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7	Attorneys for Complainant		
8	BEFORE	ГНЕ	
9	DEPARTMENT OF CON	SUMER AFFAIRS	
10	FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION STATE OF CALIFORNIA		
11			
12			
13	In the Matter of the Accusation and Petition to	Case No. BPPE22-0769	
14	Revoke Probation Against:	ACCUSATION AND PETITION TO	
15	1 <sup>st</sup> ACADEMY OF BEAUTY 8823 Garvey Avenue, Units B1 & B <sup>1</sup> / <sub>2</sub>	<b>REVOKE PROBATION</b>	
16	Rosemead, CA 91770		
17	Approval to Operate Institution Code Number 49488813		
18	Respondent.		
19 20			
20			
21	<u>PARTII</u> 1 Debereh Coehrene (Compleinent) bring		
22	1. Deborah Cochrane (Complainant) brings this Accusation and Petition to Revoke		
23	probation solely in her official capacity as the Chief of the Bureau for Private Postsecondary		
24	Education ("Bureau"), Department of Consumer Affairs.		
25 26	2. On or about November 29, 2011, the Bureau issued Approval to Operate an		
26 27	Institution Code Number 49488813 to 1st Academy of Beauty (Respondent), owned by 1 <sup>st</sup> Academy of Beauty, Inc. The Bureau issued Approval to Operate an Institution Code Number		
27	49488813 to Respondent. Respondent is approved to offer many educational programs, including		
20	1	, errer many equeurionar programs, moruding	
		TION AND PETITION TO REVOKE PROBATION	

1	Advanced Manicuring (600 hours), Advanced Manicuring (Vietnamese, 600 hours), Advanced		
2	Manicuring (Theory Only, 600 hours), Advanced Manicuring (Vietnamese, Theory Only, 600		
3	hours), Manicuring (400 hours), Manicuring (Theory Only, 400 hours), Manicuring (Vietnamese		
4	- Theory Only, 400 hours), and Manicuring (Vietnamese, 400 hours). The Approval to Operate		
5	an Institution expired on March 1, 2023. An application for Renewal of Approval to Operate the		
6	Institution is pending with the Bureau.		
7	3. In a disciplinary action titled "In the Matter of the Accusation Against 1 <sup>st</sup> Academy		
8	Beauty," Case No. 1003439 (Accusation Case No. 1003439), the Bureau issued a Decision and		
9	Order effective October 16, 2019, in which Respondent's Approval to Operate an Institution was		
10	revoked. However, the revocation was stayed, and Respondent's Revocation of Approval to		
11	Operate was placed on probation for five (5) years with certain terms and conditions. A copy of		
12	that Decision and Order is attached as <b>Exhibit A</b> and is incorporated by reference.		
13	JURISDICTION PROVISIONS FOR ACCUSATION		
14	4. This Accusation is brought before the Director of the Department of Consumer		
15	Affairs ("Director) for the Bureau under the authority of the following laws. Unless otherwise		
16	indicated, all section references are to the Business and Professions Code ("Code").		
17	5. Section 94933 of the Code states:		
18	The bureau shall provide an institution with the opportunity to remedy		
19	noncompliance, impose fines, place the institution on probation, or suspend or revoke the		
20	institution's approval to operate, in accordance with this article, as it deems appropriate based on		
21	the severity of an institution's violations of this chapter, and the harm that results or may result to		
22	students.		
23	6. Section 94937 of the Code states:		
24	(a) As a consequence of an investigation, and upon a finding that an institution has		
25	committed a violation, the bureau may place an institution on probation or may suspend or revok		
26	an institution's approval to operate for:		
27			
28	///		
	2		
	(1ST ACADEMY OF BEAUTY) ACCUSATION AND PETITION TO REVOKE PROBATION		

