

**BEFORE THE DIRECTOR
DEPARTMENT OF CONSUMER AFFAIRS
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA**

In the Matter of the Statement of Issues Against:

AMERICAN BEAUTY INSTITUTE LLC, dba AMERICAN BEAUTY INSTITUTE

4625 Convoy Street, Ste A

San Diego, CA 92111

Institution Code: 81663192

BPPE Case No.: BPPE22-0768

OAH Case No.: 2023050443

Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby accepted and adopted by the Director of the Department of Consumer Affairs as the Decision in the above-entitled matter.

This Decision shall become effective on January 10, 2024.

It is so ORDERED December 4, 2023.

"Original Signature on File"

RYAN MARCROFT
Deputy Director, Legal Affairs Division
Department of Consumer Affairs

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9
10 **BEFORE THE**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
13 **STATE OF CALIFORNIA**

14
15 In the Matter of the Statement of Issues
Against:

16 **AMERICAN BEAUTY INSTITUTE LLC,**
17 **DBA AMERICAN BEAUTY INSTITUTE**
18 **4625 Convoy Street, Ste. A**
San Diego, CA 92111

19 **Approval to Operate an Institution Non-**
20 **Accredited No. Institution Code 81663192**

21 Respondent.

Case No. BPPE22-0768

OAH No. 2023050443

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

22
23 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
24 entitled proceedings that the following matters are true:

25 **PARTIES**

26 1. Deborah Cochrane (Complainant) is the Chief of the Bureau for Private
27 Postsecondary Education (Bureau). She brought this action solely in her official capacity and is
28

1 represented in this matter by Rob Bonta, Attorney General of the State of California, by Dionne
2 Mochon, Deputy Attorney General.

3 2. Respondent American Beauty Institute (Respondent) is represented in this proceeding
4 by attorney James C. Stevens, Esq., whose address is 402 West Broadway, Suite 400, San Diego,
5 California.

6 3. On or about October 28, 2015, the Bureau issued Approval to Operate an Institution
7 Non-Accredited, Institution Code No. 81663192 to Respondent. The Approval to Operate was
8 set to expire October 27, 2020, unless renewed.

9 4. On or about July 15, 2020, Respondent filed an application with the Bureau to obtain
10 a Renewal of the Approval to Operate and Offer Educational Programs for Non-Accredited
11 Institutions. The Bureau denied the application on September 30, 2022.

12 **JURISDICTION**

13 5. Statement of Issues No. BPPE22-0768 was filed before the Director of the
14 Department of Consumer Affairs (Director), and is currently pending against Respondent. The
15 Statement of Issues and all other statutorily required documents were properly served on
16 Respondent on March 2, 2023.

17 6. A copy of Statement of Issues No. BPPE22-0768 is attached as Exhibit A and
18 incorporated herein by reference.

19 **ADVISEMENT AND WAIVERS**

20 7. Respondent has carefully read, fully discussed with counsel, and understands the
21 charges and allegations in Statement of Issues No. BPPE22-0768. Respondent has also carefully
22 read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and
23 Disciplinary Order.

24 8. Respondent is fully aware of its legal rights in this matter, including the right to a
25 hearing on the charges and allegations in the Statement of Issues; the right to confront and cross-
26 examine the witnesses against them; the right to present evidence and to testify on its own behalf;
27 the right to the issuance of subpoenas to compel the attendance of witnesses and the production of
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1 documents; the right to reconsideration and court review of an adverse decision; and all other
2 rights accorded by the California Administrative Procedure Act and other applicable laws.

3 9. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
4 every right set forth above.

5 CULPABILITY

6 10. Respondent admits the truth of each and every charge and allegation in Statement of
7 Issues No. BPPE22-0768.

8 11. Respondent agrees that its Approval to Operate and Offer Educational Programs for
9 Non-Accredited Institutions is subject to denial and they agree to be bound by the Director's
10 probationary terms as set forth in the Disciplinary Order below.

