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

11 In the Matter of the Statement of Issues  
12 Against:

Case No. 998933

13 **CINEMA MAKE-UP SCHOOL; SASHA**  
14 **KIM LEE, owner**

**STATEMENT OF ISSUES**

15 **Application for Renewal of Approval to**  
16 **Operate and Offer Educational Programs**  
17 **for Non-Accredited Institutions**

18 **Applicant**

19 **Institution Code 1923111**

20 Respondent.

21 Complainant alleges:  
22  
23

24 **PARTIES**

25 1. Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official  
26 capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of  
27 Consumer Affairs.

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“... ”

“(b) ‘License’ includes certificate, registration or other means to engage in a business.”

8. California Education Code section 94885<sup>2</sup> states:

“The bureau shall, by January 1, 2011, adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:

“(a) The content of each educational program can achieve its stated objective.

“(b) The institution maintains specific written standards for student admissions for each educational program and those standards are related to the particular educational program.

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

“(d) The institution maintains a withdrawal policy and provides refunds.

“(e) The directors, administrators, and faculty are properly qualified.

“(f) The institution is financially sound and capable of fulfilling its commitments to students.

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

“(h) Adequate records and standard transcripts are maintained and are available to students.

“(i) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws.

9. California Education Code section 94886 states:

“Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter.”

<sup>2</sup> California Private Postsecondary Education Act of 2009, Ed. Code §§ 94800 et seq.

1 10. California Education Code section 94887:

2 "An approval to operate shall be granted only after an applicant has presented sufficient  
3 evidence to the bureau, and the bureau has independently verified the information provided by the  
4 applicant through site visits or other methods deemed appropriate by the bureau, that the applicant  
5 has the capacity to satisfy the minimum operating standards. The bureau shall deny an application  
6 for an approval to operate if the application does not satisfy those standards."

7 11. Section 94891, subdivision (b) states:

8 "to be granted a renewal of an approval to operate, the institution shall demonstrate its  
9 continued capacity to meet minimum operating standards."

10 12. California Education Code section 94909 states as follows:

11 "(a) Prior to enrollment, an institution shall provide a prospective student, either in writing  
12 or electronically, with a school catalog containing, at a minimum, all of the following:

13 ...

14 "(7) Information regarding the faculty and their qualifications.

15 "...

16 "(11) A statement specifying that, if a student obtains a loan to pay for an educational  
17 program, the student will have the responsibility to repay the full amount of the loan plus interest,  
18 less the amount of any refund, and that, if the student has received federal student financial aid  
19 funds, the student is entitled to a refund of the moneys not paid from federal student financial aid  
20 program funds.

21 "...

22 "(14) A description of the student's rights and responsibilities with respect to the  
23 Student Tuition Recovery Fund. This statement shall specify that it is a state requirement that a  
24 student who pays his or her tuition is required to pay a state-imposed assessment for the Student  
25 Tuition Recovery Fund. This statement shall also describe the purpose and operation of the  
26 Student Tuition Recovery Fund and the requirements for filing a claim against the Student  
27 Tuition Recovery Fund.

28 ...."

1 REGULATORY PROVISIONS

2 13. California Code of Regulations, title 5, division 7.5, section 71475 states:

3 "...

4 "(b) An institution seeking to renew its Approval to Operate pursuant to section 94891 of  
5 the Code shall, prior to its expiration, complete and submit to the Bureau the "Application for  
6 Renewal of Approval to Operate and Offer Educations Programs for Non-Accredited  
7 Institutions," Form Application 94891 (rev. 2/10).

8 "(c) The application for renewal of approval to operate and offer educational programs for  
9 non-accredited institutions shall include all of the following:

10 (1) The name, institution/school code and website address of the institution.

11 (2) The physical address of the institution's primary administrative location in California.

12 (3) The mailing address, identified either by physical address or by post office box number,  
13 telephone number and fax number of the institution.

14 (4) The physical address, phone number and fax number of each campus and branch at  
15 which the educational programs will be offered, including the identification of the institution's  
16 main location and branch locations.

17 (5) The name, address, email address, telephone number, and fax number of an individual  
18 who will function as the institution's contact person for the purposes of the application.

