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8  
9 **BEFORE THE**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**  
**STATE OF CALIFORNIA**

11  
12 In the Matter of the Accusation Against:

Case No. 1000683

13 **SAN DIEGO BEAUTY COLLEGE,**  
14 **3501 El Cajon Blvd.**  
**San Diego, CA 92104**

**A C C U S A T I O N**

15 **School Code 3709511**

16 Respondent.

17  
18 Complainant alleges:

19 **PARTIES**

20 1. Joanne Wenzel (Complainant) brings this Accusation solely in her official capacity as  
21 the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of Consumer  
22 Affairs.

23 **Main Campus**

24 2. On or about June 6, 1996, the Bureau for Private Postsecondary and Vocational  
25 Education<sup>1</sup> (hereinafter "BPPVE") issued San Diego Beauty College (Respondent), an approval to

26 <sup>1</sup> The former Bureau for Private Postsecondary and Vocational Education sunsetted on  
27 July 1, 2007. On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009  
28 (AB 48) was signed into law. The Act, which became operative on January 1, 2010, established  
the Bureau for Private Postsecondary Education (hereinafter "Bureau").

1 operate a private postsecondary non-accredited institution (School Code Number 3709511) at the  
2 main campus located at 3501 El Cajon Blvd., San Diego, CA 92104. Respondent was approved  
3 to offer the following non-degree programs: Cosmetician, Cosmetology, and Manicuring and  
4 Teacher Training. On or about June 18, 2007, Respondent was also approved to offer non-degree  
5 programs in Health Holistic Practitioner, Massage Technician and Massage Therapist. On or  
6 about September 28, 2011, Respondent was approved to offer a non-degree program in Barbering.  
7 The Approval to Operate was in full force and effect at all times relevant to the charges brought  
8 herein and will expire on March 21, 2021, unless renewed.

### 9 JURISDICTION

10 3. This Accusation is brought before the Director of the Department of Consumer  
11 Affairs (Director) for the Bureau, under the authority of the following laws. All section  
12 references are to the Education Code unless otherwise indicated.

13 4. Education Code (Code) section 94932 states:

14 The bureau shall determine an institution's compliance with the requirements of  
15 this chapter. The bureau shall have the power to require reports that institutions  
16 shall file with the bureau in addition to the annual report, to send staff to an  
17 institution's sites, and to require documents and responses from an institution to  
18 monitor compliance. When the bureau has reason to believe that an institution may  
19 be out of compliance, it shall conduct an investigation of the institution. If the  
20 bureau determines, after completing an investigation, that an institution has  
21 violated any applicable law or regulation, the bureau shall take appropriate action  
22 pursuant to this article.

19 5. Code section 94933 states:

20 The bureau shall provide an institution with the opportunity to remedy  
21 noncompliance, impose fines, place the institution on probation, or suspend or  
22 revoke the institution's approval to operate, in accordance with this article, as it  
deems appropriate based on the severity of an institution's violations of this  
chapter, and the harm caused to students.

23 6. Code section 94937 states:

24 (a) As a consequence of an investigation, and upon a finding that an institution  
25 has committed a violation, the bureau may place an institution on probation or  
may suspend or revoke an institution's approval to operate for:

26 (1) Obtaining an approval to operate by fraud.

27 (2) A material violation or repeated violations of this chapter or  
28 regulations adopted pursuant to this chapter that have resulted in harm to  
students. For purposes of this paragraph, "material violation" includes, but is

1 not limited to, misrepresentation, fraud in the inducement of a contract, and  
2 false or misleading claims or advertising, upon which a student reasonably  
relied in executing an enrollment agreement and that resulted in harm to the  
student.

3 (b) The bureau shall adopt regulations, within one year of the enactment of this  
4 chapter, governing probation and suspension of an approval to operate.

5 (c) The bureau may seek reimbursement pursuant to Section 125.3 of the  
Business and Professions Code.

6 (d) An institution shall not be required to pay the cost of investigation to more  
7 than one agency.

8 7. Business and Professions Code section 118 states, in part:

9 ...

10 (b) The suspension, expiration, or forfeiture by operation of law of a license  
11 issued by a board in the department, or its suspension, forfeiture, or cancellation by  
12 order of the board or by order of a court of law, or its surrender without the written  
13 consent of the board, shall not, during any period in which it may be renewed,  
14 restored, reissued, or reinstated, deprive the board of its authority to institute or  
continue a disciplinary proceeding against the licensee upon any ground provided  
by law or to enter an order suspending or revoking the license or otherwise taking  
disciplinary action against the licensee on any such ground.

15 (c) As used in this section, 'board' includes an individual who is authorized by  
16 any provision of this code to issue, suspend, or revoke a license, and 'license'  
includes 'certificate,' 'registration,' and 'permit.'"

### 17 STATUTORY AND REGULATORY PROVISIONS

18 8. Business and Professions Code section 477 states:

19 As used in this division:

20 (a) 'Board' includes 'bureau,' 'commission,' 'committee,' 'department,'  
21 'division,' 'examining committee,' 'program,' and 'agency.'

22 (b) 'License' includes certificate, registration or other means to engage in a  
business or profession regulated by this code.

23 9. Code section 94893 states:

24 If an institution intends to make a substantive change to its approval to operate, the  
25 institution shall receive prior authorization from the bureau. Except as provided in  
26 subdivision (a) of Section 94896, if the institution makes the substantive change  
without prior bureau authorization, the institution's approval to operate may be  
suspended or revoked.

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10. Code section 94894 states:

The following changes to an approval to operate are considered substantive changes and require prior authorization:

...

(g) A significant change in the method of instructional delivery.

...

11. Code section 94897 states:

An institution shall not do any of the following:

...

(j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:

(1) A financial report filed with the bureau.

(2) Information or records relating to the student's eligibility for student financial aid at the institution.

(3) Any other record or document required by this chapter or by the bureau.

(k) Willfully falsify, destroy, or conceal any document of record while that document of record is required to be maintained by this chapter.

(l) Use the terms "approval," "approved," "approval to operate," or "approved to operate" without stating clearly and conspicuously that approval to operate means compliance with state standards as set forth in this chapter. If the bureau has granted an institution approval to operate, the institution may indicate that the institution is "licensed" or "licensed to operate," but may not state or imply either of the following:

(1) The institution or its educational programs are endorsed or recommended by the state or by the bureau.

(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

...

12. Code section 94900 states:

(a) An institution shall maintain records of the name, address, e-mail address, and telephone number of each student who is enrolled in an educational program in that institution.

///

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

2 (1) The degree or certificate granted and the date on which that degree or  
certificate was granted.

3 (2) The courses and units on which the certificate or degree was based.