11 CONTINGENCY

12 12. This stipulation shall be subject to approval by the Director or the Director's designee.
13 Respondent understands and agrees that counsel for Complainant and the staff of the Bureau for
14 Private Postsecondary Education may communicate directly with the Director and staff of the
15 Department of Consumer Affairs regarding this stipulation and settlement, without notice to or
16 participation by Respondent or its counsel. By signing the stipulation, Respondent understands
17 and agrees that they may not withdraw its agreement or seek to rescind the stipulation prior to the
18 time the Director considers and acts upon it. If the Director fails to adopt this stipulation as the
19 Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or
20 effect, except for this paragraph, it shall be inadmissible in any legal action between the parties,
21 and the Director shall not be disqualified from further action by having considered this matter.

22 13. The parties understand and agree that Portable Document Format (PDF) and facsimile
23 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
24 signatures thereto, shall have the same force and effect as the originals.

25 14. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
26 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
27 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
28 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary

1 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
2 writing executed by an authorized representative of each of the parties.

3 15. In consideration of the foregoing admissions and stipulations, the parties agree that
4 the Director may, without further notice or formal proceeding, issue and enter the following
5 Disciplinary Order:

6 **DISCIPLINARY ORDER**

7 IT IS HEREBY ORDERED that the application of Respondent, American Beauty Institute
8 LLC, dba American Beauty Institute, for renewal of its approval to operate a private
9 postsecondary non-accredited institution (Institution Code 81663192) is hereby granted and an
10 Approval to Operate shall be issued to Respondent. Said Approval to Operate shall immediately
11 be revoked, the order of revocation stayed, and Respondent placed on probation until August 15,
12 2025.

13 **Severability Clause.** Each condition of probation contained herein is a separate and
14 distinct condition. If any condition of this Order, or any application thereof, is declared
15 unenforceable in whole, in part, or to any extent, the remainder of this Order, and all other
16 applications thereof, shall not be affected. Each condition of this Order shall separately be valid
17 and enforceable to the fullest extent permitted by law.

18 **1. Obey All Laws**

19 Respondent shall obey all federal, state and local laws and regulations governing the
20 operation of a private postsecondary educational institution in California. Respondent shall
21 submit, in writing, a full detailed account of any and all violations of the law to the Bureau within
22 five (5) days of discovery.

23 **CRIMINAL COURT ORDERS:** If Respondent is under criminal court orders, including
24 probation or parole, and the order is violated, this shall be deemed a violation of these probation
25 conditions, and may result in the filing of an Accusation and/or Petition to Revoke Probation.

26 **2. Compliance with Probation and Quarterly Reporting**

27 Respondent shall fully comply with the terms and conditions of probation established by
28 the Bureau and shall cooperate with representatives of the Bureau in its monitoring and

1 investigation of the Respondent's compliance with probation. Respondent, within ten (10) days of
2 completion of the quarter, shall submit quarterly written reports to the Bureau on a Quarterly
3 Report of Compliance form obtained from the Bureau.

4 **3. Personal Appearances**

5 Upon reasonable notice by the Bureau, Respondent shall report to and make personal
6 appearances at times and locations as the Bureau may direct.

7 **4. Notification of Address and Telephone Number Change(s)**

8 Respondent shall notify the Bureau, in writing, within five (5) days of a change of name,
9 title, physical home address, email address, or telephone number of each person, as defined in
10 section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in of the
11 institution and, to the extent applicable, each general partner, officer, corporate director, corporate
12 member or any other person who exercises substantial control over the institution's management
13 or policies.

14 **5. Notification to Prospective Students**

15 When currently soliciting or enrolling (or re-enrolling) a student for any program,
16 Respondent shall provide notification of this action to each current or prospective student prior to
17 accepting their enrollment, and to those students who were enrolled at the time of the conduct that
18 is the subject of this action as directed by the Bureau. This notification shall include a copy of the
19 Accusation, Statement of Issues, Stipulated Settlement, or Disciplinary Decision (whichever
20 applies).

21 **6. Student Roster**

22 Within 15 days of the effective date of this Decision, and with the Quarterly Reports
23 thereafter, provide to the Bureau the names, addresses, phone numbers, email addresses, and the
24 programs in which they are or were enrolled, of all persons who are currently or were students of
25 the institution within 60 days prior to the effective date of the Decision, and those students who
26 were enrolled at the time of the conduct that is the subject of this action.

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1 **7. Instruction Requirements and Limitations**

2 During probation, Respondent shall provide approved instruction in the State of California.
3 If Respondent is not providing instruction, the period of probation shall be tolled during that time.