1	(2) A material violation or repeated violations of this chapter or regulations adopted		
2	pursuant to this chapter that have resulted in harm to students. For purposes of this paragraph,		
3	material violation includes but is not limited to, misrepresentation, fraud in the inducement of a		
4	contract, and false or misleading claims or advertising upon which a student reasonably relied in		
5	executing an enrollment agreement and that resulted in harm to the student.		
6	STATUTORY PROVISIONS FOR ACCUSATION		
7	7. Section 94897 of the Code states:		
8	An institution shall not do any of the following:		
9			
10	(j) In any manner make an untrue or misleading change in, or untrue or misleading		
11	statement related to, a test score, grade or record of grades, attendance record, record indicating		
12	student completion, placement, employment, salaries, or financial information, including any of		
13	the following:		
14			
15	(k) Willfully falsify, destroy, or conceal any document of record while that document		
16	of record is required to be maintained by this chapter.		
17	8. Section 94906 of the Code states:		
18	(a) An enrollment agreement shall be written in language that is easily understood. If		
19	English is not the student's primary language, and the student is unable to understand the terms		
20	and conditions of the enrollment agreement, the student shall have the right to obtain a clear		
21	explanation of the terms and conditions and all cancellation and refund policies in		
22	his or her primary language.		
23	(b) If the recruitment leading to enrollment was conducted in a language other than		
24	English, the enrollment agreement, disclosures, and statements shall be in that language.		
25	<b>REGULATORY PROVISIONS FOR ACCUSATION</b>		
26	9. California Code of Regulations, title 5, section 75100 states:		
27	(a) The Bureau may suspend, revoke, or place on probation with terms and conditions		
28	and approval to operate.		
	3		
	(1ST ACADEMY OF BEAUTY) ACCUSATION AND PETITION TO REVOKE PROBATION		

1	(b) "Material violation," as used in section 94937 of the Code, includes committing		
2	any act that would be grounds for denial under section 480 of the Business and Professions Code.		
3	(c) The proceedings under this section shall be conducted in accordance with Article		
4	10 (commencing with Section 11445.10) of Chapter 4.5 or Chapter 5 (commencing with Section		
5	11500) of Part 1 of Division 3 of Title 2 of the Government Code, as requested by the institution.		
6	<b>COST RECOVERY FOR ACCUSATION</b>		
7	10. Section 94938 states, in pertinent part:		
8			
9	(c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business		
10	and Professions Code.		
11			
12	(d) An institution shall not be required to pay the cost of investigation to more than		
13	one agency."		
14	11. Section 125.3 of the Code provides, in pertinent part, that the Board may request the		
15	administrative law judge to direct a licensee found to have committed a violation or violations of		
16	the licensing act to pay a sum not to exceed the reasonable costs of the investigation and		
17	enforcement of the case, with failure of the licensee to comply subjecting the license to not being		
18	renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be		
19	included in a stipulated settlement.		
20	FACTUAL ALLEGATIONS		
21	12. On October 11, 2022, the Bureau received an anonymous tip alleging discrepancies		
22	in Respondent's training records. On November 7, 2022, Special Investigator A.P. was assigned		
23	the complaint for investigation. A review of student files obtained from the Board of Barbering		
24	and Cosmetology revealed the following.		
25	BBC Records Review		
26	13. Between October 4, 2022 and November 9, 2022, Student 1 logged online to		
27	complete theory hours approximately 45 times to complete theory at about the same time the		
28	///		
	4		
	(1ST ACADEMY OF BEAUTY) ACCUSATION AND PETITION TO REVOKE PROBATION		

student completed in-person practical hours. Student 1 received credit for both theory and
 practical hours.

14. Between July 19, 2022 and September 2, 2022, Student 2 logged online to complete 3 theory hours approximately 25 times to complete theory at about the same time the student 4 5 completed in-person practical hours. Student 2 received credit for both theory and practical hours. 15. Between July 20, 2022 and September 2, 2022, Student 3 logged online to complete 6 theory hours approximately 27 times to complete theory at about the same time the student 7 completed in-person practical hours. Student 3 received credit for both theory and practical hours. 8 9 16. Between August 13, 2022 and September 1, 2022, Student 4 logged online to 10 complete theory hours approximately 15 times to complete theory at about the same time the student completed in-person practical hours. Student 4 received credit for both theory and 11 practical hours. 12

17. Between October 6, 2022 and November 11, 2022, Student 5 logged online to
complete theory hours approximately 72 times to complete theory at about the same time the
student completed in-person practical hours. Student 5 received credit for both theory and
practical hours.