4 (3) The grades earned by the student in each of those courses."  
5

6 13. Code section 94900.5 states:

7 An institution shall maintain, for a period of not less than five years, at its  
principal place of business in this state, complete and accurate records of all of the  
8 following information:

9 ...

10 (c) Any other records required to be maintained by this chapter, including, but not  
limited to, records maintained pursuant to Article 16 (commencing with Section  
11 94928).

12 14. Code section 94902 states:

13 ...

14 (b) An enrollment agreement is not enforceable unless all of the following  
requirements are met:

15 (1) The student has received the institution's catalog and School Performance Fact  
16 Sheet prior to signing the enrollment agreement.

17 ...

18 (3) Prior to the execution of the enrollment agreement, the student and the  
institution have signed and dated the information required to be disclosed in the  
19 Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of  
Section 94910. Each of these items in the Student Performance Fact Sheet shall  
20 include a line for the student to initial and shall be initialed and dated by the  
student.

21 ...

22  
23 15. Code section 94905 states:

24 (a) During the enrollment process, an institution offering educational programs  
designed to lead to positions in a profession, occupation, trade, or career field  
25 requiring licensure in this state shall exercise reasonable care to determine if the  
student will not be eligible to obtain licensure in the profession, occupation, trade,  
26 or career field at the time of the student's graduation and shall provide all students  
enrolled in those programs with a written copy of the requirements for licensure  
27 established by the state, including any applicable course requirements established  
by the state. If the minimum course requirements of the institution exceed the  
28 minimum requirements for state licensure, the institution shall disclose this

1 information, including a list of those courses that are not required for state  
2 licensure. The institution shall not execute an enrollment agreement with a student  
3 that is known to be ineligible for licensure, unless the student's stated objective is  
4 other than licensure.

5 ...  
6 16. Code section 94906 states:

7 (a) An enrollment agreement shall be written in language that is easily understood.  
8 If English is not the student's primary language, and the student is unable to  
9 understand the terms and conditions of the enrollment agreement, the student shall  
10 have the right to obtain a clear explanation of the terms and conditions and all  
11 cancellation and refund policies in his or her primary language.

12 (b) If the recruitment leading to enrollment was conducted in a language other than  
13 English, the enrollment agreement, disclosures, and statements shall be in that  
14 language.

15 17. Code section 94909 states:

16 (a) Except as provided in subdivision (d), prior to enrollment, an institution shall  
17 provide a prospective student, either in writing or electronically, with a school  
18 catalog containing, at a minimum, all of the following:

19 ...  
20 (5) A description of the programs offered and a description of the instruction  
21 provided in each of the courses offered by the institution, the requirements for  
22 completion of each program, including required courses, any final tests or  
23 examinations, any required internships or externships, and the total number of  
24 credit hours, clock hours, or other increments required for completion.

25 ...  
26 (8) A detailed description of institutional policies in the following areas:

27 (A) Admissions policies, including the institution's policies regarding  
28 the acceptance of credits earned at other institutions or through  
challenge examinations and achievement tests, admissions  
requirements for ability-to-benefit students, and a list describing any  
transfer or articulation agreements between the institution and any  
other college or university that provides for the transfer of credits  
earned in the program of instruction. If the institution has not entered  
into an articulation or transfer agreement with any other college or  
university, the institution shall disclose that fact.

29 ...  
30 (9) The schedule of total charges for a period of attendance and an estimated  
31 schedule of total charges for the entire educational program.

32 ...  
33 (15) The following statement:

1 "NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND  
2 CREDENTIALS EARNED AT OUR INSTITUTION.

3 The transferability of credits you earn at (name of institution) is at the complete  
4 discretion of an institution to which you may seek to transfer. Acceptance of the  
5 (degree, diploma, or certificate) you earn in (name of educational program) is also  
6 at the complete discretion of the institution to which you may seek to transfer. If  
7 the (credits or degree, diploma, or certificate) that you earn at this institution are  
8 not accepted at the institution to which you seek to transfer, you may be required to  
9 repeat some or all of your coursework at that institution. For this reason you should  
10 make certain that your attendance at this institution will meet your educational  
11 goals. This may include contacting an institution to which you may seek to transfer  
12 after attending (name of institution) to determine if your (credits or degree,  
13 diploma, or certificate) will transfer."

14 ...  
15 18. Code section 94910 states:

16 Except as provided in subdivision (d) of Section 94909 and Section 94910.5, prior  
17 to enrollment, an institution shall provide a prospective student with a School  
18 Performance Fact Sheet containing, at a minimum, the following information, as it  
19 relates to the educational program:

20 (a) Completion rates, as calculated pursuant to Article 16 (commencing with  
21 Section 94928).

22 (b) Placement rates for each educational program, as calculated pursuant to Article  
23 16 (commencing with Section 94928), if the educational program is designed to  
24 lead to, or the institution makes any express or implied claim related to preparing  
25 students for, a recognized career, occupation, vocation, job, or job title.

26 (c) License examination passage rates for programs leading to employment for  
27 which passage of a state licensing examination is required, as calculated pursuant  
28 to Article 16 (commencing with Section 94928).

(d) Salary or wage information, as calculated pursuant to Article 16 (commencing  
with Section 94928).

(e) If a program is too new to provide data for any of the categories listed in this  
subdivision, the institution shall state on its fact sheet: "This program is new.  
Therefore, the number of students who graduate, the number of students who are  
placed, or the starting salary you can earn after finishing the educational program  
are unknown at this time. Information regarding general salary and placement  
statistics may be available from government sources or from the institution, but is  
not equivalent to actual performance data."

(f) All of the following:

(1) A description of the manner in which the figures described in  
subdivisions (a) to (d), inclusive, are calculated or a statement informing the reader  
of where he or she may obtain a description of the manner in which the figures  
described in subdivisions (a) to (d), inclusive, are calculated.

(2) A statement informing the reader of where he or she may obtain from the  
institution a list of the employment positions determined to be within the field for

1 which a student received education and training for the calculation of job  
2 placement rates as required by subdivision (b).

3 (3) A statement informing the reader of where he or she may obtain from the  
4 institution a list of the objective sources of information used to substantiate the  
5 salary disclosure as required by subdivision (d).

6 (g) The following statements:

7 (1) "This fact sheet is filed with the Bureau for Private Postsecondary  
8 Education. Regardless of any information you may have relating to completion  
9 rates, placement rates, starting salaries, or license exam passage rates, this fact  
10 sheet contains the information as calculated pursuant to state law."

11 (2) "Any questions a student may have regarding this fact sheet that have not  
12 been satisfactorily answered by the institution may be directed to the Bureau for  
13 Private Postsecondary Education at (address), Sacramento, CA (ZIP Code),  
14 (Internet Web site address), (telephone and fax numbers)."

