

1 KAMALA D. HARRIS  
Attorney General of California  
2 JAMES M. LEDAKIS  
Supervising Deputy Attorney General  
3 MARICHELLE S. TAHIMIC  
Deputy Attorney General  
4 State Bar No. 147392  
110 West "A" Street, Suite 1100  
5 San Diego, CA 92101  
P.O. Box 85266  
6 San Diego, CA 92186-5266  
Telephone: (619) 645-3154  
7 Facsimile: (619) 645-2061  
*Attorneys for Complainant*

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 Statement of Issues  
Against:  
13  
14 **SAN DIEGO BEAUTY COLLEGE,**  
**TRANG LE, 100% OWNER,**  
15 **CEO/DIRECTOR**  
16 **School Code: 3709511**  
17 Respondent.

Case No. 999671

**STATEMENT OF ISSUES**

18  
19 Complainant alleges:

20 **PARTIES**

- 21 1. Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official  
22 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of  
23 Consumer Affairs.  
24 2. On or about May 12, 2011, the Bureau for Private Postsecondary Education received  
25 an application for a Renewal of Approval to Operate and Offer Educational Programs for Non-  
26 Accredited Institutions (Application #23524) from San Diego Beauty College, Trang Le, 60%  
27 Owner, CEO/Director; Kim Loan T. Tran, 20% Owner; Diep Ngoc Ho, 10% Owner; and, Naomi  
28

1 C. Trantu, 10% Owner (Respondent). On or about January 7, 2011, Trang Le and Diep Ho  
2 certified under penalty of perjury to the truthfulness of all statements, answers, and  
3 representations in the application. The Bureau denied the application on April 14, 2014.

4 **JURISDICTION**

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

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

14 5. Education Code Section 94886 states:

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

20 6. Education Code Section 94887 states:

21 An approval to operate shall be granted only after an applicant has presented  
22 sufficient evidence to the bureau, and the bureau has independently verified the  
23 information provided by the applicant through site visits or other methods  
24 deemed appropriate by the bureau, that the applicant has the capacity to satisfy  
25 the minimum operating standards. The bureau shall deny an application for an  
26 approval to operate if the application does not satisfy those standards.

27 **STATUTORY AND REGULATORY PROVISIONS**

28 7. Education Code (hereinafter "Code") section 94891, subdivision (b) states that "[t]o  
be granted a renewal of an approval to operate, the institution shall demonstrate its continued  
capacity to meet the minimum operating standards."

///

1           8. Code section 94832 defines "Diploma" as "a recognized educational credential, other  
2 than a degree, awarded by an institution that signifies satisfactory completion of the requirements  
3 of a postsecondary educational program below the associate's level. A diploma is also known as  
4 a certificate."

5           9. Code section 94897 states in part:

6           An institution shall not do any of the following:

7           ....

8           (p) Offer an associate, baccalaureate, master's, or doctoral degree without  
9 disclosing to prospective students prior to enrollment whether the institution or  
10 the degree program is unaccredited and any known limitation of the degree,  
including, but not limited to, all of the following:

11           (1) Whether a graduate of the degree program will be eligible to sit for  
the applicable licensure exam in California and other states.

12           (2) A statement that reads: "A degree program that is unaccredited or a  
13 degree from an unaccredited institution is not recognized for some employment  
positions, including, but not limited to, positions with the State of California."

14           (3) That a student enrolled in an unaccredited institution is not eligible for  
15 federal financial aid programs.

16           ...

17           10. Code section 94906 states:

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

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

24           11. Code section 94908 states:

25           Any information or statement required by this article to be included in the  
26 catalog, School Performance Fact Sheet, or enrollment agreement shall be  
printed in at least the same size font as the majority of the text in that document.

27           ///

28           ///

1 12. Code section 94909 states in part:

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

5 . . . .

6 (7) Information regarding the faculty and their qualifications.

7 (8) A detailed description of institutional policies in the following areas:

8 (A) Admissions policies, including the institution's policies  
9 regarding the acceptance of credits earned at other institutions or through  
10 challenge examinations and achievement tests, admissions requirements  
11 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.

12 (B) Cancellation, withdrawal, and refund policies, including an  
13 explanation that the student has the right to cancel the enrollment  
14 agreement and obtain a refund of charges paid through attendance at the  
15 first class session, or the seventh day after enrollment, whichever is later.  
The text shall also include a description of the procedures that a student is  
required to follow to cancel the enrollment agreement or withdraw from  
the institution and obtain a refund consistent with the requirements of  
Article 13 (commencing with Section 94919).