19 (6) The form of business organization of the institution (e.g., sole proprietorship, general or  
20 limited partnership, for-profit corporation, nonprofit corporation, or Limited Liability  
21 Corporation). If the institution is incorporated, the institution shall also identify the state within  
22 which the institution is incorporated and the date of incorporation, and provide copies of the  
23 articles of incorporation and bylaws.

24 (7) The name, title, address, email address, telephone number, nature of interest and  
25 percentage of ownership of each person, as defined in section 94855 of the Code, who owns or  
26 controls 25% or more of the stock or an interest in the institution and, to the extent applicable,  
27 each general partner, officer, corporate director, member of the board of directors, and any other  
28 person who exercises substantial control over the institution's management or policies. For the

1 purpose of this paragraph, a person exercises "substantial control over the institution's  
2 management or policies" if the person has the authority to cause the institution to expend money  
3 or incur debt in the amount of five thousand dollars (\$5,000) or more in any year.

4 "...

5 "(kk) An incomplete application filed under this section will render the institution ineligible  
6 for renewal."

7 14. California Code of Regulations, title 5, division 7.5, section 76215 subdivision (b)  
8 states:

9 "...

10 "(b) In addition to the statement described under subdivision (a) of this section, a qualifying  
11 institution shall include the following statement on its current schedule of student charges:

12 "The State of California created the Student Tuition Recovery Fund (STRF) to relieve or  
13 mitigate economic losses suffered by students in educational programs who are California  
14 residents, or are enrolled in a residency programs attending certain schools regulated by the  
15 Bureau for Private Postsecondary and Vocational Education.

16 You may be eligible for STRF if you are a California resident or are enrolled in a residency  
17 program, prepaid tuition, paid the STRF assessment, and suffered an economic loss as a result of  
18 any of the following:

19 "1. The school closed before the course of instruction was completed.

20 "2. The school's failure to pay refunds or charges on behalf of a student to a third party for  
21 license fees or any other purpose, or to provide equipment or materials for which a charge was  
22 collected within 180 days before the closure of the school.

23 "3. The school's failure to pay or reimburse loan proceeds under a federally guaranteed  
24 student loan program as required by law or to pay or reimburse proceeds received by the school  
25 prior to closure in excess of tuition and other costs.

26 "4. There was a material failure to comply with the Act or this Division within 30 days  
27 before the school closed or, if the material failure began earlier than 30 days prior to closure, the  
28 period determined by the Bureau.

1 "5. An inability after diligent efforts to prosecute, prove, and collect on a judgment against  
2 the institution for a violation of the Act."

3 "However, no claim can be paid to any student without a social security number or a  
4 taxpayer identification number."

5 15. California Code of Regulations, title 5, division 7.5, section 71810 states:

6 "(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which  
7 shall be updated annually. Annual updates may be made by the use of supplements or inserts  
8 accompanying the catalog. If changes in educational programs, educational services, procedures,  
9 or policies required to be included in the catalog by statute or regulation are implemented before  
10 the issuance of the annually updated catalog, those changes shall be reflected at the time they are  
11 made in supplements or inserts accompanying the catalog.

12 "(b) The catalog shall contain the information prescribed by Section 94909 of the Code and  
13 all of the following:

14 "...

15 "(2) A statement of the institution's missions and purposes and the objectives underlying  
16 each of its educational programs;

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

19 "...

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

23 "...

24 "(9) A description of the facilities and of the types of equipment and materials that will be  
25 used for instruction;

26 "(10) A description of library and other learning resources and the procedures for student  
27 access to those resources;

28 "...

1 “(13) Housing information including all of the following:  
 2 “(A) Whether the institution has dormitory facilities under its control;  
 3 “(B) The availability of housing located reasonably near the institution's facilities and an  
 4 estimation of the approximate cost or range of cost of the housing; and  
 5 “(C) If the institution has no responsibility to find or assist a student in finding housing, a  
 6 clear and conspicuous statement so indicating. A statement that the program is "non- residential"  
 7 does not satisfy this subparagraph.  
 8 “(14) Policies on student rights, including the procedure for addressing student grievances;”  
 9 ....”