15 (h) If the institution participates in federal financial aid programs, the most recent  
16 three-year cohort default rate reported by the United States Department of  
17 Education for the institution and the percentage of enrolled students receiving  
18 federal student loans.

19 (i) Data and information disclosed pursuant to subdivisions (a) to (d), inclusive, is  
20 not required to include students who satisfy the qualifications specified in  
21 subdivision (d) of Section 94909, but an institution shall disclose whether the data,  
22 information, or both provided in its fact sheet excludes students pursuant to this  
23 subdivision. An institution shall not actively use data specific to the fact sheet in its  
24 recruitment materials or other recruitment efforts of students who are not  
25 California residents and do not reside in California at the time of their enrollment.

26 19. Code section 94911 states:

27 An enrollment agreement shall include, at a minimum, all of the following:

28 ...

(b) A schedule of total charges, including a list of any charges that are  
nonrefundable and the student's obligations to the Student Tuition Recovery Fund,  
clearly identified as nonrefundable charges.

...

(h) The transferability disclosure that is required to be included in the school  
catalog, as specified in paragraph (15) of subdivision (a) of Section 94909.

(i) (1) The following statement: "Prior to signing this enrollment agreement,  
you must be given a catalog or brochure and a School Performance Fact Sheet,  
which you are encouraged to review prior to signing this agreement. These  
documents contain important policies and performance data for this institution.  
This institution is required to have you sign and date the information included in  
the School Performance Fact Sheet relating to completion rates, placement rates,  
license examination passage rates, salaries or wages, and the most recent three-year  
cohort default rate, if applicable, prior to signing this agreement."



1 (2) Immediately following the statement required by paragraph (1), a line for  
2 the student to initial, including the following statement: "I certify that I have  
3 received the catalog, School Performance Fact Sheet, and information regarding  
4 completion rates, placement rates, license examination passage rates, salary or  
5 wage information, and the most recent three-year cohort default rate, if applicable,  
6 included in the School Performance Fact sheet, and have signed, initialed, and  
7 dated the information provided in the School Performance Fact Sheet."

8 ...  
9  
10 20. Code section 94912 states:

11 Prior to the execution of an enrollment agreement, the information required to be  
12 disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be  
13 signed and dated by the institution and the student. Each of these items shall also  
14 be initialed and dated by the student.

15 ...  
16 21. Code section 94913 states:

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

19 ...  
20 (2) A School Performance Fact Sheet for each educational program offered  
21 by the institution.

22 ...  
23 22. Code section 94929 of the Education Code states:

24 (a) An institution shall annually report to the bureau, as part of the annual report,  
25 and publish in its School Performance Fact Sheet, the completion rate for each  
26 program. Except as provided in subdivision (b), the completion rate shall be  
27 calculated by dividing the number of graduates by the number of students available  
28 for graduation.

29 ...  
30 23. Code section 94929.5 states:

31 (a) An institution shall annually report to the bureau, as part of the annual report,  
32 and shall publish in its School Performance Fact Sheet, all of the following:

33 (1) The job placement rate, calculated by dividing the number of graduates  
34 employed in the field by the number of graduates available for employment for  
35 each program that is either (1) designed, or advertised, to lead to a particular  
36 career, or (2) advertised or promoted with any claim regarding job placement.

37 (2) The license examination passage rates for the immediately preceding two  
38 years for programs leading to employment for which passage of a state licensing  
39 examination is required, calculated by dividing the number of graduates who pass  
40 the examination by the number of graduates who take the licensing examination  
41 the first time that the examination is available after completion of the educational

1 program. The institution shall use state agency licensing data to calculate license  
2 examination passage rates. If those data are unavailable, the institution shall  
calculate the license examination passage rate in a manner consistent with  
regulations adopted by the bureau.

3 (3) Salary and wage information, consisting of the total number of graduates  
4 employed in the field and the annual wages or salaries of those graduates stated in  
increments of five thousand dollars (\$5,000).

5 (4) If applicable, the most recent official three-year cohort default rate  
6 reported by the United States Department of Education for the institution and the  
percentage of enrolled students receiving federal student loans.

7 (b) Nothing in this section shall limit the bureau's authority to collect information  
8 from an institution to comply with this section and ensure, by regulation and other  
9 lawful means, that the information required by this section, and the manner in  
which it is collected and reported, is all of the following:

10 (1) Useful to students.

11 (2) Useful to policymakers.

12 (3) Based upon the most credible and verifiable data available.

13 (4) Does not impose undue compliance burdens on an institution.

14 (c) Data and information disclosed pursuant to paragraphs (1) to (3), inclusive, of  
15 subdivision (a) is not required to include students who satisfy the qualifications  
16 specified in subdivision (d) of Section 94909, but an institution shall disclose on its  
fact sheet and to the bureau whether its data, information, or both, excludes any  
students pursuant to this subdivision.

17 24. Code section 94929.7 of the Education Code states:

18 (a) The information used to substantiate the rates and information calculated  
19 pursuant to Sections 94929 and 94929.5 shall do both of the following:

20 (1) Be documented and maintained by the institution for five years from the date  
of the publication of the rates and information.

21 (2) Be retained in an electronic format and made available to the bureau upon  
22 request.

23 ...

24 25. Code section 94934 states:

25 (a) As part of the compliance program, an institution shall submit an annual report  
26 to the bureau, under penalty of perjury, signed by a responsible corporate officer,  
by July 1 of each year, or another date designated by the bureau, and it shall  
27 include the following information for educational programs offered in the reporting  
period:

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- (1) The total number of students enrolled by level of degree or for a diploma.
- (2) The number of degrees, by level, and diplomas awarded.
- (3) The degree levels and diplomas offered.
- (4) The Student Performance Fact Sheet, as required pursuant to Section 94910.
- (5) The school catalog, as required pursuant to Section 94909.
- (6) The total charges for each educational program by period of attendance.
- (7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.
- (8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.
- (9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

26. Title 5, California Code of Regulations (CCR), section 71650 states:

(a) An institution seeking to change its educational objectives shall complete the "Change in Educational Objectives" form (OBJ rev. 2/10) to obtain prior authorization. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code. For an institution approved under section 94885 of the Code it shall be signed and dated by the signatory(ies) required by section 71380, and for an institution approved under section 94890 of the Code it shall be signed and dated by the signatory(ies) required by section 71390, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, in the following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

\_\_\_\_\_

(Date)

\_\_\_\_\_

(Signature)"

...

27. Title 5, CCR, section 71720 states:

...

(b) Instructors in an Educational Program Not Leading to a Degree.

///

1 (1) An institution shall employ instructors who possess the academic,  
2 experiential and professional qualifications to teach, including a minimum of three  
3 years of experience, education and training in current practices of the subject area  
4 they are teaching. If an instructor does not possess the required three years of  
5 experience, education and training in the subject area they are teaching, the  
6 institution shall document the qualifications the instructor possesses that are  
7 equivalent to the minimum qualifications.