16 (C) Probation and dismissal policies.

17 (D) Attendance policies.

18 (E) Leave-of-absence policies.

19 . . . .

20 (12) A statement specifying whether the institution has a pending petition  
21 in bankruptcy, is operating as a debtor in possession, has filed a petition within  
22 the preceding five years, or has had a petition in bankruptcy filed against it  
23 within the preceding five years that resulted in reorganization under Chapter 11  
of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

24 . . .

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

1 (15) The following statement:

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

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

10 (16) A statement specifying whether the institution, or any of its degree  
11 programs, are accredited by an accrediting agency recognized by the United  
12 States Department of Education. If the institution is unaccredited and offers an  
13 associate, baccalaureate, master's, or doctoral degree, or is accredited and offers  
an unaccredited program for an associate, baccalaureate, master's, or doctoral  
degree, the statement shall disclose the known limitations of the degree  
program, including, but not limited to, all of the following:

14 (A) Whether a graduate of the degree program will be eligible to sit  
15 for the applicable licensure exam in California and other states.

16 (B) A degree program that is unaccredited or a degree from an  
17 unaccredited institution is not recognized for some employment positions,  
including, but not limited to, positions with the State of California.

18 (C) That a student enrolled in an unaccredited institution is not  
19 eligible for federal financial aid programs.

20 13. Code section 94911 states in part:

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

22 . . . .

23 (c) In underlined capital letters on the same page of the enrollment agreement in  
24 which the student's signature is required, the total charges for the current period  
of attendance, the estimated total charges for the entire educational program,  
and the total charges the student is obligated to pay upon enrollment.

25 . . .

26 (e) (1) A disclosure with a clear and conspicuous caption, "STUDENT'S  
27 RIGHT TO CANCEL," under which it is explained that the student has the  
right to cancel the enrollment agreement and obtain a refund of charges paid  
through attendance at the first class session, or the seventh day after enrollment,  
28 whichever is later.

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....

(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."

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

...

14. Code section 94913 states:

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

(1) The school catalog.

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

(3) Student brochures offered by the institution.

(4) A link to the bureau's Internet Web site.

(5) The institution's most recent annual report submitted to the bureau.

(b) An institution shall include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau.

15. Title 5, California Code of Regulations ("CCR"), section 70000 defines the following terms as:

....

(q) "Mission" means an institution's stated educational reasons to exist. A mission statement contains all of the following characteristics:

(1) The mission includes the institution's broad expectations concerning the education that students will receive, including the acquisition of the body of

1 knowledge presented in the educational program, the development of  
2 intellectual, analytical, and critical abilities, and the fostering of values such as  
3 a commitment to pursue lifelong learning; and

4 (2) The mission relates to the educational expectations of the institution's  
5 students, faculty and community that the institution serves.

6 (r) "Objectives" are the goals and methods by which the institution fulfills its  
7 mission and transforms it into measurable student learning outcomes for each  
8 educational program.

9 ...

10 16. Title 5, CCR, section 71475 states in part:

11 ....

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

14 ....

15 (7) The name, title, address, email address, telephone number, nature of  
16 interest and percentage of ownership of each person, as defined in section  
17 94855 of the Code, who owns or controls 25% or more of the stock or an  
18 interest in the institution and, to the extent applicable, each general partner,  
19 officer, corporate director, member of the board of directors, and any other  
20 person who exercises substantial control over the institution's management or  
21 policies. For the purpose of this paragraph, a person exercises "substantial  
22 control over the institution's management or policies" if the person has the  
23 authority to cause the institution to expend money or incur debt in the amount  
24 of five thousand dollars (\$5,000) or more in any year.

25 ....

26 (o) The institution shall include, with its application, exemplars of all student  
27 enrollment agreements and instruments of indebtedness.

28 ....

(bb) The application shall include a copy of the institution's catalog, in  
published or proposed-to-be-published form. The catalog shall meet the  
requirements of the Act and of section 71810.

...

(gg) The institution demonstrates its continued capacity to meet the minimum  
operating standards by submitting the renewal application signed and dated, and  
each fact stated therein and each attachment thereto declared to be true under  
penalty of perjury, as follows:

(1) Signatories:

(A) Each owner of the institution, or

(B) If the institution is incorporated, the chief executive officer of

1 the corporation and each person who owns or controls 25 percent or more  
2 of the stock or interest in the institution,

3 . . . .

