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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
Against:

Case No. 1001646

12 **GLAMOUR SPOT SCHOOL OF BEAUTY**

STATEMENT OF ISSUES

13
14 **Application For An Approval to Operate An**
15 **Institution Non Accredited Applicant**

16 Respondent.

17
18 Complainant alleges:

19 PARTIES

20
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 March 18, 2014, the Bureau for Private Postsecondary Education
25 received an Application for Approval to Operate an Institution Non Accredited from Glamour
26 Spot School of Beauty (Respondent). On or about December 17, 2013, Chauntay Rouzan
27 certified under penalty of perjury to the truthfulness of all statements, answers, and
28 representations in the application. On or about March 28, 2014, the Bureau issued a deficiency

1 letter to Respondent. On or about June 5, 2014, the Bureau received a response to the deficiency
2 letter. On or about October 7, 2015 the Bureau issued a deficiency letter to the Respondent. On or
3 about October 28, 2015 and November 19, 2015, the Respondent asked for an extension of the
4 deadline. The Bureau granted the request. On or about March 22, 2016, the Bureau denied the
5 application. Respondent appealed the denial on April 18, 2016.

6 JURISDICTION

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

11 STATUTORY PROVISIONS

12 4. Section 94886 states:

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

16 5. Section 94887 states:

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

21 6. Section 94909 states:

22 "(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a
23 prospective student, either in writing or electronically, with a school catalog containing, at a
minimum, all of the following:

24 ...

25 (5) A description of the programs offered and a description of the instruction provided in
26 each of the courses offered by the institution, the requirements for completion of each
program, including required courses, any final tests or examinations, any required
internships or externships, and the total number of credit hours, clock hours, or other
increments required for completion.

27 ...

28 (15) The following statement:

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

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

13 7. Section 94911 states:

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

15 ...

16 (k) The following statement above the space for the student's signature:

17 "I understand that this is a legally binding contract. My signature below certifies that I have
18 read, understood, and agreed to my rights and responsibilities, and that the institution's
19 cancellation and refund policies have been clearly explained to me."

20 **REGULATORY PROVISIONS**

21 8. California Code of Regulations, title 5, section 71700 states in pertinent part:

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

24 9. California Code of Regulations, title 5, section 71140, subsection (c) states:

25 ...

26 "The institution shall identify the chief executive officer, chief operating officer, and chief
27 academic officer and describe their education, experience, and qualifications to perform
28 their duties and responsibilities."

10. California Code of regulations, title 5, section 71220 states:

"For each educational program that the institution offers or proposes to offer, the Form
Application 94886 shall contain a statement that the educational program meets the
requirements of section 71710, as well as the following:"

...

1 “(f) If licensure is a goal of an educational program, a copy of the approval from the
2 appropriate licensing agency if required. A copy of the intent to approve conditioned solely
3 upon institutional approval from the Bureau will also meet this requirement.
4 Upon request, the institution shall provide to the Bureau copies of the curriculum or syllabi
5 required pursuant to section 71710.”

6 11. California Code of Regulations, title 5, section 71260, states:

7 ...

8 “(b) For facilities that are leased or rented, the Form Application 94886 shall contain the
9 name and address of the lessor or landlord, together with a copy of any use, lease, or rental
10 agreements for the facilities.”

11 ...

12 “(d) The description shall include specifications of significant equipment that demonstrate
13 that the equipment meets the standards prescribed by the Code and this chapter and is
14 sufficient to enable students to achieve the educational objectives of each education
15 program.”

16 ...

17 “(e) For each item of significant equipment, the description shall indicate whether the
18 equipment is owned, leased, rented, or licensed for short- or long-term, or owned by
19 another and loaned to be used without charge.”

20 “(f) The Form Application 94886 shall contain a list of all permits, certifications, or other
21 evidence of inspections or authorizations to operate required by the jurisdictions within
22 which the institution operates that the institution has obtained, and/or an explanation as to
23 why those permits, certifications, or inspections have not yet been obtained.”

24 12. California Code of Regulations, title 5, section 71730 states:

25 ...

