In the Matter of the Statement of Issues Against:

ALLEN'S ACADEMY OF DOG GROOMING;
CYNTHIA ALLEN, OWNER

Applicant for Renewal of Approval to Operate and Offer Educational Programs for a Non-Accredited Institution

Respondent.

Complainant alleges:

PARTIES

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

2. On or about May 1, 2012, the Bureau for Private Postsecondary Education (Bureau) received an Application for Renewal of Approval to Operate and Offer Educational Programs for a Non-Accredited Institution (Application) from Allen's Academy of Dog Grooming; Cynthia
Allen, Owner (Respondent). On or about April 30, 2012, Respondent certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application.

3. On or about June 29, 2012, the Bureau requested financial statements from Respondent, which were required to be provided with her Application.

4. On or about September 19, 2012, the Bureau received Respondent’s financial documents.

5. On or about November 26, 2013, the Bureau received additional information from Respondent, including Respondent’s financial statements.

6. On or about April 15, 2014, the Bureau sent a letter to Respondent, informing Respondent that the information she provided to the Bureau was insufficient.

7. On or about May 19, 2014, the Bureau received a letter from Respondent, including Respondent’s financial statements.

8. On or about November 13, 2014, the Bureau denied Respondent’s application.

9. On or about November 20, 2014, the Bureau received a letter from Respondent requesting an administrative hearing regarding the denial of her Application.

JURISDICTION

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

11. California Education Code section 94891 states:

“(a) The bureau shall, by January 1, 2011, adopt by regulation the process and procedures whereby an institution may obtain a renewal of an approval to operate.

(b) To be granted a renewal of an approval to operate, the institution shall demonstrate its continued capacity to meet the minimum operating standards.”

1 Effective January 1, 2015, in accordance with SB1247, the California Private Postsecondary Education Act of 2009 was updated. Because the conduct at issue in this case occurred before January 1, 2015, however, all citations are to the previous version of the California Private Postsecondary Education Act of 2009 that was in effect in 2014.
REGULATIONS

12. California Code of Regulations, title 5, section 71700 states that, "The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate."

13. California Code of Regulations, title 5, section 71475 states, in pertinent part:

"..."

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

"..."

(e) The institution shall submit at the time it applies for renewal current financial statements that meet the requirements of section 74115 as follows: (1) for an institution with annual gross revenues of $500,000 and over, statements shall be audited; (2) for an institution with annual gross revenues less than $500,000, statements shall be reviewed.

"..."

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

CAUSE FOR DENIAL OF APPLICATION
(Failure to Provide Financial Statements Reviewed by CPA)

14. Respondent's application is subject to denial under California Code of Regulations, title 5, sections 71700 and 71475, subdivision (e), in that in support of her Application, Respondent failed to provide financial statements that were reviewed by a CPA. The circumstances are as follows:

a. In Respondent's Application, as well as Respondent's September 19, 2012, November 26, 2013, and May 19, 2014 letters to the Bureau, Respondent provided financial statements that were not reviewed by a CPA.

///
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 Cynthia Allen, Owner, Allen's Academy of Dog Grooming for renewal of approval to operate and offer educational programs for a non-accredited institution; and,

2. Taking such other and further action as deemed necessary and proper.

DATED: 3/11/15

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

SA2014119922
11659153.doc