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

6 17. Title 5, CCR, section 71700 states:

7 The Bureau may request that an institution document compliance with the  
8 standards set forth in the Act and this Division to obtain and maintain an  
9 approval to operate.

10 18. Title 5, CCR, section 71720 states in part:

11 . . . .

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

13 (1) An institution shall employ instructors who possess the academic,  
14 experiential and professional qualifications to teach, including a minimum of  
15 three years of experience, education and training in current practices of the  
16 subject area they are teaching. If an instructor does not possess the required  
17 three years of experience, education and training in the subject area they are  
18 teaching, the institution shall document the qualifications the instructor  
19 possesses that are equivalent to the minimum qualifications.

20 . . .

21 19. Title 5, CCR, section 71745 states:

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

24 (1) Provide all of the educational programs that the institution represented it  
25 would provide.

26 . . . .

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

28 . . . .

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

. . . .

(b) At an institution's request, the Bureau may consider the financial resources  
of a parent company if the parent company, as defined by section 94853 of the  
Code, meets and maintains all of the following provisions:

(1) consents in writing to be sued in California;

(2) consents in writing to be subject to the jurisdiction of the Bureau with



1 respect to the institution's regulation under the Act and this Chapter;

2 (3) designates and maintains an agent for service of process, consistent  
3 with section 74190;

4 (4) agrees in writing to pay any refund, claim, penalty, or judgment that  
5 the institution is obligated to pay; and

6 (5) files financial reports, maintains financial records, and consents in  
7 writing to permit the inspection and copying of financial records to the same  
8 extent as is required of the institution.

9 (c) An institution shall provide to the Bureau its most current financial  
10 statements upon request.

11 20. Title 5, CCR, section 71770 states in part:

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

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

22 . . . .

23 (b) The institution shall specify the maximum credit it will transfer from  
24 another institution for each educational program, and the basis upon which the  
25 transferred credit will be awarded.

26 (1) Except as limited by subdivision (c) of this section, a maximum of 75  
27 percent of the units or credit that may be applied toward the award of a  
28 bachelor's degree may be derived from a combination of any or both of the  
following:

(A) Units earned at institutions approved by the Bureau, public or  
private institutions of higher learning accredited by an accrediting  
association recognized by the U. S. Department of Education, or any  
institution of higher learning, including foreign institutions, if the  
institution offering the undergraduate program documents that the  
institution of higher learning at which the units were earned offers degree  
programs equivalent to degree programs approved by the Bureau or  
accredited by an accrediting association recognized by the U.S.  
Department of Education;

(B) Challenge examinations and standardized tests such as the  
College Level Placement Tests (CLEP) for specific academic disciplines.

(2) No more than 20% of graduate semester units or the equivalent in  
other units awarded by another institution may be transferred for credit toward  
a Master's degree. An institution may accept transfer credits only from the

institutions of higher learning described in subsection (1)(A).

(3) No more than 30 graduate semester credits or its equivalent awarded by another institution may be credited toward a doctoral degree. This subdivision does not apply to graduate programs that lead to a profession or an occupation requiring state licensure where the licensing agency has a regulation permitting a different standard.

...

21. Title 5, CCR, section 71810 states in part:

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

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

...

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

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

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

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

....

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

(8) The institution's standards for student achievement;

....

(13) Housing information including all of the following:

...

(B) The availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing; and

(C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non-residential" does not satisfy this subparagraph.

...

22. Title 5, CCR, section 76215 states:

(a) A qualifying institution shall include the following statement on both its enrollment agreement for an educational program and its current schedule of student charges:

"You must pay the state-imposed assessment for the Student Tuition Recovery Fund (STRF) if all of the following applies to you:

1. You are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition either by cash, guaranteed student loans, or personal loans, and

2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third party.

You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if either of the following applies:

1. You are not a California resident, or are not enrolled in a residency program, or

2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party."

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

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

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

- 1 1. The school closed before the course of instruction was completed.
- 2 2. The school's failure to pay refunds or charges on behalf of a student to  
3 a third party for license fees or any other purpose, or to provide  
4 equipment or materials for which a charge was collected within 180 days  
5 before the closure of the school.
- 6 3. The school's failure to pay or reimburse loan proceeds under a federally  
7 guaranteed student loan program as required by law or to pay or  
8 reimburse proceeds received by the school prior to closure in excess of  
9 tuition and other costs.
- 10 4. There was a material failure to comply with the Act or this Division  
11 within 30 days before the school closed or, if the material failure began  
12 earlier than 30 days prior to closure, the period determined by the Bureau.
- 13 5. An inability after diligent efforts to prosecute, prove, and collect on a  
14 judgment against the institution for a violation of the Act.”