4 **8. Record Storage**

5 Within 5 days of the effective date of this Decision, provide the Bureau with the location of
6 the repository for all records as they are required to be maintained pursuant to Title 5, California
7 Code of Regulations, section 71930.

8 **9. Maintenance of Current and Active Approval to Operate**

9 Respondent shall, at all times while on probation, maintain a current and active approval to
10 operate with the Bureau including any period during which approval is suspended or probation is
11 tolled.

12 **10. Comply With Citations**

13 Respondent shall comply with all final orders resulting from citations issued by the Bureau.

14 **12. Violation of Probation**

15 If Respondent violates probation in any respect, the Bureau, after giving Respondent notice
16 and opportunity to be heard, may revoke probation and carry out the disciplinary order which was
17 stayed. If an Accusation or a Petition to Revoke Probation is filed against Respondent during
18 probation, the Bureau shall have continuing jurisdiction until the matter is final, and the period of
19 probation shall be extended, and Respondent shall comply with all probation conditions, until the
20 matter is final.

21 **13. Future Approvals to Operate**

22 If Respondent subsequently obtains other approvals to operate during the course of this
23 probationary order, this Decision shall remain in full force and effect until the probationary period
24 is successfully terminated. Future approvals shall not be granted, however, unless Respondent is
25 currently in compliance with all of the terms and conditions of probation.

26 **14. Comply with All Accreditation Standards**

27 As applicable, Respondent shall comply with all standards set by its accreditor in order to
28 maintain its accreditation. Respondent shall submit to the Bureau, in writing, a full detailed

1 account of any and all actions taken by any accrediting agency against Respondent regarding any
2 institution operated by Respondent, including an order to show cause, or conditions or restrictions
3 placed on accreditation, within five (5) days of occurrence.

4 **15. Completion of Probation**


5 Upon successful completion of probation, Respondent's approval to operate will be fully
6 restored.

7 **ACCEPTANCE**

8 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
9 discussed it with my attorney, James C. Stevens. I understand the stipulation and the effect it will
10 have on my Approval to Operate and Offer Educational Programs for Non-Accredited
11 Institutions. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly,
12 and intelligently, and agree to be bound by the Decision and Order of the Director of the
13 Department of Consumer Affairs.

14
15 DATED: 9/28/23 
16 AMERICAN BEAUTY INSTITUTE
17 Respondent

18 I have read and fully discussed with Respondent American Beauty Institute the terms and
19 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
20 I approve its form and content.

21
22 DATED: 10/6/23 
23 JAMES C. STEVENS, ESQ.
24 Attorney for Respondent
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ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Director of the Department of Consumer Affairs.

DATED: 10/6/2023

Respectfully submitted,
ROB BONTA
Attorney General of California
MARICHELLE S. TAHIMIC
Supervising Deputy Attorney General

Dionne Mochon

DIONNE MOCHON
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Statement of Issues No. BPPE22-0768

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9 **BEFORE THE**
10 **DIRECTOR OF THE DEPARTMENT OF CONSUMER AFFAIRS**
11 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
12 **STATE OF CALIFORNIA**

13
14 In the Matter of the Statement of Issues
Against:
15 **AMERICAN BEAUTY INSTITUTE**
16 **Approval to Operate and Offer Educational**
17 **Programs for Non-Accredited Institutions**
18 **Applicant Institution Code No. 81663192**
19 Respondent.

Case No. BPPE22-0768

STATEMENT OF ISSUES

20
21 **PARTIES**

- 22 1. Deborah Cochrane (Complainant) brings this Statement of Issues solely in her official
23 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
24 Consumer Affairs.
- 25 2. On or about July 15, 2020, the Bureau for Private Postsecondary Education received
26 an application for Renewal of Approval to Operate and Offer Educational Programs for Non-
27 Accredited Institutions from American Beauty Institute (Respondent). On or about June 30,
28

1 2020, Respondent certified under penalty of perjury to the truthfulness of all statements, answers,
2 and representations in the application. The Bureau denied the application on September 30, 2022.

3 **JURISDICTION**

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

8 4. Code section 94885 states:

9 (a) The bureau shall adopt by regulation minimum operating standards for an
10 institution that shall reasonably ensure that all of the following occur:

11 (1) The content of each educational program can achieve its stated objective.