17

#### Unannounced Visit

On March 14, 2023, the investigator conducted an unannounced site visit to 18. 18 19 Respondent 1<sup>st</sup> Academy of Beauty located at 8823 Garvey Ave., Unit B1, Rosemead, CA 91770. 19. During the site visit, Respondent told the investigator that theory is completed on the 20 21 students own time and practical is hands-on, in-person learning. Full-time manicuring students must complete 200 hours of theory and 200 hours of practical education. Practical class is held 22 Tuesday through Saturday between 8:30 a.m. and 5:00 p.m., whereas theory is completed on the 23 24 student's own time. The online theory is self-paced, and students have approximately eight and a half days to achieve their 200 theory hours. 25

26 20. The investigator asked if the students were allowed to do their online theory questions
27 during the practical class, and Respondent leaned forward and asked, "Can I be honest with you?"
28 Respondent said that some students are advanced and get bored in practical. She said that many

students come from Vietnam and already have experience. The students ask if they can complete theory while in practical because they already know what is being taught in practical. Although instructors tell them no, the students ignore the instructors and work on their theory during the practical class. The investigator asked the Respondent if she knew that the students were not allowed to complete theory hours simultaneously as practical. She said, "I can't control the students that are doing this; what am I supposed to do?"

7

#### Attendance Records Review

8 21. On March 18, 2023, after the onsite unannounced visit, the investigator received
9 manicurist student files from Respondent. A review of the attendance records of five students
10 revealed the following.

22. Between February 1, 2023 and February 23, 2023, Student 7 logged online to
complete theory hours approximately 27 times to complete theory at about the same time the
student completed in-person practical hours. Student 7 received credit for both theory and
practical hours. In addition, Student 7 is enrolled in the Manicurist Vietnamese program, but the
student's signed enrollment application and enrollment agreements are in English.

Between February 3, 2023 and March 7, 2023, Student 8 logged online to complete
theory hours approximately 46 times to complete theory at about the same time the student
completed in-person practical hours. Student 8 received credit for both theory and practical hours.
In addition, Student 8 is enrolled in the Manicurist Vietnamese program, but the student's signed
enrollment application and enrollment agreements are in English.

24. Between January 13, 2023 and February 24, 2023, Student 9 logged online to
complete theory hours approximately 27 times to complete theory at about the same time the
student completed in-person practical hours. Student 9 received credit for both theory and
practical hours. In addition, Student 9 is enrolled in the Manicurist Vietnamese program, but the
student's signed enrollment application and enrollment agreements are in English.

26 25. Between January 19, 2023 and February 23, 2023, Student 10 logged online to
27 complete theory hours approximately 118 times to complete theory at about the same time the
28 student completed in-person practical hours. Student 10 received credit for both theory and

