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5 **BEFORE THE**
6 **DEPARTMENT OF CONSUMER AFFAIRS**
7 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
8 **STATE OF CALIFORNIA**

9 In the Matter of the Citation Against:

10 **JAMES KNAUSS JR., OWNER, SAN**
11 **FRANCISCO BARBER COLLEGE**
12 **64 Sixth Street**
13 **San Francisco, CA 94103**
14 **Institution Code No. 3800151**

15 **Mailing Address:**
16 **3025 West Capitol Avenue**
17 **West Sacramento, CA 95691**

18 Respondent.

19 Case No. 997829

20 OAH No. 2012040183

21 Citation No. 1112002

22 **DEFAULT DECISION AND ORDER**
23 **ADOPTING CITATION**

24 [Gov. Code, §11520]

25 FINDINGS OF FACT

26 1. On or about February 1, 2012, Complainant Joanne Wenzel, in her official capacity as
27 the Deputy Bureau Chief of the Bureau for Private Postsecondary Education (Bureau),
28 Department of Consumer Affairs, issued Citation No. 1112002 to James Knauss Jr., Owner, San
Francisco Barber College, Institution Code No. 3800151, located at 64 Sixth Street, San
Francisco, CA 94103 (Respondent). (Citation attached as Exhibit A.)

1 On or about March 25, 2005, the Bureau for Private Postsecondary and Vocational
Education¹ (BPPVE) issued an approval to operate to the Respondent. The approval to operate
expired on March 24, 2011,² and has not been renewed.

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

² On January 1, 2010, pursuant to California Education Code section 94802, institutions
that had valid approvals to operate prior to June 30, 2007, were able to maintain their approval to
operate. Respondent's approval to operate was extended and valid for three years from the date of
(continued...)

1 3. On or about February 1, 2012, Respondent was served by Certified and First Class
2 Mail copies of the Citation: Assessment of Fine and Order of Abatement, Applicable Laws,
3 Statement of Rights, Notice of Appeal of Citation, and Payment of Fine-Waiver of Appeal Rights
4 at Respondent's last known addresses of record:

5 James Knauss Jr.
6 San Francisco Barber College
7 3025 West Capitol Avenue
8 West Sacramento, CA 95691

9 James Knauss, Jr.
10 1786 10th Avenue
11 Sacramento, CA 95818

12 James Knauss, Jr.
13 San Francisco Barber College
14 64 Sixth Street
15 San Francisco, CA 94103.

16 4. On or about February 28, 2012, Respondent filed a letter contesting the Citation and
17 requesting an administrative hearing.

18 5. Service of the Citation was effective as a matter of law under the provisions of
19 Government Code section 11505, subdivision (c) and/or Business & Professions Code section
20 124.

21 6. A Notice of Hearing was served by certified and regular mail at Respondent's
22 addresses of record informing him that an administrative hearing in this matter was scheduled for
23 June 4, 2012. Respondent failed to appear at that hearing.

24 7. California Government Code section 11520 states, in pertinent part:

25 (a) If the respondent either fails to file a notice of defense or to appear at the
26 hearing, the agency may take action based upon the respondent's express admissions
27 or upon other evidence and affidavits may be used as evidence without any notice to
28 respondent.

 8. Pursuant to its authority under Government Code section 11520, the Director finds
Respondent is in default. The Director will take action without further hearing and, based on the
relevant evidence contained in the Default Decision Evidence Packet in this matter, as well as

(...continued)
expiration (March 24, 2008). The new expiration date was changed to March 24, 2011.

1 taking official notice of all the investigatory reports, exhibits and statements contained therein on
2 file at the Director's offices regarding the allegations contained in Citation No. 1112002, finds
3 that the charges and allegations in Citation No. 1112002 are, separately and severally, found to be
4 true and correct.

5 DETERMINATION OF ISSUES

6 1. Based on the foregoing findings of fact, the agency has jurisdiction to adjudicate this
7 case by default.

8 2. The Bureau is authorized to issue the Citation and orders therein based upon the
9 following violations provided in the Citation which are supported by the evidence contained in
10 the Default Decision Evidence Packet in this case:

- 11 a. Violation of California Education Code § 94886 in that Respondent operated a
12 private postsecondary institution without a valid approval issued by the Bureau.
13 b. Violation of California Education Code § 94899 in that Respondent operated an
14 educational program for barbering without program approval from the Board of
15 Barbering and Cosmetology such that students completing the program can sit for
16 the required licensing examination.

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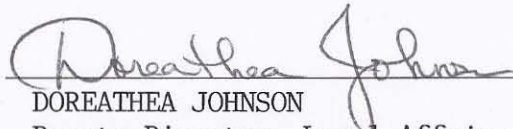
ORDER

IT IS ORDERED that Citation # 1112002 is upheld. Respondent must immediately cease operations. The remainder of the requirements in the Order of Abatement must be complied with no later than three (3) days from the date of this Decision. Payment of the fine is due thirty days (30) from the date of this Decision.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective immediately.

