



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

September 23, 2019

Diversified Education Company, Owner
 Diversified Vocational College
 1670 Wilshire Blvd.
 Los Angeles, CA 90017

Date of Issuance	Citation Number	Institution Code
June 26, 2019	1819236	1906371

On July 24, 2019, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1819236 (Citation) against Diversified Education Company, Owner of Diversified Vocational College (Institution). In attendance were Beth Scott, Enforcement Chief and John Reitzell, Owner.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1819236.

It is the decision of the Enforcement Chief that on September 10, 2019, Citation No. 1819236 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	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>Violation: 5, CCR Section 76130 (a-e)- Collection and Submission of Assessments <i>“(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.</i> <i>(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:</i> <i>(1) April 30 for the first quarter,</i> <i>(2) July 31 for the second quarter,</i></p>

(3) October 31 for the third quarter, and
(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.
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(c) The STRF Assessment Reporting Form shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and
(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and
(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and
(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.

(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.

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

The Institution has failed to submit STRF Assessment Reporting Forms for the following quarters:

- 2nd quarter – 2017
- 1st, 2nd, 3rd and 4th quarter – 2018

On June 29, 2017, the Institution was notified via mail at 1670 Wilshire Blvd., Los Angeles, CA 90017, stating that the STRF Assessment Reporting Form for the 2nd quarter of 2017 was due.

On April 3, 2018, the Institution was notified via mail at 1670 Wilshire Blvd., Los Angeles, CA 90017, stating that the STRF Assessment Reporting Form for the 1st quarter of 2018 was due.

On June 18, 2018, the Institution was notified via mail at 1670 Wilshire Blvd., Los Angeles, CA 90017, stating that the STRF Assessment Reporting Form for the 2nd quarter of 2018 was due.

On September 18, 2018, the Institution was notified via mail at 1670 Wilshire Blvd., Los Angeles, CA 90017, stating that the STRF Assessment Reporting Form for the 3rd quarter of 2018 was due.

On December 20, 2018, the Institution was notified via mail at 1670 Wilshire Blvd., Los Angeles, CA 90017, stating that the STRF Assessment Reporting Form for the 4th quarter of 2018 was due.

As of June 26, 2019, the Bureau has not received the STRF Assessment Reporting Forms from the Institution.

Order of Abatement:

The Bureau orders that the Institution submit the delinquent STRF Assessment Reporting Forms with the STRF Assessments collected from students for the quarters listed above. The Institution shall also submit the student information to substantiate the data reported on the STRF Assessment Reporting Form(s). The information provided shall comply with "Record Keeping Requirements" Pursuant to 5, CCR section 76140.

Assessment of Fine: \$50.00

Payment of the assessed fine was received by the Bureau on September 11, 2019.

Violation:

5, CCR Section 74006(a) and (b) - Annual Fee

"(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval. (b) An institution shall pay its annual fee in addition to any other applicable fees.

CEC Section 94930.5 (d)(1)(A)(B) - Fee Schedule

(d) (1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following:

(A) An annual fee for each campus designated by the institution as a main campus location in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

(B) An annual campus fee for each branch of the institution in an amount equal to 0.45 percent of the branch's total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000)."

CEC Section 94931(a)- Late Payment

"(a) A fee that is not paid on or before the 30th calendar day after the due date for the payment of the fee shall be subject to 25 percent late payment penalty fee."

The Institution has failed to pay the remainder of its annual fee for the 2017 calendar year.

On December 1, 2016, the Institution was sent a notice (Invoice #900317999) via mail, at 1670 Wilshire Blvd., Los Angeles, CA 90017, stating that the annual fee for the 2017 calendar year was due on January 1, 2017.

On February 9, 2017, the Bureau received a check in the amount of \$26,000.00 for the 2017 annual fee; however, our records indicate the annual fee for 2017 should have been \$32,739.26 = (.0045 x \$7,275,391.00). A balance of \$6,739.26 remained.

Additionally, as the payment was submitted after the 30th calendar day from the due date, a late payment penalty fee was assessed.

On February 9, 2017, the Bureau sent a notice to the Institution, advising of the regulatory changes that had taken effect on January 1, 2017. The Bureau advised the Institution that payment shall be based on the annual gross revenue for the main location multiplied by 0.0045.

As of June 26, 2019, the Bureau has not received the remaining balance of \$6,739.26 for the 2017 annual fee or the assessed late payment penalty fee.

Order of Abatement:

The Bureau orders the Institution to submit the remaining balance for the 2017 annual fees, in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(d)(1)(A)(B). In addition, the Institution must pay all late payment penalty fees.

Modified Order of Abatement:

The Bureau orders the Institution to complete a separate invoice for the individual campus, for the main campus and for the branch campus, and remit the outstanding 2017 annual fee and late payment penalty fees, in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(d)(1)(A)(B).

Reason for Modification: New substantive facts were provided at the Informal Conference.

Assessment of Fine

The fine for this violation is \$00.00

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$00.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

EFFECTIVE DATE OF CITATION

This modified Citation is effective on September 23, 2019. The Order(s) of Abatement are due by **October 23, 2019**.

Failure to abate the violation within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Modified 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 decision or desire further information, please contact Gabriella Perez, Citation Analyst, at (916) 621-2593 or at Gabriella.Perez@dca.ca.gov

Christina Villanueva
Discipline Manager

Date

Enclosures

- Declaration of Service by Certified and First-Class Mail