1	practical hours. In addition, Student 10 is enrolled in the Manicurist Vietnamese program, but the		
2	student's signed enrollment application and enrollment agreements are in English.		
3	26. Between September 14, 2022 and February 21, 2023, Student 11 logged online to		
4	complete theory hours approximately 31 times to complete theory at about the same time the		
5	student completed in-person practical hours. Student 11 received credit for both theory and		
6	practical hours. In addition, Student 11 is enrolled in the Manicurist Vietnamese program, but the		
7	student's signed enrollment application and enrollment agreements are in English.		
8	FIRST CAUSE FOR DISCIPLINE		
9	(Engaging in Prohibited Business Practices)		
10	27. Respondent is subject to disciplinary action under Code section 94897, subdivisions		
11	(j) and (k), and California Code of Regulations, title 5, section 75100, in that Respondent made		
12	untrue or misleading statements concerning attendance records and records of student completion		
13	of hours. The circumstances are as follows:		
14	(a) Between March 9, 2003, and May 18, 2023, a review of manicurist student files		
15	revealed that students logged online to complete their theory coursework at the same time they		
16	clocked in for their in-person practical class.		
17	(b) Between February 1-23, 2023, students completed theory and practical hours		
18	simultaneously between 15 and 118 times, resulting in students receiving double credit for the		
19	same hours. While clocked in for their practical class, students completed the manicurist program		
20	online and received their completion certificate.		
21	Complainant refers to, and by this reference incorporates, the allegations set forth		
22	above in paragraphs 12 to 26, as though set forth fully herein.		
23	SECOND CAUSE FOR DISCIPLINE		
24	(Violation of Requirements to Provide Documents in Students' Primary Language)		
25	28. Respondent is subject to disciplinary action under sections 94906, subdivision (a) and		
26	(b), and 94937, subdivision (a)(2), and California Code of Regulations, title 5, section 75100, as		
27	follows:		
28	///		
	7		
	(1ST ACADEMY OF BEAUTY) ACCUSATION AND PETITION TO REVOKE PROBATION		

1	(a) Respondent violated Code section 94906, subdivision (a), in that Students 7, 8,		
2	9, 10, and 11 were enrolled in the manicurist Vietnamese program; however, each respective		
3	student signed an enrollment application and enrollment agreement in English. The enrollment		
4	applications and agreements should have been in Vietnamese.		
5	Complainant refers to, and by this reference incorporates, the allegations set forth		
6	above in paragraphs 12, 21 to 26, as though set forth fully herein.		
7	JURISDICTION FOR PETITION TO REVOKE PROBATION		
8	29. This Petition to Revoke Probation is brought before the Director for the Bureau under		
9	Probation Term and Condition Number 1 of the Decision and Order Stipulated Settlement and		
10	Disciplinary Order, Case No. 1003439. The terms and conditions state:		
1	Probation Term and Condition Number 1, Obey All Laws:		
12	Respondent shall obey all federal, state and local laws and regulations		
13 14	governing the operation of a private postsecondary education institution in California. Respondent shall submit, in writing, a full detailed account of any and all violations of the law to the Bureau within five (5) days of discovery		
15	FIRST CAUSE TO REVOKE PROBATION		
6	(Obey All Laws – Prohibited Business Practices)		
17	30. At all times after the effective date of Respondent's probation, Condition 1 stated:		
8	1. Obey All Laws. Respondent shall obey all federal, state, and local laws and		
9	regulations governing the operation of a private postsecondary education institution in California.		
20	Respondent shall submit in writing a full detailed account of any and all violations of the law to		
21	the Bureau within five (5) days of discovery		
22	The Institution failed to obey all federal, state, and local laws and regulations		
23	governing the operation of a private postsecondary educational institution in California. On or about October 11, 2022, the Bureau investigated the Institution for		
24	California. On or about October 11, 2022, the Bureau investigated the Institution for allegations alleging the Institution allows students to complete theory and practical hours simultaneously and enrolls students into Vietnamese language manicurist programs using English language Enrollment Agreements. The investigation substantiated violations of the following Bureau laws:		
25			
26 27	•CEC § 94897 (j) and (k) - Prohibited Business Practices		
28	///		
	8		
	(1ST ACADEMY OF BEAUTY) ACCUSATION AND PETITION TO REVOKE PROBATION		