8 (2) Each instructor shall maintain their knowledge by completing continuing  
9 education courses in his or her subject area, classroom management or other  
10 courses related to teaching.

11 ...  
12 28. Title 5, CCR, section 71730 states:

13 ...  
14 (e) The chief academic officer shall possess a degree or equivalent acceptable  
15 experience at least equal to the highest qualifications required of the institution's  
16 faculty. Chief academic officers employed on the date of implementation of these  
17 regulations, who do not meet the qualifications for their positions, shall have three  
18 years to earn the necessary degrees or experience to qualify them for their position.

19 ...  
20 29. Title 5, CCR, section 71745 states:

21 (a) The institution shall document that it has at all times sufficient assets and  
22 financial resources to do all of the following:

23 ...  
24 (3) Maintain the minimum standards required by the Act and this chapter.

25 ...  
26 (5) Pay all operating expenses due within 30 days. ...

27 30. Title 5, CCR, section 71770 states:

28 (a) The institution shall establish specific written standards for student admissions  
for each educational program. These standards shall be related to the particular  
educational program. An institution shall not admit any student who is obviously  
unqualified or who does not appear to have a reasonable prospect of completing  
the program. In addition to any specific standards for an educational program, the  
admissions standards must specify as applicable that:

(1) Each student admitted to an undergraduate degree program, or a diploma  
program, shall possess a high school diploma or its equivalent, or otherwise  
successfully take and pass the relevant examination as required by section 94904 of  
the Code.

1 31. Title 5, CCR, section 71800 states:

2 In addition to the requirements of section 94911 of the Code, an institution shall  
3 provide to each student an enrollment agreement that contains at the least the  
4 following information:

5 ...

6 (b) Period covered by the enrollment agreement.

7 ...

8 (e) Itemization of all institutional charges and fees including, as applicable:

9 ...

10 (11) Student Tuition Recovery Fund fee (non-refundable);

11 (12) any other institutional charge or fee.

12 (f) Charges paid to an entity other than an institution that is specifically required  
13 for participation in the educational program.

14 32. Title 5, CCR, section 71810 states:

15 ...

16 (b) The catalog shall contain the information prescribed by Section 94909 of the  
17 Code and all of the following:

18 ...

19 (3) If the institution admits students from other countries, whether visa  
20 services are provided or whether the institution will vouch for student status, and  
21 any associated charges;

22 (4) Language proficiency information, including: (A) the level of English  
23 language proficiency required of students and the kind of documentation of  
24 proficiency, such as the Test of English as a Foreign Language (TOEFL), that will  
25 be accepted; and (B) whether English language services, including instruction such  
26 as ESL, are provided and, if so, the nature of the service and its cost;

27 (5) Whether any instruction will occur in a language other than English and,  
28 if so, the level of proficiency required and the kind of documentation of  
29 proficiency, such as the United States Foreign Service Language Rating System,  
30 that will be accepted;

31 ...

32 (7) The institution's policies and procedures for the award of credit for prior  
33 experiential learning, including assessment policies and procedures, provisions for  
34 appeal, and all charges that a student may be required to pay;

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(15) Policies on the retention of student records.

33. Title 5, CCR, section 71920 states:

...  
(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;

...  
(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;

(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation; and

(5) In addition to the requirements of section 94900(b) of the Code, a transcript showing all of the following:

(A) The courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal;

(B) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit;

(C) Credit for courses earned at other institutions;

(D) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes;

(E) The name, address, website address, and telephone number of the institution.

...  
(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received; ...

34. Title 5, CCR, section 71930 states:

(a) An institution shall maintain all records required by the Act and this chapter. The records shall be maintained in this state.

1 (b)(1) In addition to permanently retaining a transcript as required by section  
2 94900(b) of the Code, the institution shall maintain for a period of 5 years the  
3 pertinent student records described in Section 71920 from the student's date of  
4 completion or withdrawal.

5 ...

6 (e) All records that the institution is required to maintain by the Act or this chapter  
7 shall be made immediately available by the institution for inspection and copying  
8 during normal business hours by the Bureau and any entity authorized to conduct  
9 investigations.

10 ...

11 35. Title 5, CCR, section 74110<sup>2</sup> states:

12 ...

13 (c) An institution shall file its annual report by September 1st. The Bureau may  
14 extend the period for filing if the institution demonstrates evidence of substantial  
15 need but in no case longer than 60 days. The institution shall not change the date of  
16 its filing its annual report because of a change in the fiscal year without the  
17 Bureau's approval.

18 ...

19 36. Title 5, CCR, section 74112 states:

20 ...

21 (m) Documentation supporting all data reported shall be maintained electronically  
22 by the institution for at least five years from the last time the data was included in  
23 either an Annual Report or a Performance Fact Sheet and shall be provided to the  
24 Bureau upon request; the data for each program shall include at a minimum:

25 ...

26 (2) student name(s), address, phone number, email address, program  
27 completed, program start date, scheduled completion date, and actual completion  
28 date;

(3) graduate's place of employment and position, date employment began,  
date employment ended, if applicable, actual salary, hours per week, and the date  
employment was verified;

...

(6) a description of all attempts to contact each student or employer;

...

<sup>2</sup> The content of title 5, CCR, section 74110, referenced herein was in effect until July 14, 2016.

1 (9) the name, email address, phone number, and position or title of the  
2 institution's representative who was primarily responsible for obtaining the  
3 students' completion, placement, licensing, and salary and wage data, the date that  
4 the information was gathered, and copies of notes, letters or emails through which  
5 the information was requested and gathered.

6 ...

7 37. Title 5, CCR, section 74115 states:

8 ...

9 (b) A set of financial statements shall contain, at a minimum, a balance sheet, an  
10 income statement, and a cash flow statement, and the preparation of financial  
11 statements, shall comply with all of the following:

12 ...

13 (3) The financial statements shall establish that the institution meets the  
14 requirements for financial resources required by Section 71745.

15 ...

16 38. Title 5, CCR, section 76140 states:

17 (a) A qualifying institution shall collect and maintain records of student  
18 information to substantiate the data reported on the STRF Assessment Reporting  
19 Form and records of the students' eligibility under the Fund. Such records shall  
20 include the following for each student:

21 ...

22 (3) Email address,

23 ...

24 (5) Address at the time of enrollment,

25 (6) Home address,

26 ...

27 (8) Courses and course costs,

28 ...

(10) Quarter in which the STRF assessment was remitted to the Bureau,

(11) Third-party payer identifying information,

...

