



**Bureau for Private Postsecondary Education**  
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## **CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT**

To: Prisma Fashion Design School, Owner  
PRISMA Fashion Design School  
3470 Wilshire Blvd. Suite 500  
Los Angeles, CA 90010

**INSTITUTION CODE: 32840264**

**CITATION NUMBER: 2021199**

**CITATION ISSUANCE/SERVICE DATE: March 11, 2021**

**DUE DATE: April 10, 2021**

**FINE AMOUNT: \$ 10,050.00**

**ORDER OF ABATEMENT INCLUDED: Yes**

Christina Villanueva issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

### CITATION

A Citation is hereby issued to Prisma Fashion Design School, Owner of PRISMA Fashion Design School (Institution) located at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

### BACKGROUND

In accordance with CEC Section 94926 and 5, CCR Section 76240(a), an institution shall notify the Bureau in writing of its intention to close, at least 30 days prior to closing. The Bureau's Closed School's Unit verified that the Institution did not submit a closure reporting form to the Bureau and failed to provide the required 30-day advanced notice of school closure.

In addition, all institutions are required to submit a Student Tuition Recovery Fund (STRF) Assessment Reporting Form to the Bureau no later than the last day of the month following the close of the quarter.

Pursuant to CEC section 94923(a) The Student Tuition Recovery Fund relieves or mitigates economic loss suffered by a student while enrolled in an institution not exempt from this article pursuant to Article 4 (commencing with section 94874), who, at the time of his or her enrollment, was a California resident or was enrolled in a California residency program, prepaid tuition, and suffered economic loss.

The Bureau sends notifications/reminders to all approved institutions 30 days prior to close of each quarter.

As of March 11, 2021, the Institution has not submitted the STRF Assessment Reporting Forms for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarters of 2019.

Lastly, all institutions are required to pay annual fee 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. An institution shall pay its annual fee in addition to any other applicable fees.

Pursuant to CEC section 94930.5 (g). effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that 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) for each campus.

As of March 11, 2021, the Bureau has not received the annual fee nor the late payment penalty fee for the 2019 calendar year.

VIOLATION

#	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><b><u>Violation:</u></b>  <b>CEC Section 94926 (a)(b)(c)(d) - Procedures Prior to Closing, Teach-Out Plans</b>  <i>“At least 30 days prior to closing, the institution shall notify the bureau in writing of its intention to close. The notice shall be accompanied by a closure plan, which shall include, but not necessarily be limited to, all of the following:</i>  <i>(a) A plan for providing teach-outs of educational programs, including any agreements with any other postsecondary educational institutions to provide teach-outs.</i>  <i>(b) If no teach-out plan is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.</i>  <i>(c) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning these programs and institutional closures.</i>  <i>(d) A plan for the disposition of student records.”</i></p> <p><b>5, CCR Section 76240 (a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2) - Required Notices and Teach-Out Plan</b>  <i>“All institutions, including those exempt from Bureau regulation pursuant to the Code, shall do the following prior to closing</i>  <i>(a) At least 30 days prior to closing, the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. The closure plan shall include:</i>  <i>(1) The exact date and reason for the closure.</i>  <i>(2) The last date of instruction for each educational service or program.</i>  <i>(3) A list of students who were enrolled at any time during the 60 days prior to closure.</i>  <i>(4) If any student will not be provided complete educational services or the educational program, the institution shall provide:</i>  <i>(A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.</i>  <i>(B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out,</i></p>

arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.

(5) A plan for the disposition of student records.

(6) A plan to notify students of their rights and options under the Act and this chapter.

(b) The institution shall notify the students of the following:

(1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.

(2) If any student will not be provided complete educational services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses."

On December 10, 2019, the Institution was notified via letter, at 10846 Oro Vista Avenue, Sunland, CA 91040, that the Institution needed to submit the following documents to the Bureau 30 days prior to the Institution closure:

- School Closure Form;
- Student Roster in an Excel Spreadsheet of all students enrolled 120 days prior to the school closure date. The roster to contain the student's first and last names, their email address, cell phone numbers, mailing address, program enrolled in, their enrollment dates and their anticipated graduation dates or the dates they graduated; and
- Information on which students received refunds from the Institution, if any.

On December 12, 2019, a Certificate of Dissolution for the Institution was filed with the Secretary of State.

On December 24, 2019, the Bureau received a letter from the Institution owner stating that they are unable to provide the requested documentation due to personal health reasons, along with the fact that they no longer had contact with the person who was originally in charge of the documentation. Additionally, the Institution owner stated that the documents were missing.

As of March 11, 2021, the Bureau has not received the required closure information.