1	Through the course of the Bureau's investigation, and evidence obtained, the		
2	Bureau determined that the Institution is in violation of Prohibited Business Practices		
3	by allowing students to simultaneously complete theory hours at the same time as practical hours, resulting in students receiving double credit for the same hours.		
4	31. Respondent's probation is subject to revocation because she failed to comply with		
5	Probation Condition 1, referenced above, in that Respondent allowed students to simultaneously		
6	complete theory hours at the same time as practical hours, resulting in students receiving double		
7	credit for the same hours.		
8	SECOND CAUSE TO REVOKE PROBATION		
9	(Obey All Laws – Primary Language of Enrollment Agreement)		
10	32. At all times after the effective date of Respondent's probation, Condition 1 stated:		
11	1. Obey All Laws. Respondent shall obey all federal, state, and local laws and		
12	regulations governing the operation of a private postsecondary education institution in California.		
13	Respondent shall submit in writing a full detailed account of any and all violations of the law to		
14	the Bureau within five (5) days of discovery		
15	The Institution failed to obey all federal, state, and local laws and regulations		
16	governing the operation of a private postsecondary educational institution in California. On or about October 11, 2022, the Bureau investigated the Institution for		
17	allegations alleging the Institution allows students to complete theory and practical hours simultaneously and enrolls students into Vietnamese language manicurist		
18	programs using English language Enrollment Agreements. The investigation		
19	substantiated violations of the following Bureau laws:		
20	• CEC § 94906 (a) and (b) - Language of Enrollment Agreement		
21	Through the course of the Bureau's investigation and evidence obtained, the Bureau found the Institution in violation of Language of Enrollment Agreement by		
22	enrolling Vietnamese language manicurist program students using English language		
23	Enrollment Agreements.		
24	33. Respondent's probation is subject to revocation because she failed to comply with		
25	Probation Condition 1, referenced above, in that Respondent has failed to provide Vietnamese		
26	students with enrollment agreements in their primary language of Vietnamese as required.		
27	///		
28			
	9		
	(1ST ACADEMY OF BEAUTY) ACCUSATION AND PETITION TO REVOKE PROBATION		

1			<u>PRAYER</u>
2	WH	EREFORE, Complainan	at requests that a hearing be held on the matters alleged in this
3	Accusation	n and Petition to Revoke	e Probation and that following the hearing, the Director of the
4	Departmen	nt of Consumer Affairs i	ssue a decision:
5	1.	1. Revoking the probation that was granted by the Bureau for Private Postsecondary	
6	Education	Education in Case No. 1003439 and imposing the disciplinary order that was stayed, thereby	
7	revoking Revocation of Approval to Operate Institution Code No. 49488813 issued to 1st		
8	Academy	of Beauty;	
9	2. Revoking or suspending Revocation of Approval to Operate Institution Code No.		
10	49488813, issued to 1st Academy of Beauty;		
11	3. Ordering 1st Academy of Beauty to pay the Bureau for Private Postsecondary		
12	Education of the Department of Consumer Affairs the reasonable costs of the investigation and		
13	enforceme	ent of this case, pursuant	to Business and Professions Code section 125.3, and
14	4.	Taking such other and	further action as deemed necessary and proper.
15			
16	DATED:	1/26/2024	Deborah Cochrane
17			DEBORAH COCHRANE Chief
18			Bureau for Private Postsecondary Education
19			Department of Consumer Affairs State of California
20			Complainant
21	LA2023603 66517592_4		
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23			
24			
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27			
28			
			10
		(1ST ACADEMY OF E	BEAUTY) ACCUSATION AND PETITION TO REVOKE PROBATION

# Exhibit A

**Decision and Order** 

Bureau for Private Postsecondary Education Case No. 1003439

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

In the Matter of the Accusation Against:

Case No. 1003439

1<sup>st</sup> Academy of Beauty 8819-8823 Garvey Avenue Unit A ½, B1, & B ½ Rosemead, CA 91770

OAH No. 2019020145

Institution Code No. 49488813

Respondent.

#### **DECISION AND ORDER**

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

OCT 1 6 2019 This Decision shall become effective on -h IT IS SO ORDERED this day of 2019. RYAN MARCROFT