It is so ORDERED June 18, 2012



DOREATHEA JOHNSON
Deputy Director, Legal Affairs
Department of Consumer Affairs

40551645.DOC
DOJ Matter ID:SF2012203936

Attachment:
Exhibit A: Citation

Exhibit A

Citation



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov

**CITATION:
ASSESSMENT OF FINE AND ORDER OF ABATEMENT**

TO: James Knauss Jr., Owner
San Francisco Barber College
3025 West Capitol Avenue
West Sacramento, CA 95691

CITATION NUMBER: 1112002
FINE AMOUNT: \$50,000.00

Joanne Wenzel, issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Deputy Bureau Chief of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

BACKGROUND

James Knauss Jr., owner of San Francisco Barber College (S.F. Barber College), Institution Code 3800151, located at 64 Sixth Street, San Francisco, CA 94103 does not have a current approval to operate a private postsecondary institution issued by the Bureau.

James Knauss Jr., owner of S.F. Barber College was issued an approval to operate by the former Bureau for Private Postsecondary and Vocational Education (BPPVE) on March 25, 2005. The approval to operate was effective March 25, 2005 with an expiration date of March 24, 2008. The BPPVE was sunset on June 30, 2007 until January 1, 2010. During this period, private postsecondary institutions in California were not regulated.

On January 1, 2010, pursuant to California Education Code (Cal. Ed Code) section 94802, institutions that had valid approvals to operate prior to June 30, 2007 were able to maintain their approval to operate. S.F. Barber College's approval to operate was extended and valid for three years from the date of expiration (March 24, 2008). The new expiration date was changed to March 24, 2011.

On August 12, 2011 the Bureau sent Mr. James Knauss Jr., owner of S.F. Barber College a letter informing him that he must submit a renewal application by September 24, 2011, and if the renewal application was not received by that date the school's approval to operate would expire. Mr. Knauss was also informed that if the approval to operate expired he would be required to submit a new application for Approval to Operate a Non-Accredited Institution. To date, the Bureau has not received a renewal application or an Application for Approval to Operate a Non-

Accredited Institution from Mr. James Knauss for S.F. Barber College located at 64 Sixth Street, San Francisco, CA 94103.

CITATION

A citation is hereby issued to James Knauss Jr., owner of San Francisco Barber College located at 64 Sixth Street, San Francisco, CA 94103, in accordance with Cal. Ed. Code section 94944 for the violations described below.

VIOLATION

Cal. Ed. Code section 94858 defines "private postsecondary educational institution" as a private entity with a physical presence in this State that offers postsecondary education to the public for an institutional charge.

Cal. Ed. Code section 94886 prohibits a person from opening, conducting, or engaging in a business as a private postsecondary education institution in this State without obtaining an approval to operate from the Bureau.

Cal Ed. Code section 94899 requires approval for programs leading to a licensed profession so that a student who completes the education program is eligible to sit for any required licensure examination.

You are hereby notified that you are in violation of section(s) 94886 and 94899 of the California Education Code and cause for issuance of a citation and assessment of an administrative fine exists.

PENALTY – ASSESSMENT OF A FINE

In accordance with Cal. Ed. Code section 94944, the Bureau hereby orders the issuance of a Citation and the assessment of a fine in the amount of \$50,000.00 (fifty thousand dollars) for operating an institution without proper approval to operate issued by the Bureau.

ORDER OF ABATEMENT

The Bureau orders that you cease operating as a private postsecondary educational institution and submit evidence of compliance to the Bureau within 45 days of the date of this order. This means you must stop enrolling students, and cease all instructional services, advertising (including Web sites), programs, and/or operations. You must also refund all monies (tuition and fees) to all students that were enrolled at S.F. Barber College after March 24, 2011.

The Bureau orders that you provide a complete list of all students enrolled at S.F. Barber College after March 24, 2011, including contact information (name, address, telephone number and email address) to the Bureau.

APPEAL OF CITATION

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

If you wish to contest this Citation, you must make a written request for an informal conference and/or an administrative hearing within 30 days from the service of the Citation. Deliver or mail your written request to:

Yvette Johnson, Manager-Complaint Investigations and Discipline
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833

If you request an administrative hearing you may, but need not be, represented by counsel at any or all stages of the proceeding. You also have the right to be present at the hearing, to cross-examine witnesses, and to present evidence. If you request an administrative hearing, further information regarding your rights to discovery and to request postponement of the hearing for good cause will be provided to you with the Notice of Hearing.

Unless a written request for an informal conference and/or an administrative hearing is signed by you or on behalf of S.F. Barber College and delivered to the Bureau by March 1, 2012, you will be deemed to have waived or forfeited your right to a hearing in this matter.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

If you do not request an administrative hearing, this Citation shall become effective on February 1, 2012 and payment due by March 1, 2012. If a hearing is requested, you will not be required to comply with this Citation until a final order is entered against you. If a hearing is not requested, your payment of the administrative fine shall not constitute an admission of the violation charged.

PAYMENT OF ADMINISTRATIVE FINE

Payment of the administrative fine must be made to the Bureau for Private Postsecondary Education by check or money order. Please include the Citation number on the payment of the fine assessment. Payments may be mailed to:

Bureau for Private Postsecondary Education
Enforcement Section, Citation Program
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

CONTACT INFORMATION

If you have any questions regarding this Citation, or desire further information, please contact Yvette Johnson, Complaint Investigations Unit Manager, at (916) 431-6915.



Joanne Wenzel, Deputy Bureau Chief

2/1/12

Date