///



1 **FACTS**

2 39. On or about June 2, 2015, the Bureau's Complaint Investigations Unit received  
3 notification that Respondent's School Performance Fact Sheet (SPFS) was out of date and not in  
4 compliance, that Respondent was teaching in Vietnamese when it was not approved to do so, that  
5 Respondent failed to submit a timely Annual Report, and that Respondent's Chief Academic  
6 Officer (CAO) did not possess the proper qualifications.

7 40. On or about February 9, 2016, L.F., an Enforcement Investigator, for the Bureau  
8 conducted an onsite inspection of the school. Trang Le (Le), Respondent's owner, was  
9 conducting a tour of the school with V.A., an inspector for the Board of Barbering and  
10 Cosmetology (BBC) and invited L.F. to join the tour.

11 41. During the tour, L.F. visited a manicuring class that was in session. A.N. was the  
12 instructor and there were about 17 students in the class. V.A. stated that she needed to make an  
13 announcement to the class and asked whether the students spoke English or if A.N. could  
14 translate. A.N. asked one of the students to translate V.A.'s statements. V.A. made her  
15 announcement in English and the student translated V.A.'s statements into Vietnamese.  
16 Respondent does not have approval to offer courses in a language other than English.

17 42. According to Le, A.N. was also the CAO of the school. L.F. requested A.N.'s faculty  
18 file. Respondent failed to provide A.N.'s faculty file to L.F. while she was on site and did not  
19 provide documentation that A.N. had the proper qualifying education to be the CAO nor that  
20 A.N. completed the required continuing education courses.

21 43. At the conclusion of the tour, L.F. requested a roster of the current students, the SPFS,  
22 supporting documentation for the Student Tuition Recovery Fund (STRF) and SPFS, and a school  
23 catalog. Respondent was unable to provide the student roster. L.F. was given a copy of  
24 Respondent's 2014 Quarter One STRF backup data by T.D. L.F. requested backup  
25 documentation for the SPFS. T.D. stated that Respondent uses the same report as backup  
26 documentation for the SPFS and the STRF. In response to L.F.'s request for the school catalog,  
27 T.D. collected six pieces of paper from folders near her desk, which included a page about tuition  
28 costs, a page with the class schedule, instructions for timecard, the school parking rules, a Notice

1 of Cancellation form and a Notice of Student Rights. T.D. stated these were the documents  
2 provided to a student upon enrollment and that a different packet is provided at the Student  
3 Orientation meeting. T.D. provided the documents given to the students at the Orientation  
4 meeting. They do not include the school catalog nor the SPFS. The "Enrollment Packet," which  
5 are documents given to students at the Orientation meeting to sign, include a Student Enrollment  
6 Certificate, Acknowledgment of Disclosures, Class Schedule, Express Release of Liability,  
7 Enrollment Questionnaire, Campus Security Disclosures and School Rules and Regulations. T.D.  
8 explained that while Respondent has a school catalog, it is not given to students. T.D. provided  
9 the 2016 catalog to L.F.

10 44. Respondent provided the 2013/2014 SPFS for the Cosmetology, Barbering,  
11 Esthetician and Manicuring programs but did not have the required SPFS for the Massage  
12 Therapy and Instructor Training programs offered by Respondent.

13 45. L.F. randomly selected and reviewed student files during her investigation, including  
14 the student files of T.T., K.L. and N.P. L.F.'s findings regarding these three files are summarized  
15 below:

16 a. T.T. – T.T. was enrolled in the Manicurist program. She completed the program on  
17 February 22, 2014. T.T.'s file did not include a transcript, certificate of completion or proof of  
18 graduation document, a signed SPFS, proof of a high school diploma, or documentation setting  
19 forth the total amount of monies received from the student. T.T.'s student file did not contain a  
20 government issued identification card or record of a social security number. This information is  
21 required in order for a student to qualify to take a licensure examination with the BBC. The  
22 student file did not contain a written copy of the requirements for licensure established by the  
23 state, including any applicable course requirements established by the state.

24 b. K.L. – K.L. was enrolled in the Cosmetology program as of November 3, 2015.  
25 K.L.'s student file did not include any attendance records, a signed SPFS, proof of a high school  
26 diploma, or documentation setting forth the total amount of monies received from the student.  
27 K.L.'s enrollment agreement contained numerous violations including the failure to include the  
28 total charges with the student's obligation to STRF clearly identified as non-refundable; the

1 required verbatim disclosures regarding the STRF and the period covered by the enrollment  
2 agreement. K.L.'s student file did not contain a government issued identification card or record  
3 of a social security number. This information is required in order for a student to qualify to take a  
4 licensure examination with the BBC. The student file did not contain a written copy of the  
5 requirements for licensure established by the state, including any applicable course requirements  
6 established by the state. K.L. was not in attendance on the day of the inspection and could not be  
7 interviewed.

8 c. N.P. – N.P. was enrolled in the Cosmetology program as of October 10, 2015. N.P.'s  
9 student file did not include any attendance records, proof of a high school diploma, or  
10 documentation setting forth the total amount of monies received from the student. N.P.'s student  
11 file did not contain a government issued identification card or record of a social security number.  
12 This information is required in order for a student to qualify to take a licensure examination with  
13 the BBC. The student file did not contain a written copy of the requirements for licensure  
14 established by the state, including any applicable course requirements established by the state.

15 i. N.P. was interviewed by L.F. N.P. did not speak English so T.L., Respondent's  
16 Cosmetology instructor, translated for L.F. and N.P. L.F. asked if N.P. graduated from high  
17 school. After three different attempts with T.L.'s assistance, N.P. nodded her head that she had  
18 graduated high school. L.F. asked the date of her graduation. N.P. and T.L. went back and forth  
19 in Vietnamese several times. T.L. stated that N.P. did not know when she graduated from high  
20 school. L.F. showed N.P. a signed SPFS that was in N.P.'s file and asked N.P. if she was familiar  
21 with the document. N.P. identified the document as a class schedule. L.F. concluded that  
22 Respondent is not provided sufficient translation, either in writing or verbally, for their students to  
23 understand the required disclosures.

24 46. All of the student files reviewed by L.F. contained Enrollment Agreements and other  
25 documents in English. According to T.D., none of the school's documents are in Vietnamese, nor  
26 are the school catalog or SPFS in Vietnamese. T.D. stated that the school discussed the  
27 documents with the students when the students are enrolling. None of the student files contained  
28 signed copies of the six pages that were provided to L.F. as the "catalog" provided to students

1 upon their enrollment. The files also did not contain signed copies of the documents provided to  
2 students at the Student Orientation meeting.

3 47. L.F. met with Le to discuss the absence of documentation of high school graduation  
4 in the student files. According to Le, the school was now using an ability-to-benefit test for  
5 students however, Le was unable to provide a student file that showed the student passed an  
6 ability-to-benefit test.