1

Deputy Director, Legal Affairs Division Department of Consumer Affairs

		•
1	XAVIER BECERRA	
2	Attorney General of California LINDA L. SUN	
3	Supervising Deputy Attorney General MICHAEL YI	-
4	Deputy Attorney General State Bar No. 217174	
5	300 So. Spring Street, Suite 1702 Los Angeles, CA 90013	
6	Telephone: (213) 269-6483 Facsimile: (916) 731-2126	
7	E-mail: Michael.Yi@doj.ca.gov Attorneys for Complainant	
8		
9	BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS	
10	FOR THE BUREAU FOR PRIVATE	POSTSECONDARY EDUCATION
11	STATE OF C.	ALIFORNIA
12		
13	In the Matter of the Accusation Against:	Case No. 1003439
14	1 <sup>St</sup> Academy of Beauty 8819 – 8823 Garvey Avenue	OAH No. 2019020145
15	Unit A ½, B1, & B ½ Rosemead, CA 91770	STIPULATED SETTLEMENT AND DISCIPLINARY ORDER
16	Institution Code: 49488813	
17	Respondent.	
18	••••••••••••••••••••••••••••••••••••	
19	IT IS HEREBY STIPULATED AND AGR	EED by and between the parties to the above-
20	entitled proceedings that the following matters are	true:
21	PART	TIES
22	1. Dr. Michael Marion, Jr. ("Complainant") is the Chief of the Bureau for Private	
23	Postsecondary Education (the "Bureau"). He brow	ight this action solely in his official capacity
24	and is represented in this matter by Xavier Becerra, Attorney General of the State of California,	
25	by Michael Yi, Deputy Attorney General.	
26	2. Respondent 1st Academy of Beauty ("Respondent") is represented in this proceeding	
27	by attorney Brandon M. Smith of the Law Offices of Brandon M. Smith, APC, 105 W. F St., 3rd	
28	Floor, San Diego, CA 92101.	
ļ		1
		STIPULATED SETTLEMENT (1003439)

On or about November 29, 2011, the Bureau issued Approval to Operate Institution 3. 1 Code 49488813 to Respondent. The Approval to Operate was in full force and effect at all times 2 relevant to the charges brought herein and will expire on March 1, 2023, unless renewed. 3 4 JURISDICTION Accusation No. 1003439 was filed before the Director of the Department of 4. 5 Consumer Affairs, and is currently pending against Respondent. The Accusation and all other 6 statutorily required documents were properly served on Respondent on January 14, 2019. 7 Respondent timely filed its Notice of Defense contesting the Accusation. 8 A copy of Accusation No. 1003439 is attached as exhibit A and incorporated herein 9 5. by reference. 10 11 **ADVISEMENT AND WAIVERS** б. Respondent has carefully read, fully discussed with counsel, and understands the 12 charges and allegations in Accusation No. 1003439. Respondent has also carefully read, fully 13 discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary 14 Order. 15

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

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

24

#### CULPABILITY

9. Respondent admits the truth of each and every charge and allegation in Accusation
No. 1003439.

27 10. Respondent agrees that its Approval to Operate is subject to discipline and agrees to
28 be bound by the Director's probationary terms as set forth in the Disciplinary Order below.

#### <u>CONTINGENCY</u>

2 11. This stipulation shall be subject to approval by the Director of the Department of Consumer Affairs or the Director's designee. Respondent understands and agrees that counsel for 3 Complainant and the staff of the Bureau for Private Postsecondary Education may communicate 4 directly with the Director and staff of the Department of Consumer Affairs regarding this 5 stipulation and settlement, without notice to or participation by Respondent or its counsel. By 6 signing the stipulation, Respondent understands and agrees that it may not withdraw its 7 agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon 8 it. If the Director fails to adopt this stipulation as the Decision and Order, the Stipulated 9 Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall 10 be inadmissible in any legal action between the parties, and the Director shall not be disqualified 11 from further action by having considered this matter. 12

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

16 13. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
integrated writing representing the complete, final, and exclusive embodiment of their agreement.
It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
writing executed by an authorized representative of each of the parties.

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

- 25 || ////
- 26 || ////
- 27 || ////
- 28 || ////

#### DISCIPLINARY ORDER

IT IS HEREBY ORDERED that the approval to operate a private postsecondary institution (Institution Code 49488813) issued to Respondent 1<sup>st</sup> Academy of Beauty is revoked. However, the revocation is stayed and Respondent is placed on probation for five (5) years on the following terms and conditions.