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

#### 17 **FACTS**

18 23. On May 12, 2011, the Bureau received an Application for Renewal of Approval to  
19 Operate and Offer Educational Programs for Non-Accredited Institutions, Application Number  
20 23524, from Respondent. Respondent had been approved to offer the following non-degree  
21 educational programs: Barbering, Cosmetician, Cosmetology, Health Holistic Practitioner,  
22 Manicuring, Massage Technician, Massage Therapist and Teacher Training. The approval to  
23 operate expired on May 31, 2013.

24 24. On June 13, 2012, the Bureau sent Respondent a letter advising that the Bureau could  
25 not grant Respondent a renewal of its approval to operate because of deficiencies in the  
26 application, including deficiencies in the identification of the institution's ownership and control,  
27 and financial statement. On July 11, 2012, the Bureau received a response from Respondent that  
28 included an Application for Change of Business Ownership, a school catalog, policies and  
procedures for supplying library services, an enrollment agreement and financial statements.

29 25. On July 26, 2012, the Bureau sent Respondent another deficiency letter advising of  
the deficiencies that remained with Respondent's application and that a \$500 fee must be  
submitted with the Application for Change of Business Ownership.

1           26. On September 13, 2012, the Bureau sent Respondent another deficiency letter  
2 advising of additional deficiencies in Respondent’s application. On May 28, 2013, the Bureau  
3 received a response from Respondent including a cover letter explaining the ownership of the  
4 institution.

5           27. On August 12, 2013, the Bureau issued another deficiency letter advising of the  
6 deficiencies that remained with Respondent’s application. On August 28, 2013, the Bureau  
7 received a request to withdraw the Application for Change of Business Ownership. On August  
8 29, 2013, the Bureau acknowledged withdrawal of the Application for Change of Business  
9 Ownership.

10          28. The Bureau, having received no further response from Respondent, sent Respondent  
11 a “Notice of Denial” of Respondent’s Application for Renewal of Approval to Operate and Offer  
12 Educational Programs for Non-Accredited Institutions on April 14, 2014.

13                           **FIRST CAUSE FOR DENIAL OF APPLICATION**

14   **(Ownership and Control)**

15          29. Respondent’s application is subject to denial under Education Code sections 94887  
16 and 94891, subdivision (b), and title 5, CCR, section 71475, subdivision (c)(7) in that Bureau  
17 records indicate that Trang Le owns 100 percent of the institution however, the renewal  
18 application states that Trang Le owns 60 percent, Kim Loan owns 20 percent, Naomi C. Trantu  
19 owns 10 percent and Diep Ho owns 10 percent of the institution.

20                           **SECOND CAUSE FOR DENIAL OF APPLICATION**

21   **(Accommodation for Students Whose Primary Language is Not English)**

22          30. Respondent’s application is subject to denial under Education Code sections 94887  
23 and 94891, subdivision (b), and Code section 94906, for the following reasons. Respondent has  
24 not demonstrated how it ensures that a student whose primary language is not English is able to  
25 understand the terms and conditions of the enrollment agreement, and whether the student is  
26 provided with the opportunity to obtain a clear explanation of the terms and conditions of the  
27 enrollment agreement and all cancellation and refund policies in his or her primary language.

28        ///

1 **THIRD CAUSE FOR DENIAL OF APPLICATION**

2 **(Deficiencies in Enrollment Agreement)**

3 31. Respondent's application is subject to denial under Education Code sections 94887  
4 and 94891, subdivision (b), in conjunction with Code section 94911 and title 5, CCR, section  
5 71475, subdivision (o), in that the enrollment agreement exemplar submitted by Respondent  
6 contains the following deficiencies:

7 a. The enrollment agreement fails to state on the same page on which the student's  
8 signature is required, the total charges for the current period of attendance, the estimated total  
9 charges for the entire educational program, and the total charges the student is obligated to pay  
10 upon enrollment, as required by Code section 94911, subdivision (c).

11 b. The enrollment agreement fails to include the specific required language regarding  
12 the Student Tuition Recovery Fund pursuant to title 5, CCR, section 76215, subdivisions (a) and  
13 (b).

14 c. The enrollment agreement contains unintelligible language under the heading  
15 "Student's Right to Cancel." The enrollment agreement states, "The student (and the student's of  
16 student being under age, his/her parent or guardian) has the right to cancel ..." [Education Code  
17 section 94911(e)(2).]