10 16. California Code of Regulations, title 5, division 7.5, section 70000 subdivisions (q)  
 11 and (r) state:  
 12 “...  
 13 “(q) "Mission" means an institution's stated educational reasons to exist. A mission  
 14 statement contains all of the following characteristics:  
 15 “(1) The mission includes the institution's broad expectations concerning the  
 16 education that students will receive, including the acquisition of the body of knowledge presented  
 17 in the educational program, the development of intellectual, analytical, and critical abilities, and  
 18 the fostering of values such as a commitment to pursue lifelong learning; and  
 19 “(2) The mission relates to the educational expectations of the institution's students,  
 20 faculty and community that the institution serves.  
 21 “(r) "Objectives" are the goals and methods by which the institution fulfills its mission and  
 22 transforms it into measurable student learning outcomes for each educational program.  
 23 ....”

24 **CAUSE FOR DENIAL OF APPLICATION**

25 (Incomplete Application)

26 17. Respondent's application is subject to denial under Business and Professions Code  
 27 section 480, subdivision (a)(3)(A), Education Code section 94885, 94886 and 94887, and  
 28 California Code of Regulations, title 5, division 7.5, section 71475, in that Respondent submitted



1 an incomplete renewal application to the Bureau. Each violation is a sole and separate cause for  
2 denial. The violations are as follows:

3 a. Faculty Qualifications. Respondent failed to submit a catalog that contains the  
4 required information about its faculty and their qualifications. This is a violation of California  
5 Education Code (CEC) section 94909 subdivision (a)(7).

6 b. Student Loan Repayment. Respondent failed to submit a catalog that complies  
7 with CEC section 94909 subdivision (a)(11), regarding student rights to reimbursement of  
8 moneys not paid from federal financial aid funds.

9 c. Student Tuition Recovery Fund Disclosure. Respondent failed to submit a  
10 catalog that complies with CEC section 94909 subdivision (a)(14) and California Code of  
11 regulations (CCR) section 76215 subdivision (b), which requires the following language to be  
12 included in its catalog:

13 "The State of California created the Student Tuition Recovery Fund (STRF) to relieve or  
14 mitigate economic losses suffered by students in educational programs who are California  
15 residents, or are enrolled in a residency programs attending certain schools regulated by the  
16 Bureau for Private Postsecondary and Vocational Education."

17 ...

18 However, no claim can be paid to any student without a social security number or a  
19 taxpayer identification number.

20 d. Statement of Mission and Objectives. Respondent failed to submit a catalog that  
21 complies with CCR section 71810 subdivision (b)(2) and CCR section 70000 subdivisions (q)  
22 and (r), which requires that it contain a statement of the institutions missions and purposes, and  
23 the objectives underlying each of its educational programs.

24 e. Visa Services. Respondent failed to comply with CCR section 71810 subdivision  
25 (b)(3) in that its catalog provides conflicting information on whether Visa services are provided.

26 f. Prior Experiential Learning Credit. Respondent failed to comply with CCR section  
27 71810 subdivision (b)(7) in that its catalog fails to provide the policies and procedures for the  
28

1 award of credit for prior experiential learning, including assessment policies and procedures,  
2 provisions for appeal and charges that students may be required to pay.

3 g. Facilities and Equipment. Respondent failed to comply with CCR section 71810  
4 subdivision (b)(9) in that its catalog fails to include the types of equipment and materials that will  
5 be used for instruction.

6 h. Library and Learning Resources. Respondent failed to comply with CCR section  
7 71810 subdivision (b)(10) in that its catalog fails to provide a description of student access to the  
8 library and other learning resources.

9 i. Estimated Cost of Housing. Respondent failed to comply with CCR section 71810  
10 subdivision (b)(13) in that its catalog fails to provide an estimation of the cost or range of cost for  
11 local housing.

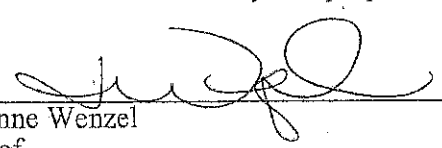
12 j. Student Rights. Respondent failed to comply with CCR section 71810 subdivision  
13 (b)(14) in that its catalog fails to provide a policy on student rights.

14  
15 PRAYER

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

- 18 1. Denying the application of Cinema Make-Up School; Sasha Kim Lee for a Renewal  
19 of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions; and  
20 2. Taking such other and further action as deemed necessary and proper.

21 DATED: 4/18/14

22   
23 Joanne Wenzel  
24 Chief  
25 Bureau for Private Postsecondary Education  
26 Department of Consumer Affairs  
27 State of California  
28 *Complainant*

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