12 (2) The institution maintains specific written standards for student admissions
13 for each educational program and those standards are related to the particular
14 educational program.

15 (3) The facilities, instructional equipment, and materials are sufficient to enable
16 students to achieve the educational program's goals.

17 (4) The institution maintains a withdrawal policy and provides refunds.

18 (5) The directors, administrators, and faculty are properly qualified.

19 (6) The institution is financially sound and capable of fulfilling its
20 commitments to students.

21 (7) That, upon satisfactory completion of an educational program, the
22 institution gives students a document signifying the degree or diploma awarded.

23 (8) Adequate records and standard transcripts are maintained and are available
24 to students.

25 (9) The institution is maintained and operated in compliance with this chapter
26 and all other applicable ordinances and laws.

27 ...

28 5. Code section 94891 states in pertinent part:

...

(b) To be granted a renewal of an approval to operate, the institution shall
demonstrate its continued capacity to meet the minimum operating standards.

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1 **STATUTORY PROVISIONS**

2 6. Code section 94900 states in pertinent part:

3 ...

4 (b) An institution shall maintain, for each student granted a degree or certificate
5 by that institution, permanent records of all of the following:

6 ...

7 (3) The grades earned by the student in each of those courses.

8 **REGULATORY PROVISIONS**

9 7. Title 5, California Code of Regulations (CCR), section 71710 states:

10 In order to meet its mission and objectives, the educational program defined in
11 section 94837 of the Code shall be comprised of a curriculum that includes:

12 ...

13 (b) Subject areas and courses or modules that are presented in a logically
14 organized manner or sequence to students;

15 (c) Course or module materials that are designed or organized by duly qualified
16 faculty. For each course or module, each student shall be provided with a syllabus or
17 course outline that contains:

18 ...

19 (2) A statement of educational objectives;

20 ...

21 (6) Sequential and detailed outline of subject matter to be addressed or a list of
22 skills to be learned and how those skills are to be measured;

23 (7) Instructional mode or methods.

24 ...

25 (e) Specific learning outcomes tied to the sequence of the presentation of the
26 material to measure the students' learning of the material; and

27 ...

28 8. Title 5, California Code of Regulations (CCR), section 71715 states:

(a) Instruction shall be the central focus of the resources and services of the
institution.

(b) The institution shall document that the instruction offered leads to the
achievement of the learning objectives of each course.

1 (c) Direct instruction requires the physical presence of one or more students and
2 one or more faculty members at the same location. Direct instruction includes
3 instruction presented in a classroom, seminar, workshop, lecture, colloquium,
4 laboratory, tutorial, or other physical learning settings consistent with the mission,
5 purposes, and objectives of the institution.

6 ...

7 FACTUAL ALLEGATIONS

8 9. On or about July 15, 2020, the Bureau received an application for Renewal of
9 Approval to Operate and Offer Educational Programs for Non-Accredited Institutions from
10 Respondent. The Bureau issued a Deficiency Letter to Respondent on August 27, 2020,
11 requesting Respondent correct errors contained in the student enrollment agreement, and the
12 course catalog. The Bureau requested Respondent provide proof that the deficiencies were
13 corrected by September 30, 2020. The Bureau's notice indicated that the application remained
14 subject to further review once the corrections to the deficiencies were received.

15 10. On September 25, 2020, the Bureau received Respondent's response to the
16 Deficiency Letter. Respondent included a copy of the proposed course catalog and completed
17 checklist. On October 14, 2020, the Bureau received an amended catalog of courses. After
18 review, the Bureau issued a second Deficiency Letter to Respondent on March 5, 2021,
19 requesting Respondent provide a syllabus for each program and correct the course catalog to
20 include each specific course within the program offered by the institution. The letter provided a
21 sample template and instructions for the syllabus, information on implementing distance
22 education, and examples of acceptable identifying information. The Bureau requested
23 Respondent provide proof that the deficiencies were corrected by April 12, 2021. The Bureau's
24 notice indicated that the application remained subject to further review once the corrections to the
25 deficiencies were received.

26 11. On April 16, 2021, the Bureau sent an email communication to Respondent noting
27 that the requested information had not been received and inquiring if Respondent required an
28 extension or had any questions. The email included attached copies of the Deficiency Letter and
the sample template, instructions for the syllabus, and another copy of information on
implementing distance education. On July 2, 2021, the Bureau sent another Deficiency Letter

1 identifying the deficiencies regarding the educational program and catalog. The letter requested
2 Respondent provide a response no later than August 5, 2021.