**Order of Abatement:**

The Bureau orders that the institution provide the Bureau with a complete school closure plan in accordance with CEC section 94926(a)(b)(c)(d) and 5, CCR section 76240(a)(1)(2)(3)(4)(A)(B)(5)(6)(b)(1)(2).

**Assessment of Fine**

The fine for this violation is \$5,000.00

2.

**Violation**

**CEC Section 94927.5 (a)(1) - Provision of Records to Bureau Prior to Closing**

"(a) Prior to closing, an institution shall provide the bureau with the following:

(1) Copies of pertinent student records, including transcripts, in hardcopy or electronic form, as determined by the bureau, pursuant to regulations adopted by the bureau."

The Institution failed to provide copies of pertinent student records prior to closing, as required by CEC section 94927.5 (a)(1).

	<p><b>Order of Abatement:</b> The Bureau orders that the Institution provide the Bureau with the plan of retention of student records, and information on how students may obtain their records as required by CEC section 94927.5 (a)(1)</p> <p><b>Assessment of Fine</b> The fine for this violation is \$5,000.00</p>
3.	<p><b>Violation:</b> <b>5, CCR Section 76130 (a-e)- Collection and Submission of Assessments</b> <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. (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: (1) April 30 for the first quarter, (2) July 31 for the second quarter, (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. 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. (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.”</i></p> <p><b>The Institution has failed to submit STRF Assessment Reporting Form for the following quarters:</b></p> <ul style="list-style-type: none"> <li>• <b>First, Second, Third, and Fourth quarters of 2019.</b></li> </ul> <p><b>On March 27, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 1<sup>st</sup> quarter of 2019 was due. As of March 4, 2021, the Bureau has not received the STRF Assessment Reporting Form from the</b></p>

**Institution.**

On June 24, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 2<sup>nd</sup> quarter of 2019 was due.

As of March 4, 2021, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On September 18, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 3<sup>rd</sup> quarter of 2019 was due.

As of March 4, 2021, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

On December 17, 2019, the Institution was notified via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, that the STRF Assessment Reporting Form for 4<sup>th</sup> quarter of 2019 was due.

As of March 4, 2021, the Bureau has not received the STRF Assessment Reporting Form 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 information provided shall comply with "Record Keeping Requirements" Pursuant to 5, CCR section 76140.

**Assessment of Fine**

The fine for this violation is \$50.00

4.

**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 (g)- Fee Schedule**

*"(g) Notwithstanding subdivision (d), effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that 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) for each campus."*

**CEC Section 94931(b)- Late Payment**

*"(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee."*

**2019 Annual Fee and Late Payment Penalty Fee**

The Institution has failed to pay its annual fee and late payment penalty fee for calendar year 2019.

On December 3, 2018, the Institution was notified, Invoice # 900337997, via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, stating that the annual fee for calendar year 2019 was due on January 1, 2019.

On February 19, 2019, the 1<sup>st</sup> Delinquency Notice (Invoice # 900339827) was sent via mail at 3470

Wilshire Blvd. Suite 500, Los Angeles, CA 90010, stating that the annual fee for calendar year 2019 was due on January 1, 2019.

On April 15, 2019, the 2<sup>nd</sup> Delinquency Notice (Invoice # 900339827) was sent via mail at 3470 Wilshire Blvd. Suite 500, Los Angeles, CA 90010, stating that the annual fee for calendar year 2019 was due on January 1, 2019.

As of March 11, 2021, the Bureau has not received the annual fee nor late payment penalty fee for calendar year 2019 from the Institution.

**Order of Abatement:**

The Bureau orders the Institution to submit its annual fees for calendar year 2019 in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(g). In addition, the Institution must pay all late payment penalty fees.

**Assessment of Fine**

The fine for this violation is \$00.00

**TOTAL ADMINISTRATIVE FINE DUE: \$10,050.00**

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$10,050.00** for the violations described above.

**Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC section 94936 and 5, CCR section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by **April 10, 2021**, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **March 11, 2021**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **April 10, 2021**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

**Payment of the administrative fine and/or written request for appeal must be mailed to:**

Nicole Mitchell, Discipline Citation Program  
Bureau for Private Postsecondary Education  
1747 N. Market Blvd., Suite 225  
Sacramento, CA 95834

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this 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 Citation, or desire further information, please contact Nicole Mitchell, Citation Analyst, at [Nicole.Mitchell@dca.ca.gov](mailto:Nicole.Mitchell@dca.ca.gov).

“Original signature on file”

“3/11/2021”

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**Christina Villanueva**  
**Discipline Manager**

\_\_\_\_\_  
**Date**

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First- Class Mail