



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Champion Institute of Cosmetology, Inc., Owner
Champion Institute of Cosmetology, Inc.
611 South Palm Canyon Drive #205
Palm Springs, CA, 92264

INSTITUTION CODE: 3302111

CITATION NUMBER: 1819182

CITATION ISSUANCE/SERVICE DATE: April 25, 2019

DUE DATE: May 25, 2019

FINE AMOUNT: \$ 5050.00

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 Champion Institute of Cosmetology, Inc., Owner of Champion Institute of Cosmetology, Inc. (Institution) located at 611 South Palm Canyon Drive #205 Palm Springs, CA 92264 pursuant to Business and Professions Code section 125.9; California Education Code (CEC) section 94936; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

In accordance with 5, CCR section 74112 (e)(2), A Performance Fact Sheet shall be current and available not later than December 1st, and shall report data for the previous two calendar years based upon the "number of students who began the program," as defined in subdivision (d)(1) of this section and were scheduled to graduate in the reported year(s).

In accordance with CEC section 94913(a), an institution that maintains a website shall provide on that internet website a School Performance Fact Sheet and the most recent Annual Report submitted to the Bureau.

As of April 25, 2019, the Bureau has not received, in accordance with 5, CCR section 74112 (e)(2), correct School Performance Fact Sheets (SPFS) for the 2015 and 2016 Annual Report reporting year. The Bureau has not received, in accordance with CEC section 94913(a), corrected links for the current SPFS and current Annual Report.

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 April 25, 2019, the Institution has not submitted the STRF Assessment Reporting Form for the 4th quarter of 2018.

All institutions are required to pay the 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 5, CCR section 74006(a) and CEC section 94930.5(d)(1)(A). An Institution shall submit to the Bureau 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).

Additionally, effective July 1, 2018, pursuant to 5, CCR section 74006(a) and CEC section 94930.5(g). An Institution shall submit to the Bureau an annual fee for each campus designated by the Institution as a main campus location in California, in an amount equal to 0.55 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).

As of April 25, 2019, the Bureau has not received the annual fee for the 2016, 2017 and 2018 calendar years from the Institution.

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><u>Violation:</u> 5, CCR Section 74112. Uniform Data – Annual Report, Performance Fact Sheet. <i>(e) Reporting periods:</i> <i>(2) A Performance Fact Sheet shall be current and available not later than December 1st, and shall report data for the previous two calendar years based upon the “number of students who began the program,” as defined in subdivision (d)(1) of this section and were scheduled to graduate in the reported year(s).</i></p> <p><u>2015 Annual Report:</u> On November 29, 2016, the Institution submitted their 2015 Annual Report online. The SPFS that was submitted with the Annual Report was not in the correct format and was for 2011/2012 and 2013/2014. The correct years that should have been submitted with the 2015 Annual report are SPFS for years 2014/2015.</p>

On December 14, 2017, Bureau staff notified the Institution via U.S. mail that the SPFS was not in the correct format. The letter was returned to the Bureau unclaimed.

On February 7, 2018, a second letter was sent to the Institution via certified mail and was also returned to the Bureau unclaimed.

2016 Annual Report:

On November 27, 2017, the Institution submitted their 2016 Annual Report online. The SPFS that was submitted with the Annual Report was not in the correct format and was for 2011/2012 and 2013/2014. The correct years that should have been submitted with the 2016 Annual report are SPFS for years 2015/2016.

On January 17, 2018, Bureau staff notified the Institution via U.S. mail that the SPFS was not in the correct format. The letter was returned to the Bureau unclaimed.

On February 7, 2018, a second incomplete letter was sent to the Institution via certified mail and was also returned to the Bureau unclaimed.

As of April 25, 2019, the Institution has failed to submit the 2014/2015 and 2015/2016 SPFS with the correct format.

Order of Abatement:

The Bureau orders the Institution to correct the format and submit the 2014/2015 and 2015/2016 SPFS.

Assessment of Fine

The fine for this violation is **\$2,500.00**

2. Violation:

CEC Section 94913. Institutional Web Site Requirements

(a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

(2) A School Performance Fact Sheet for each educational program offered by the institution.

(5) The institution's most recent annual report submitted to the bureau.

On April 24, 2019, Bureau staff reviewed the links that were submitted on the 2015 and 2016 Annual Report. The links directed the public to the Institution's website. The Institution posted the 2011/2012 and 2013/2014 SPFS. The annual report posted on the website is for the year 2014 and is not the most recent annual report submitted to the Bureau. The most recent annual report of 2016 should be posted on the Institution's website.

As of April 25, 2019, the Institution has failed to update the website links for the 2014/2015 and 2015/2016 SPFS, as well as the most recent Annual Report 2016 submitted to the Bureau.

Order of Abatement:

The Bureau orders the Institution to update the Institution's website to include the most recent Annual Report and the 2015 and 2016 SPFS. The Institution shall submit proof of the updates to the Bureau for review.

Assessment of Fine

The fine for this violation is **\$2,500.00**

3. Violation:

5, CCR Section 76130 (a-e)- Collection and Submission of Assessments

"(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."

The Institution has failed to submit the STRF Assessment Reporting Form for the following quarter:

- 4th Quarter of 2018

On December 20, 2018, the Institution was notified, via mail at 611 South Palm Canyon Drive #205 Palm Springs, CA 92264, stating that the STRF Assessment Reporting Form for the 4th Quarter of 2018, was due. As of April 25, 2019, 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 Form with the STRF Assessments collected from students for the quarter 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

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 (d)(1)(A) - 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).

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(a) 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."

The Institution has failed to pay its annual fee for calendar years 2016, 2017, 2018.

Annual Fee 2016:

On September 1, 2016, the Institution was notified (Invoice #900316175), via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2016 was due on October 1, 2016. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On November 15, 2016, the 1st delinquency notice (Invoice #900317841), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2016 was due on October 1, 2016. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On February 16, 2017, the 2nd delinquency notice (Invoice #900317841), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2016 was due on October 1, 2016. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

Annual Fee 2017:

On September 1, 2017, the Institution was notified (Invoice #900327721), via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2017 was due on October 1, 2017. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On November 15, 2017, the 1st delinquency notice (Invoice #900329506), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2017 was due on October 1, 2017. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On January 16, 2018, the 2nd delinquency notice (Invoice #900329506), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2017 was due on October 1, 2017. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

Annual Fee 2018:

On September 4, 2018, the Institution was notified (Invoice #900335921), via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2018 was due on October 1, 2018. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On November 15, 2018, the 1st delinquency notice (Invoice #900337809), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2018 was due on October 1, 2018. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On January 16, 2019, the 2nd delinquency notice (Invoice #900337809), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2018 was due on October 1, 2018. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit its annual fees for calendar year 2016, 2017, 2018 in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(d)(1)(A)(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: \$5,050.00

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 **\$5,050.00** 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 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 **May 25, 2019**, 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 **April 25, 2019**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **May 25, 2019**. 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.

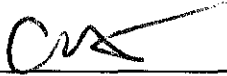
Payment of the administrative fine and/or written request for appeal must be mailed to:

Cheryl Lardizabal, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

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 Cheryl Lardizabal, Citation Analyst, at (916) 621-2591 or Cheryl.Lardizabal@dca.ca.gov.



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