3 12. On August 11, 2022, Bureau Senior Education Specialist DS visited Respondent's
4 campus to determine if the institution met statutorily required minimum operating standards. DS
5 observed students and reviewed student records. DS determined that programs were not being
6 presented in an organized manner and students dictated the courses they chose to attend.
7 Respondent did not provide in person theory instruction but offered theory instruction online
8 without prior Bureau approval. A review of student records demonstrated that Respondent failed
9 to track grades earned in each course. The syllabi for the Esthetician and Manicurist programs
10 did not contain required information. Respondent did not have a sequence regarding program
11 delivery which left DS unable to determine if the sequence of materials align with student
12 learning outcomes. Student records did not track grades earned in each course. On September 30,
13 2022, the Bureau issued a Notice of Denial of Application for Renewal of Approval to Operate.

14 **FIRST CAUSE FOR DENIAL OF APPLICATION**

15 **(Failure to Meet Minimum Operating Standards: Student Records)**

16 13. Respondent's application is subject to denial under Code section 94891, subdivision
17 (b), in conjunction with Code section 94900, subdivision (b), in that Respondent did not track
18 student grades or track if students completed theory instruction in a logical order or sequence for
19 each course as more fully set forth in paragraph 12 above and incorporated herein by reference.

20 **SECOND CAUSE FOR DENIAL OF APPLICATION**

21 **(Failure to Meet Minimum Operating Standards: Syllabi)**

22 14. Respondent's application is subject to denial under Code section 94891, subdivision
23 (b), in conjunction with Title 5 of the California Code of Regulations, sections 71710,
24 subdivisions (c)(2), (c)(6), (c)(7), and (e), in that Respondent's syllabi were non-compliant in that
25 Respondent failed to include in the Esthetician and Manicurist syllabi a statement of educational
26 objectives, failed to include a sequential and detailed outline of subject matter to be address or
27 how skills would be measured, failed to include the instructional mode or method, and failed to
28 tie specific learning outcomes to the sequence of the presentation of material to measure the

1 student's learning of the material as more fully set forth in paragraphs 9 through 12 above, and
2 incorporated herein by reference.

3 **THIRD CAUSE FOR DENIAL OF APPLICATION**

4 **(Failure to Meet Minimum Operating Standards: Instruction)**

5 15. Respondent's application is subject to denial under Code section 94891, subdivision
6 (b), in conjunction with Title 5 of the California Code of Regulations, sections 71715,
7 subdivisions (a), (b), and (c), in that Respondent's education programs failed to demonstrate
8 students are instructed in an approved method of instruction as more fully set forth in paragraphs
9 9 through 12 above and incorporated herein by reference.

10 **DISCIPLINARY CONSIDERATIONS**

11 16. To determine the degree of discipline, if any, to be imposed on Respondent,
12 Complainant alleges in a prior disciplinary action titled *In the Matter of the Accusation Against*
13 *American Beauty Institute LLC; dba American Beauty Institute,*" Case No. 1003292 (Accusation
14 Case No. 1003292), the Bureau issued a Decision and Order effective August 15, 2019, in which
15 Respondent's Approval to Operate an Institution Non-Accredited (Approval to Operate) was
16 revoked. However, the revocation was stayed and Respondent's Approval to Operate was placed
17 on probation for three (3) years with certain terms and conditions.

18 17. To determine the degree of discipline, if any, to be imposed on Respondent,
19 Complainant alleges that on or about August 23, 2021, the Bureau issued Citation #2122039 and
20 ordered Respondent to pay a civil penalty in the amount of \$1,501.00, and to submit a written
21 policy, or procedure, of future compliance with title 5, California Code of Regulations 71770,
22 71920 and Education Code 94904. Respondent paid the civil penalty and submitted a written
23 policy or procedure regarding future compliance. The Citation is now final.

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PRAYER

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

1. Denying the renewal application of American Beauty Institute for Approval to Operate and Offer Educational Programs for Non-Accredited Institutions; and,
2. Taking such other and further action as deemed necessary and proper.

DATED: 2/28/2023

Deborah Cochran

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

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