, distribute, and manage the delivery of educational content.

11. California Code of Regulations, title 5, section 71700 provides:

The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate.

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FACTS

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2 12. On January 8, 2021, the Bureau received respondent’s Application for Renewal of
3 Approval to Operate an Institution Non-Accredited, application number 34119.

4 13. On February 25, 2021, the Bureau sent respondent a letter advising it of the
5 deficiencies in the application.

6 14. On March 15, 2021, respondent sent its response to the Bureau’s licensing deficiency
7 letter.

8 15. On April 2, 2021, the Bureau sent respondent its second licensing deficiency letter.

9 16. On April 14, 2021, the Bureau received respondent’s response to the second
10 deficiency letter.

11 17. On April 23, 2021, the Bureau received respondent’s audit engagement letter.

12 18. Between April 12, 2021 and September 16, 2021, the Bureau exchanged emails with
13 respondent and its CPA performing the audit of the institution’s financial statements.

14 19. On February 12, 2024, the Bureau sent respondent a Quality of Education (QEU)
15 deficiency letter.

16 20. On March 12, 2024, the Bureau received respondent’s response to the Bureau’s QEU
17 deficiency letter.

18 21. On April 11, 2024, the Bureau sent respondent a second QEU deficiency letter.

19 22. On May 8, 2024, the Bureau received an email from respondent that included an
20 organizational chart and course catalog.

21 23. Between May 13, 2024, and June 25, 2024, the Bureau exchanged emails with
22 respondent concerning the remaining deficiencies in respondent’s application, including
23 respondent’s audited financial statements.

24 24. On May 24, 2024, the Bureau received an email from David Chin, which included an
25 audit engagement letter.

26 25. On May 28, 2024, the Bureau received three emails from respondent that included
27 deficiency response documents.

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1 However, coursework performed at an institution’s location without faculty or instruction does
2 not constitute a traditional classroom setting or direct instruction. Respondent’s application is thus
3 subject to denial under Code section 94897, subdivision (d) and California Code of Regulations,
4 title 5, section 71600 for failing to obtain approval to offer distance education.

5 **SECOND CAUSE FOR DENIAL OF APPLICATION**

6 **(Failure to Demonstrate Ability to Comply with Minimum Operating Standards – Lack of**
7 **Qualification of the Institution’s Faculty)**

8 32. Respondent’s application is subject to denial under California Code of Regulations,
9 title 5, sections 71220, subdivision (c) and 71250 for the following reasons:

10 a. Respondent, in its application and related supporting materials, failed to
11 identify any faculty qualified to teach the theory portion of each educational program in violation
12 of California Code of Regulations, title 5, sections 71220, subdivision (c) and 71250.

13 b. Additionally, Commercial Driver’s License schools are required to obtain
14 approval from the Federal Motor Carrier Safety Administration or FMCSA. FMCSA sets the
15 standards for behind-the-wheel theory instruction. “Theory instruction means knowledge
16 instruction on the operation of a [commercial vehicle] and related matters provided by a theory
17 instructor through lectures, demonstrations, audio-visual presentations, computer-based
18 instruction, driving simulation devices, online training or similar means.” Respondent indicated in
19 its application and related materials that the theory portion of the programs it offers are self-study,
20 such that respondent has not contracted with faculty members with sufficient knowledge and
21 experience to teach each program in violation of California Code of Regulations, title 5, sections
22 71220, subdivision (c) and 71250.

23 **PRAYER**

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

27 1. Denying Camino Real Career Schools’ Application for Renewal of Approval to
28 Operate and Offer Educational Programs for Non-Accredited Institutions; and

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

DATED: 2/4/2025

"Original Signature on File"

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

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