| 1 2 3 | DEPARTMENT OF C FOR THE BUREAU FOR PRIVATI | RE THE CONSUMER AFFAIRS E POSTSECONDARY EDUCATION CALIFORNIA |
|-------------|--|---|
| 4 | | |
| 5 | | |
| 6 7 | | G N 1000000 |
| | In the Matter of the Accusation Against: | Case No. 1000393 |
| 8 | CORINTHIAN COLLEGES INC., DBA EVEREST COLLEGE AND WYOTECH | OAH No. 2015090277 |
| 9 | (CALIFORNIA SCHOOLS ONLY) | DEFAULT DECISION AND ORDER |
| 10 | School Code Numbers: 1900741 1045 W. Redondo Beach Blvd., #275, Gardena, CA | [Gov. Code, §11520] |
| 11 | 90247 (continued on page 6) | [0011 0000, 311020] |
| 12 | RESPONDENT | |
| 13 | | |
| 14 | FINDING | S OF FACT |
| 15 | 1. On or about April 23, 2015, Compla | inant Joanne Wenzel, in her official capacity as |
| 16 | the Chief of the Bureau for Private Postsecondar | y Education, Department of Consumer Affairs, |
| 17 | filed Accusation 1000393 against Corinthian Co. | lleges Inc., DBA Everest College and Wyotech |
| 18 | (Respondent) before the Director of the Departm | ent of Consumer Affairs (Director). (Accusation |
| 19 | attached as Exhibit A; First Amended Accusation | n attached as Exhibit B; Second Amended |
| 20 | Accusation attached as Exhibit C). | _ |
| 21 | 2. On or about September 1, 1987, the | Bureau for Private Postsecondary Education |
| 22 | (Bureau) issued an Approval to Operate (School | Code 1917331) to Respondent. The Bureau |
| 23 | granted an approval to operate by means of accre | editation to eleven (11) Everest College |
| 24 | campuses, Institution Code Numbers 1900741, 1 | 900731, 1904591, 1913561, 1917331, 1924201, |
| 25 | 3000221, 3303781, 3600141, 3601871, 9894620 | 6; and two (2) WyoTech campuses, Institution |
| 26 | Code Numbers 0102871 and 1004031. The appr | oval was in full force and effect at all times |
| 26 | Code Numbers 0102071 and 1904051. The appro | |
| 26 27 | relevant to the charges brought herein and expire | |

1

.

On or about April 24, 2015, Respondent was served by Certified and First Class Mail
 copies of the Accusation No. 1000393, Statement to Respondent, Notice of Defense, Request for
 Discovery, and Government Code sections 11507.5, 11507.6, and 11507.7 to Respondent's
 address of record which, pursuant to Business and Professions Code section 136 and California
 Code of Regulation, Title 5, sections 71160, 71500, 71655, and 71660, is required to be reported
 and maintained with the Bureau, which was and is: 6 Hutton Centre Dr., Suite 400, Santa Ana,
 CA 92707.

8 4. Service of the Accusation was effective as a matter of law under the provisions of
9 Government Code section 11505, subdivision (c) and/or Business & Professions Code section
10 124.

5. On or about June 17, 2015, Respondent was served by Certified and First Class Mail
copies of the First Amended Accusation No. 1000393.

6. On or about July 29, 2015, Respondent was served by Certified and First Class Mail
copies of the Second Amended Accusation No. 1000393.

7. On or about June 30, 2015, Respondent signed and returned a Notice of Defense with
current address of record requesting a hearing in this matter. On or about September 24, 2015, a
Notice of Hearing was served by mail at Respondent's current addresses of record and it informed
the Respondent that an administrative hearing in this matter was scheduled for January 21, 2016.
Complainant presented evidence that Respondent did not appear at that hearing.

20

8. Government Code section 11506 states, in pertinent part:

"The respondent shall be entitled to a hearing on the merits if the respondent files a notice
of defense, and the notice shall be deemed a specific denial of all parts of the Accusation not
expressly admitted. Failure to file a notice of defense shall constitute a waiver of respondent's
right to a hearing, but the agency in its discretion may nevertheless grant a hearing." (Gov. Code
§ 11506(c).)

26

9.

California Government Code section 11520 states, in pertinent part:

27 "If the respondent either fails to file a notice of defense or to appear at the hearing, the
28 agency may take action based upon the respondent's express admissions or upon other evidence

2

and affidavits may be used as evidence without any notice to respondent." (Gov. Code § 11520(a).)

10. Pursuant to its authority under Government Code section 11520, the Director finds
Respondent is in default. The Director will take action without further hearing and, based on
Second Amended Accusation No. 1000393 and the documents contained in Default Decision
Investigatory Evidence Packet in this matter which includes:

| 7 | Exhibit 1: | Pleadings offered for jurisdictional purposes; Accusation Case No. 1000393, |
|----|-------------------|---|
| 8 | | Statement to Respondent, Notice of Defense (two blank copies), Request |
| 9 | | for Discovery and Discovery Statutes (Government Code sections |
| 10 | | 11507.5, 11507.6 and 11507.7), proofs of service, mail receipt or copy of |
| 11 | | returned mail envelopes, Notice of Defense and Notice of Hearing; |
| 12 | Exhibit 2: | License History Certification for Corinthian Colleges Inc., DBA Everest |
| 13 | | College and Wyotech, School Codes 1917331; 1900741, 1900731, |
| 14 | | 1904591, 1913561, 1924201, 3000221, 3303781, 3600141, 3601871, |
| 15 | | 98946206, 0102871, and 1904031. |
| 16 | Exhibit 3: | Certification of Costs; Declaration of Carter Ott in Case No. 1000393 dated |
| 17 | | June 15, 2016; |
| 18 | Exhibit 4: | Certification of Costs of Investigation by Bureau for Private Postsecondary |
| 19 | | Education in Case No. 1000393 date December 15, 2015; |
| 20 | Exhibit 5: | Declaration of Carter Ott dated August 29, 2016; |
| 21 | Exhibit 6: | Emergency Decision Packet (notice of Emergency Decision, Emergency |
| 22 | | Decision, Declaration of Yvette Johnson and attached exhibits to that |
| 23 | | declaration); |
| 24 | Exhibit 7: | Investigative Report by Investigator Yvette Johnson, dated April 17, 2015. |
| 25 | The Director find | s that the first and second charges and allegations in Second Amended |
| | | |

Accusation No. 1000393 are separately and severally true and correct by a preponderance of the evidence.