7 48. A review of the supporting documentation for the STRF revealed that it did not  
8 include the e-mail address, address at time of enrollment, home address, courses and course costs,  
9 quarter in which the STRF assessment fee was remitted to the Bureau and third party payer  
10 information for each student as required by the regulations. Since the same documentation was  
11 used to support the SPFS, this documentation was also insufficient in that it failed to include the  
12 phone number, e-mail address, place of employment and position, salary, hours and a description  
13 of all attempts to contact each student, the name, phone number, e-mail address, position or title  
14 of the institution's representative who is primarily responsible for obtaining the students'  
15 completion, placement, licensing, and salary and wage data, the date that the information was  
16 gathered, copies of notes, letters or emails through which the information was requested and  
17 gathered for each student enrolled in an educational program.

18 49. L.F. reviewed a revised 2016 school catalog provided by Respondent in its application  
19 for renewal of its approval to operate and enrollment agreement. Both contained violations that  
20 are more particularly set forth below.

21 50. L.F. also reviewed Respondent's financial statements submitted with their 2014  
22 Annual Report. According to the financial statements provided with the Annual Report,  
23 Respondent had \$1,546.00 in cash at the end of 2014 but had monthly expenses of \$20,575.00.  
24 L.F. reviewed the financial statements submitted by Respondent with its renewal application.  
25 According to the 2015 financial statements, Respondent ended 2015 with \$1,614.00 in cash and  
26 monthly operating expenses of or \$20,338.00. As such, L.F. concluded that Respondent could not  
27 demonstrate that it had financial resources to pay 30 days of operating expenses.

28 ///

1 51. In addition, during an investigation by the Division of Investigations following a  
2 complaint to the BBC that Respondent was selling hours, Le stated that he provided proof of  
3 training documentation to students for class hours that they had not completed for an additional  
4 fee. Le would submit a falsified Proof of Training documents to the BBC to obtain a licensure  
5 examination date for the student. After the student receives the test date, Le would schedule the  
6 student to come in for "tutoring" outside of class time to prepare the student for the examination.

7 **FIRST CAUSE FOR DISCIPLINE**

8 **(Failure to Obtain Authorization for Substantive Change)**

9 52. Respondent is subject to disciplinary action under Code sections 94893 and 94894(g)  
10 and title 5, CCR, section 71650(a), for failing to obtain prior authorization from the Bureau for  
11 making a substantive change in its educational program, to wit, the delivery of the educational  
12 program in a language other than English, in that Respondent offers its educational programs in  
13 Vietnamese without prior authorization from the Bureau, as more fully set forth in paragraph 41  
14 above and incorporated by this reference as though set forth in full herein.

15 **SECOND CAUSE FOR DISCIPLINE**

16 **(Failure to Document Faculty Qualifications)**

17 53. Respondent is subject to disciplinary action under title 5, CCR, 71720(b), for failing  
18 to employ instructors who possess the academic, experiential and professional qualifications to  
19 teach and for failing to show documentation that instructors are completing continuing education  
20 courses in his or her subject area, classroom management or other courses related to teaching.

21 54. The circumstances are as follows. Respondent failed to provide faculty files for  
22 review during the Bureau's on-site investigation on February 9, 2016, as more fully set forth in  
23 paragraph 42 above and incorporated by this reference as though set forth in full herein. In  
24 addition, Respondent advertises a Massage Therapy course on its website and 2016 School  
25 Catalog but does not employ an instructor for this course.

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**THIRD CAUSE FOR DISCIPLINE**

**(Failure to Provide Documentation of Qualifications of Chief Academic Officer)**

55. Respondent is subject to disciplinary action under title 5, CCR, section 71730(c), for failing to provide documentation that Respondent’s CAO, A.N., possesses a degree or equivalent acceptable experience at least equal to the highest qualifications required of the institution's faculty, as more fully set forth in paragraph 42 above and incorporated by this reference as though set forth in full herein.

**FOURTH CAUSE FOR DISCIPLINE**

**(Failure to Demonstrate Sufficient Financial Resources)**

56. Respondent is subject to disciplinary action under title 5, CCR, sections 71745(a)(3) and (a)(5) and 74115(b)(3), for failing to document that it has at all times sufficient assets and financial resources to pay all operating expenses due within 30 days, as more fully set forth in paragraph 50 above and incorporated by this reference as though set forth in full herein.

**FIFTH CAUSE FOR DISCIPLINE**

**(Student Admissions)**

57. Respondent is subject to disciplinary action under title 5, CCR, section 71770(a), for admitting students who are not qualified for admission. Respondent’s 2016 School Catalog states that applicants must provide “a copy of a High School Diploma, or its equivalent (GED), or Transcript showing high school completion, or Homeschooled (sic) state issued credential completion, or California State Proficiency Test, or Ability to Benefit Test-ATB... .” However, Respondent enrolled students without the requisite proof of completion of high school. The student files reviewed contained notarized statements from the students that they completed high school. Title 5, CCR, section 71770(a)(1) requires a high school diploma, GED, or equivalent for the purpose of admission to a diploma program.

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1 **SIXTH CAUSE FOR DISCIPLINE**

2 **(School Catalog - Failure to Contain Minimum Requirements)**

3 58. Respondent is subject to disciplinary action under Code section 94909(a) and title 5,  
4 CCR, sections 71770(a)(1), 71810(b), and 71930(a) and (b)(1) in that the 2016 School Catalog  
5 failed to contain the following:

6 a. The catalog failed to contain a detailed description of Respondent's admissions  
7 policies for awarding credit through challenge examinations or the requirements for admissions  
8 by the Ability to Benefit Test. Respondent's catalog states that applicants must provide "a copy  
9 of a High School Diploma, or its equivalent (GED), or Transcript showing high school completion,  
10 or Homeschooled (sic) state issued credential completion, or California State Proficiency Test, or  
11 Ability to Benefit Test-ATB..." in violation of Code section 94909(a)(8)(A) and title 5, CCR,  
12 section 71770(a).

13 b. The catalog failed to contain a description of the programs offered and a description  
14 of the instruction provided for each course offered by the school in violation of Code section  
15 94909(a)(5). The catalog lists courses for Manicurist Brush Up, Esthetician Brush Up, and  
16 Cosmetology Brush Up, but no description of these courses is provided.

17 c. The catalog failed to contain the total charges for a period of attendance and an  
18 estimated schedule of total charges for the entire educational program, in violation of Code  
19 section 94909(a)(9).

20 d. The catalog failed to contain the verbatim language required regarding the "Notice  
21 Concerning Transferability of Credits and Credentials Earned At Our Institution" in violation of  
22 Code section 94909(a)(15). The catalog contains additional language in the Notice.

23 e. The catalog states that the institution does not provide visa services but does not state  
24 whether the institution will vouch for student status, in violation of title 5, CCR, section  
25 71810(b)(3).