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

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#### 1. Obey All Laws

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

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

19

#### 2. Compliance with Probation and Quarterly Reporting

Respondent shall fully comply with the terms and conditions of probation established by
the Bureau and shall cooperate with representatives of the Bureau in its monitoring and
investigation of the respondent's compliance with probation. Respondent, within ten (10) days of
completion of the quarter, shall submit quarterly written reports to the Bureau on a Quarterly
Report of Compliance form obtained from the Bureau.

25

#### 3. Personal Appearances

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

4

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

Respondent shall notify the Bureau, in writing, within five (5) days of a change of name, title, physical home address, email address, or telephone number of each person, as defined in section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in of the 4 institution and, to the extent applicable, each general partner, officer, corporate director, corporate member or any other person who exercises substantial control over the institution's management or policies.

Prior Bureau approval is required before Respondent makes any changes regarding 8 ownership or control of 25% or more of the stock or an interest in of the institution and, to the 9 extent applicable, each general partner, officer, corporate director, corporate member or any other 10 person who exercises substantial control over the institution's management or policies. 11 Respondent shall submit an Application for Substantive Change to the Bureau before any changes 12 are made regarding ownership or control of 25% or more of the stock or an interest in of the 13 institution and, to the extent applicable, each general partner, officer, corporate director, corporate 14 member or any other person who exercises substantial control over the institution's management 15 or policies. 16

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#### 5. Notification to Prospective Students

When currently soliciting or enrolling (or re-enrolling) a student for any program, 18 respondent shall provide notification of this action to each current or prospective student prior to 19 accepting their enrollment, and to those students who were enrolled at the time of the conduct that 20is the subject of this action as directed by the Bureau. This notification shall include a copy of the 21 Accusation, Statement of Issues, Stipulated Settlement, or Disciplinary Decision (whichever 22 applies). 23

A copy of the notification shall be provided to the Bureau, along with the names of the 24 students and prospective students notified, their current contact information, and the date of the 25notification. 26

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#### 6. Student Roster

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

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### 7. Instruction Requirements and Limitations

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

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#### 8. Record Storage

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

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### 9. Maintenance of Current and Active Approval to Operate

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

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#### 10. Comply With Citations

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

#### 11. Cost Recovery Requirements

Respondent shall pay to the Bureau its costs of investigation and enforcement in the amount of \$6,161.52 no later than one year before the termination of probation. Such costs shall be payable to the Bureau and are to be paid regardless of whether the probation is tolled. Failure to pay such costs shall be considered a violation of probation.

Except as provided above, the Bureau shall not renew or reinstate the approval to operate of any respondent who has failed to pay all the costs as directed in a Decision.

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#### 12. Violation of Probation

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

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#### 13. Future Approvals to Operate

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

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#### 14. Comply with All Accreditation Standards

As applicable, Respondent shall comply with all standards set by its accreditor in order to maintain its accreditation. Respondent shall submit to the Bureau, in writing, a full detailed account of any and all actions taken by any accrediting agency against Respondent regarding any institution operated by respondent, including an order to show cause, or conditions or restrictions placed on accreditation, within five (5) days of occurrence.

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#### 15. Completion of Probation

20 Upon successful completion of probation, Respondent's approval to operate will be fully 21 restored.

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## ACCEPTANCE

I have smothilly read the above Supulated Soutement and Disciplinary Order and have fully discussed it with my atomicy, Brandon M. Smith. I understand the alputation and the effect it will have on the Approval to Operate issued to 1<sup>st</sup> Academy of Beauty. Respondent enters have this Stipulated Settlement and Disciplinary Order volumently, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Director of the Department of Consumer Affaire.

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LINULIANSCH PHIENGLE, OWNER IST ACADEMY: OF BEAUTY, PHIENGLU Respondent

There seed and fully discussed with Respondent 1st Academy of Restary, the terms and conditions and other matters costained in the aljove Stipulated Settlement and Disciplinary Order. I approve its form and commut.

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hrid Mar BRANDON M. SMITH Attorney for Respondent

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