18 d. The enrollment agreement contains an error in the caption regarding transferability  
19 disclosures that is required by Code section 94911, subdivision (h), and section 94909,  
20 subdivision (a)(15), as follows. The caption in Respondent's enrollment agreement states,  
21 "NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS  
22 EARNING [sic] AT OUR INSTITUTION." The word "EARNING" should state "EARNED."

23 e. The enrollment agreement fails to include the following required language in its  
24 entirety, as required by Code section 94911, subdivision (i)(1):

25 Prior to signing this enrollment agreement, you must be given a catalog or  
26 brochure and a School Performance Fact Sheet, which you are encouraged to  
27 review prior to signing this agreement. These documents contain important  
28 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

1           rate, if applicable, prior to signing this agreement.

2           The underlined language is missing from the disclosure.

3           f.     The enrollment agreement fails to include the required language for the student to  
4 certify receipt of the most recent three-year cohort default rate where the student certifies receipt  
5 of the catalog, School Performance Fact Sheet, and information regarding completion rates,  
6 placement rates, license examination passage rates, and salary or wage information, as required  
7 by Code section 94911, subdivision (i)(2).

8   **FOURTH CAUSE FOR DENIAL OF APPLICATION**

9   **(Deficiencies in School Catalog)**

10          32.   Respondent's application is subject to denial under Education Code sections 94887  
11 and 94891, subdivision (b), section 94909, and title 5, CCR, section 71475, subdivision (bb), and  
12 as further identified below, in that the school catalog contains the following deficiencies:

13          a.     Information regarding the student's right to cancel on page 10 of the school catalog is  
14 in a smaller font than the majority of the text in the catalog in violation of Code section 94908.

15          b.     Respondent has failed to demonstrate that its school catalog is updated annually as  
16 required by title 5, CCR, section 71810, subdivision (a).

17          c.     The school catalog fails to state whether Respondent has filed a petition in  
18 bankruptcy in the preceding five years, whether it has had a petition in bankruptcy filed against it  
19 in the preceding five years that resulted in reorganization under Chapter 11 of the United States  
20 Bankruptcy Code (11 U.S.C. Section 1101 et seq.) and whether Respondent is operating as a  
21 debtor in possession, as required by Code section 94909, subdivision (a)(12).

22          d.     The school catalog fails to contain a statement of the institution's missions and  
23 objectives, as defined by title 5, CCR, section 70000, subdivisions (q) and (r), underlying each of  
24 its educational programs as required by title 5, CCR, section 71810, subdivision (b)(2).

25          e.     The school catalog contains an error in the caption regarding transferability  
26 disclosures that is required by Code section 94909, subdivision (a)(15). The caption in  
27 Respondent's catalog states, "NOTICE CONCERNING TRANSFERABILITY OF CREDITS  
28 AND CREDENTIALS EARNING [sic] AT OUR INSTITUTION." The caption should state,

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

3 f. The school catalog indicates students must have completed the tenth grade or its  
4 equivalent or have a high school diploma or its equivalent, in violation of title 5, CCR, section  
5 71770, subdivision (a)(1), which states that each student admitted to an undergraduate degree  
6 program, or a diploma program, shall possess a high school diploma or its equivalent.

7 g. The school catalog does not contain the institution's policies and procedures for the  
8 award of credit for prior experiential learning, including assessment policies and procedures,  
9 provisions for appeal, and all charges that a student may be required to pay, as required by title 5,  
10 CCR, section 71810, subdivision (b)(7).

11 h. If the institution admits students from other countries, the school catalog does not  
12 specify whether visa services are provided or whether the institution will vouch for student status,  
13 and whether there are any associated charges, as required by title 5, CCR, section 71810,  
14 subdivision (b)(3).

15 i. The school catalog does not contain language proficiency information, such as the  
16 level of English language proficiency required of students, the kind of documentation of  
17 proficiency that will be accepted, whether English language services are provided and if so, the  
18 nature of English services and the cost, as required by title 5, CCR, section 71810, subdivision  
19 (b)(4).

20 j. The school catalog does not state whether any instruction will occur in a language  
21 other than English, and if so, the level of proficiency required and the kind of documentation of  
22 proficiency that will be accepted, as required by title 5, CCR, section 71810, subdivision (b)(5).