26 f. The 2015 and 2016 catalogs contain information regarding language proficiency but  
27 the standards for demonstrating language proficiency are vague, in violation of title 5, CCR,  
28 section 71810(b)(4) and (b)(5).

1 g. The 2015 and 2016 catalogs failed to contain the institution's policies and procedures  
2 for the award of credit for prior experiential learning, in violation of title 5, CCR, section  
3 71810(b)(7).

4 h. The 2015 and 2016 catalogs contain information regarding the retention of student  
5 records but does not state that transcripts will be maintained permanently, in violation of title 5,  
6 CCR, sections 71810(b)(15) and 71930(a) and (b)(1).

7 i. The 2015 catalog, which was in effect at the time of the site visit, did not provide that  
8 instruction would occur in a language other than English, although Respondent conducted  
9 instruction in English and Vietnamese at the time of the site visit.

10 **SEVENTH CAUSE FOR DISCIPLINE**

11 **(Enrollment Agreement - Failure to Contain Minimum Requirements)**

12 59. Respondent is subject to disciplinary action under Code sections 94902(b), 94906(a)  
13 and (b), and 94911, and title 5, CCR, section 71800, in that Respondent's enrollment agreement  
14 failed to contain the following:

15 a. The enrollment agreement failed to contain the period covered by the enrollment  
16 agreement, as required by title 5, CCR, section 71800(b).

17 b. The enrollment agreement failed to contain an itemization of all institutional charges  
18 and fees including the STRF fee (non-refundable) and any other institutional charge or fee, as  
19 required by title 5, CCR, section 71800(e)(11) and (e)(12).

20 c. The enrollment agreement failed to contain the fee to take the State Board exam,  
21 which is a fee necessary to participate in the educational program, as required by title 5, CCR,  
22 section 71800(f).

23 d. The enrollment agreement failed to contain a schedule of total charges as listed in the  
24 2016 School Catalog, such as a \$25 returned check fee, a per hour charge for additional training  
25 above and beyond the contracted hours, and a \$50 duplicate diploma fee, as required by Code  
26 section 94911(b).

27 e. The enrollment agreement failed to contain the transferability disclosure that is  
28 required to be included in the school catalog, as specified in paragraph (15) of subdivision (a) of



1 Section 94909 and as required by Code section 94911(h). The disclosure in the enrollment  
2 agreements for the Barbering, Esthetician and Manicuring programs states "Cosmetology," which  
3 is inaccurate.

4 f. The enrollment agreement failed to contain the required line for initials immediately  
5 following the statement required by Code section 94911(i)(1).

6 g. Respondent enrolls students whose primary language is not English, however  
7 Respondent does not provide an enrollment agreement or disclosures in the student's primary  
8 language, as required by Code section 94906(a) and (b) and as set forth in paragraph 41 above,  
9 and incorporated by this reference as set forth herein. Moreover Respondent's 2016 School  
10 Catalog states that they recruit students in Vietnamese, however Respondent does not provide an  
11 enrollment agreement or disclosures in Vietnamese.

12 **EIGHTH CAUSE FOR DISCIPLINE**

13 **(Failure to Provide Catalog or SPFS Prior to Enrollment)**

14 60. Respondent is subject to disciplinary action under Code sections 94902(b)(1) for  
15 failing to provide the student with the school catalog and SPFS before signing the enrollment  
16 agreement, as required by Code section 94902(b)(1) and (b)(3); and as set forth in paragraphs 43 –  
17 46, above and incorporated herein as though set forth in full.

18 **NINTH CAUSE FOR DISCIPLINE**

19 **(Failure to Exercise Reasonable Care to Determine**  
20 **If A Student will be Eligible To Obtain Licensure)**

21 61. Respondent is subject to disciplinary action under Code section 94905(a) for failing to  
22 exercise reasonable care to determine if a student will be eligible to obtain licensure from the  
23 BBC in that Respondent enrolled students without determining whether the student has a  
24 government issued identification card or record of a social security number. This information is  
25 required in order for a student to qualify to take a licensure examination with the BBC. The  
26 student files of T.T., K.L. and N.P did not contain a government issued identification card or  
27 record of a social security number as set forth in paragraph 45, above and incorporated herein as  
28 though set forth in full.

1 **TENTH CAUSE FOR DISCIPLINE**

2 **(Failure to Provide School Performance Fact Sheet Prior to Enrollment)**

3 62. Respondent is subject to disciplinary action under Code section 94910 for failing to  
4 provide a prospective student with a SPFS prior to enrollment as set forth in paragraphs 43 and  
5 45, above and incorporated herein as though set forth in full.

6 **ELEVENTH CAUSE FOR DISCIPLINE**

7 **(Failure to Have Signed and Dated School Performance Fact Sheet)**

8 63. Respondent is subject to disciplinary action under Code section 94912 for failing to  
9 have SPFS' that are signed and dated by the school and the student prior to enrollment as set forth  
10 in paragraphs 43 and 45, above and incorporated herein as though set forth in full.

11 **TWELFTH CAUSE FOR DISCIPLINE**

12 **(Requirements for Student Records)**

13 64. Respondent is subject to disciplinary action under title 5, CCR, section 71920(b) and  
14 Code section 94900(a) and (b)(1) – (b)(3), for failing to maintain the required student records as  
15 follows:

16 a. The student records failed to include relevant documents used to establish the  
17 student's qualifications for admission to the program, including a high school diploma, GED or  
18 its equivalent, as required by title 5, CCR, section 71920(b)(1)(A). The student files reviewed did  
19 not include a high school diploma, GED or its equivalent but rather included a notarized  
20 statement from the students vouching for prior education, which the Bureau does not recognize as  
21 proof of prior education.

22 b. The student records failed to include copies of all documents signed by the student as  
23 required by title 5, CCR, section 71920(b)(3). The student files reviewed do not contain signed  
24 copies of the Student Enrollment Certificate, Acknowledgment of Disclosures, Class Schedule,  
25 Express Release of Liability, Enrollment Questionnaire, Campus Security Disclosures and School  
26 Rules and Regulations, which the students were asked to sign at the Orientation meeting, as set  
27 forth in paragraphs 43 and 45, above and incorporated herein as though set forth in full.

28 ///

1 c. The student records failed to records of the dates of graduation as required by title 5,  
2 CCR, section 71920(b)(4). The student files reviewed do not contain proof of graduation, a  
3 certificate of graduation or transcripts showing graduation dates.

4 d. The student records failed to include transcripts for graduated students as required by  
5 title 5, CCR, section 71920(b)(5)(A) – (E). Furthermore, Respondent uses a BBC Proof of  
6 Training document as a transcript, which not meet regulation standards.

7 e. The student records failed to include a document showing the total amount of money  
8 received from or on behalf of the student and the date or dates on which the money was received,  
9 as required by title 5, CCR, section 71920(b)(9).