28

1

2

3

| 1 | 11. An unsigned Certification of Costs for prosecution in the amount of | |
|----|--|---------------|
| 2 | \$28,267.50 as of April 8, 2015, was submitted as part of the evidence packet. Pursuant to | |
| 3 | Business and Professions Code section 125.3(c), it is hereby determined that there is no prima | |
| 4 | facie evidence that the costs are reasonable. | |
| 5 | 12. A Certification of Costs the investigation on the amount of \$2,480.13 as of | |
| 6 | December 15, 2015, was submitted as part of the evidence packet. Pursuant to Business and | |
| 7 | Professions Code section 125.3(c), it is hereby deemed prima facie evidence that the costs are | |
| 8 | reasonable. | |
| 9 | DETERMINATION OF ISSUES | |
| 10 | 1. Based on the foregoing findings of fact, Respondent has subjected the following | |
| 11 | approval to discipline: | |
| 12 | Approval to Operate – School Codes: 1917331, 1900741, 1900731, 1904591, 1913561, | |
| 13 | 1924201, 3000221, 3303781, 3600141, 3601871, 98946206, 0102871, and 1904031. | |
| 14 | 2. The agency has jurisdiction to adjudicate this case by default. | |
| 15 | 3. The Director is authorized to revoke Respondent's approval to operate based upon t | he |
| 16 | declaration of the Deputy Attorncy General and the following violations alleged in the Second | |
| 17 | Amended Accusation, which are supported by the evidence contained in the Default Decision | |
| 18 | Investigatory Evidence Packet in this case. | |
| 19 | a. Violation of California Code of Regulations, Title 5, subsections 71745 (a) an | d |
| 20 | (b); subsection 74115 (b)(3) – Failure to Demonstrate Posession of | |
| 21 | Sufficient Financial Resources. | |
| 22 | b. Violation of California Code of Regulations, Title 5, subsections 71745 (c), | |
| 23 | 74110 (b) and (c); 74115; Education Code subsection 94934 (a)(9) - | |
| 24 | Failure to Provide Financial Statements Upon Request. | |
| 25 | | |
| 26 | | |
| 27 | | |
| 28 | | |
| | 4 | |
| H | | \rightarrow |

| 1 | ORDER |
|----|---|
| 2 | IT IS SO ORDERED that Approval to Operate (School Codes 1917331, 1900741, |
| 3 | 1900731, 1904591, 1913561, 1924201, 3000221, 3303781, 3600141, 3601871, 98946206, |
| 4 | 0102871, and 1904031), heretofore issued to Respondent, is revoked. |
| 5 | Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a |
| 6 | written motion requesting that the Decision be vacated and stating the grounds relied on within |
| 7 | seven (7) days after service of the Decision on Respondent. The agency in its discretion may |
| 8 | vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute. |
| 9 | |
| 10 | This Decision shall become effective on |
| 11 | |
| 12 | It is so ORDERED <u>Appember 14, 2016</u> |
| 13 | |
| 14 | Doreather Johnson |
| 15 | DOREATHA JOHNSON Deputy Director, Legal Affairs |
| 16 | Department of Consumer Affairs |
| 17 | |
| 18 | Attachments: |
| 19 | Exhibit A: Accusation No. 1000393 |
| 20 | Exhibit B: First Amended Accusation No. 1000393 |
| 21 | Exhibit C: Second Amended Accusation No. 1000393 |
| 22 | |
| 23 | |
| 24 | |
| 25 | |
| 26 | |
| 27 | |
| 28 | |
| e. | 5 |
| 1 | |

| 1 | |
|----|--|
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7 | |
| 8 | |
| 9 | |
| 10 | |
| 11 | Approval to Operate Institution Code Numbers (continued from caption): |
| 12 | 1900731 (2215 W. Mission Rd., Alhambra, CA 91803); |
| 13 | 1904591 (18040 Sherman Way, Ste. 400, Reseda, CA 91335); |
| 14 | 1913561 (12801 Crossroads Pkwy South, City of Industry, CA 91746); |
| 15 | 1917331 (3000 S. Robertson Blvd., Ste. 300, Los Angeles, CA 90034); |
| 16 | 1924201 (1231 Cabrillo Avc., Stc. 201, Torrance, CA 90501); |
| 17 | 3000221 (511 N. Brookhurst St., Ste. 300, Anaheim, CA 92801); |
| 18 | 3303781 (1819 S. Excise Ave., Ontario, CA 91761-8525); |
| 19 | 3600141 (217 E. Club Center Dr., #A, San Bernardino, CA 92408); |
| 20 | 3601871 (1460 S. Millikin Ave., Ontario, CA 91761); |
| 21 | 98946206 (500 Santa Ana Blvd., Santa Ana, CA 92701); |
| 22 | 0102871 (200 Whitney Pl., Fremont, CA 94539); and |
| 23 | 1904031 (2161 Technology Pl., Long Beach, CA 90810) |
| 24 | |
| 25 | |
| 26 | |
| 27 | |
| 28 | |
| | 6 |
| ĺ | U |