23 k. The school catalog does not include a statement specifying whether the institution or  
24 any of its degree programs are accredited by an accrediting agency recognized by the United  
25 States Department of Education. In the alternative, if the institution is unaccredited and offers a  
26 degree program or the institution is accredited and offers an unaccredited degree program, the  
27 school catalog does not include a statement disclosing the known limitations of the degree  
28 program, as required by Code sections 94909, subdivision (a)(16) and 94897, subdivision (p).



1 i. The school catalog fails to state the specific required language regarding the Student  
2 Tuition Recovery Fund as required by Code section 94909, subdivision (a)(14) and to title 5,  
3 CCR, section 76215, subdivisions (a) and (b).

4 m. The descriptions of the institution's faculty in the school catalog refer to "Certificates  
5 of Authorization for Service" that are credentials which are no longer recognized nor granted by  
6 the Bureau, and should be removed from the description of faculty qualifications pursuant to  
7 Code section 94909, subdivision (a)(7).

8 n. The school catalog does not demonstrate that instructor Y.C.H. possesses the  
9 academic, experiential and professional qualifications to teach, including a minimum of three  
10 years of experience, education and training in current practices of the subject area the instructor is  
11 teaching, as required by title 5, CCR, section 71720, subdivision (b)(1).

12 o. The school catalog fails to accurately set forth the standards for student achievement  
13 as required by title 5, CCR, section 71810, subdivision (b)(8), in that pages 13 – 17 of the school  
14 catalog contain incorrect calculations regarding the amount of hours required for students to  
15 complete a 600-hour course, a 400-hour course and a 1600-hour course.

16 p. The school catalog does not contain the housing information required by title 5, CCR,  
17 section 71810, subdivision (b)(13), regarding the availability of housing located reasonably near  
18 the institution's facilities and an estimation of the approximate cost or range of cost of the  
19 housing. In addition, if the institution has no responsibility to find or assist a student in finding  
20 housing, the school catalog does not contain a clear and conspicuous statement so indicating.

#### 21 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

##### 22 **(Deficiencies in Internet Website)**

23 33. Respondent's application is subject to denial under Education Code sections 94887,  
24 94891, subdivision (b), and title 5, CCR, section 71475, subdivision (kk), in that Respondent's  
25 Internet Website fails to provide the information required by Code section 94913 such as a School  
26 Performance Fact Sheet for each educational program offered by the institution, student brochures  
27 offered by the institution, a link to the Bureau's Internet Web site, the institution's most recent  
28

1 annual report submitted to the Bureau, and information concerning where students may access the  
2 Bureau's Internet Web site where the institution identifies itself as being approved by the Bureau.

3 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

4 **(Declaration Under Penalty of Perjury)**

5 34. Respondent's application is subject to denial under Education Code sections 94887  
6 and 94891, subdivision (b), and title 5, CCR, section 71475, subdivision (kk), in that  
7 Respondent's application fails to demonstrate its continued capacity to meet the minimum  
8 operating standards by submitting the renewal application signed and dated, and each fact stated  
9 therein and each attachment thereto, declared to be true under penalty of perjury by each owner of  
10 the institution as required by title 5, CCR, section 71475, subdivision (gg)(1)(A). The  
11 circumstances are as follows.

12 35. The renewal application was signed under penalty of perjury by Trang Le as 60%  
13 owner and Diep Ho as 10% owner, the additional owners did not sign the renewal application  
14 under penalty of perjury. In addition, according to the Bureau's records, Trang Le owns 100% of  
15 the institution.

16 **SEVENTH CAUSE FOR DENIAL OF APPLICATION**

17 **(Failure to Document Institution Has Sufficient Assets and Financial Resources)**

18 36. Respondent's application is subject to denial under title 5, CCR, section 71745 in that  
19 Respondent failed to document that it has at all times sufficient assets and financial resources to  
20 provide all of the educational programs that the institution represented it would provide and to  
21 maintain the minimum standards required by the Act and this chapter. The circumstances are as  
22 follows.

23 37. Respondent submitted financials statements pertaining to Blue Green Crystal, LLC,  
24 dba San Diego Beauty College. Blue Green Crystal, LLC is suspended by the Franchise Tax  
25 Board and cannot do business in California.

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**PRAYER**

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

1. Denying the application of San Diego Beauty College, Trang Le, 60% Owner, CEO/Director; Kim Loan T. Tran, 20% Owner; Diep Ngoc Ho, 10% Owner; and, Naomi C. Trantu, 10% Owner, for a Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions;
2. Taking such other and further action as deemed necessary and proper.

DATED: 11/11/14

  
JOANNE WENZEL  
Chief  
Bureau for Private Postsecondary Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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