10 f. The student records failed to include the email address and telephone number of the  
11 students enrolled in the institution as required by Code section 94900(a)

12 g. The student records failed to include permanent records the degree or certificate  
13 granted and the date on which that degree or certificate was granted; the courses and units on  
14 which the certificate or degree was based; and, the grades earned by the student in each of those  
15 courses, as required by Code section 94900(b)(1)-(b)(3).

### 16 THIRTEENTH CAUSE FOR DISCIPLINE

#### 17 (Requirements for Maintenance of Records)

18 65. Respondent is subject to disciplinary action under title 5, CCR, section 71930 and  
19 Code sections 94929, 94929.5, 94929.7, for failing to maintain and provide all required records to  
20 the Bureau as follows:

21 a. Respondent failed to maintain faculty files for review as required by title 5, CCR,  
22 section 71930(a) in conjunction with Code section 94900.5(b).

23 b. Respondent failed to maintain transcripts for graduated students as required by title 5,  
24 CCR, section 71930(b)(1), but instead uses a BBC Proof of Training document, which does not  
25 meet Bureau regulation standards.

26 c. Respondent failed to provide to the Bureau at the Bureau's request a copy of the  
27 faculty file for the CAO or a complete student roster during the Bureau's on-site investigation, in  
28

1 violation of title 5, CCR, section 71930(e) and as set forth in paragraphs 42 - 43, above and  
2 incorporated herein as though set forth in full.

3 d. Respondent failed to maintain all institutional recordings including documentation  
4 required pursuant to Code sections 94929, 94929.5, and 94929.7.

5 **FOURTEENTH CAUSE FOR DISCIPLINE**

6 **(Supporting Records for Data on STRF Assessment Reporting Form)**

7 66. Respondent is subject to disciplinary action under title 5, CCR, section 76140,  
8 subdivisions (a)(3), (5), (6), (8), (10) and (11), for failing to collect and maintain records of the  
9 following student information to substantiate the data reported on the STRF Assessment  
10 Reporting Form and records of the students' eligibility under the Fund: email address, address at  
11 the time of enrollment, home address, courses and course costs, quarter in which the STRF  
12 assessment was remitted to the Bureau, and third-party payer identifying information.

13 **FIFTEENTH CAUSE FOR DISCIPLINE**

14 **(Making Untrue or Misleading Statements)**

15 67. Respondent is subject to disciplinary action under Code section 94897(j), (k) and (l)  
16 for making an untrue or misleading statement related to an attendance record and that  
17 Respondent's education programs are endorsed or recommended by the state or the Bureau as  
18 follows:

19 a. Le made false statements in students' attendance records indicating students  
20 completed training when they had not in exchange for a fee in violation of Code section 94897(j)  
21 and (k), and as set forth in paragraph 51, above and incorporated herein as though set forth in full.

22 b. The school's 2016 catalog used the term "approval" without a clear and conspicuous  
23 statement that "approval" means compliance with state standards, in violation of Code section  
24 94897(l).

25 **SIXTEENTH CAUSE FOR DISCIPLINE**

26 **(Institutional Website Requirements)**

27 68. Respondent is subject to disciplinary action under Code section 94913(a)(2) for  
28 failing to provide a SPFS each program offered by the institution on the School's Website.

1 Respondent advertises Massage Therapy classes on the school's website  
2 ([www.sandiegobeautycollege.org](http://www.sandiegobeautycollege.org)) but does not include a SPFS for this program on the school's  
3 website.

4 **SEVENTEENTH CAUSE FOR DISCIPLINE**

5 **(Supporting Documentation for School Performance Fact Sheet)**

6 69. Respondent is subject to disciplinary action under title 5, CCR, section 74112(m)(2),  
7 (3) (6), and (9), and Code section 94929.7, for failing to maintain supporting documentation of  
8 data reported on the SPFS in that Respondent's backup documentation did not include the  
9 student's phone number, email address, place of employment and position, salary, hours; a  
10 description of all attempts to contact each student; and, the name, email address, phone number,  
11 and position or title of the institution's representative who was primarily responsible for obtaining  
12 the students' completion, placement, licensing, and salary and wage data, the date that the  
13 information was gathered, and copies of notes, letters or emails through which the information  
14 was requested and gathered.

15 **EIGHTEENTH CAUSE FOR DISCIPLINE**

16 **(Reporting of Completion Rate)**

17 70. Respondent is subject to disciplinary action under Code section 94929(a) for failing to  
18 annually report to the Bureau, as part of the annual report, and publish in its School Performance  
19 Fact Sheet, the completion rate for each program. Respondent did not report to the Bureau,  
20 publish or provide to the Bureau during the on-site investigation completion rates for the Massage  
21 Therapy and Instructor Training programs.

22 **NINETEENTH CAUSE FOR DISCIPLINE**

23 **(Reporting of Student Performance Data)**

24 71. Respondent is subject to disciplinary action under Code section 94929.5 for failing to  
25 annually report to the Bureau, as part of the annual report, and publish in its School Performance  
26 Fact Sheet, the job placement rate, calculated by dividing the number of graduates employed in  
27 the field by the number of graduates available for employment for each program that is either  
28 designed, or advertised, to lead to a particular career, or advertised or promoted with any claim

1 regarding job placement. Respondent did not report to the Bureau, publish or provide to the  
2 Bureau during the on-site investigation job placement rates for the Massage Therapy and  
3 Instructor Training programs.

4 **TWENTIETH CAUSE FOR DISCIPLINE**

5 **(Annual Report)**

6 72. Respondent is subject to disciplinary action under Code section 94934(a) and title 5,  
7 CCR, 74110(c), for failing to submit an annual report to the Bureau as follows:

8 a. Respondent failed to submit their 2013 Annual Report by the September 1, 2014 due  
9 date. Respondent submitted the 2013 Annual Report on January 29, 2015.

10 b. Respondent failed to submit their 2014 Annual Report by the September 1, 2015 due  
11 date. Respondent submitted the 2014 Annual Report on June 17, 2016.

12 **PRAYER**

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

16 1. Revoking or suspending the Approval to Operate a Private Postsecondary Non-  
17 Accredited Institution issued to San Diego Beauty College (School Code Number 3709511);

18 2. Ordering San Diego Beauty College to pay the Bureau for Private Postsecondary  
19 Education the reasonable costs of the investigation and enforcement of this case, pursuant to  
20 Business and Professions Code section 125.3 and Code section 94937(c); and,

21 3. Taking such other and further action as deemed necessary and proper.

22  
23 DATED: 2/2/17

  
24 JOANNE WENZEL

25 Chief

Bureau for Private Postsecondary Education

Department of Consumer Affairs

State of California

Complainant

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