26 “(e) The chief academic officer shall possess a degree or equivalent acceptable experience
27 at least equal to the highest qualifications required of the institution's faculty. Chief
28 academic officers employed on the date of implementation of these regulations, who do
not meet the qualifications for their positions, shall have three years to earn the necessary
degrees or experience to qualify them for their position.”

13. California Code of Regulations, title 5, section 71735 states:

“(a) An institution shall have sufficient facilities and necessary equipment to support the
achievement of the educational objectives of all of the courses and educational programs
in which students are enrolled. If an institution represents that the educational service will
fit or prepare a student for employment in a particular occupation or as described in
particular job titles, either of the following conditions shall be met:

1 (1) The equipment used for instruction or provided to the student shall be comparable in
2 model type or features to equipment generally used in those occupations or job titles at the
time the instruction is offered.

3 (2) The institution shall establish that the equipment used for instruction or provided to a
4 student is not obsolete and is sufficient for instructional purposes to reasonably assure that
5 a student acquires the necessary level of education, training, skill, and experience to
6 obtain employment in the field of training and to perform the tasks associated with the
occupation or job title to which the educational program was represented to lead.”

7 14. California Code of Regulations, title 5, section 71810 states:
8 ...

9 (b) The catalog shall contain the information prescribed by Section 94909 of the Code and
10 all of the following:
11 ...

12 (9) A description of the facilities and of the types of equipment and materials that will be
used for instruction.”

13 15. California Code of Regulations, title 5, section 76120 states:
14 ...

15 “(a) Each qualifying institution shall collect an assessment of zero dollars (\$0) per one
16 thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars,
from each student in an educational program who is a California resident or is enrolled in a
17 residency program. For institutional charges of one thousand dollars (\$1,000) or less, the
assessment is zero dollars (\$0).”
18 ...

19 16. California Code of Regulations, title 5, section 76215 states:
20 ...

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

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

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

27 2. Your total charges are not paid by any third-party payer such as an employer,
28 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 1. You are not a California resident, or are not enrolled in a residency program, or
2 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.

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

5 "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
6 residents, or are enrolled in a residency programs attending certain schools regulated by the
Bureau for Private Postsecondary and Vocational Education.

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

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

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

20 **FIRST CAUSE FOR DENIAL OF APPLICATION**

21 **(Incomplete Application)**

22 17. Respondent's application is subject to denial under Education Code section 94887,
23 and California Code of Regulations, title 5, section 71260(f), in that Respondent's application
24 was incomplete.

25 a. Respondent is not currently registered with the Secretary of State in California as a
26 foreign corporation.

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SECOND CAUSE FOR DENIAL OF APPLICATION

(Organization and Management)

18. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71140(c) and 71730(e) in that on or about March 18, 2014, Respondent did not comply with the organization and management requirements.

a. Respondent did not provide a description of the education and qualifications for the CEO, COO and CAO.

THIRD CAUSE FOR DENIAL OF APPLICATION

(Exemplar of Student Agreements)

20. Respondent's application is subject to denial under Education Code section 94911(k), and California Code of Regulations, title 5, section 76120 (a), 76215, in that on or about March 18, 2014, Respondent submitted an incomplete application to the Bureau. Respondent has failed to satisfy minimum operating standards as follows:

a. Respondent does not have the correct calculation for the Student Tuition Recovery Fund (STRF). Specifically, Respondent has the STRF fee listed as 50 cents per \$1,000 of institutional charges, when it should be 0 cents per \$1,000 of institutional charges.

Respondent failed to provide to each student an enrollment agreement that contains the following information:

b. Respondent included language related to STRF; however, it was not verbatim.

c. Respondent added "when signed by the student and accepted by the institution" to the end of the first sentence; however, it was not verbatim. It should have read: "I understand that this is a legally binding contract. My signature below certifies that I have read, understood, and agreed to my rights and responsibilities, and that the institution's cancellation and refund policies have been clearly explained to me."

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1 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

2 **(Failure To Properly Document Compliance With Standards- Description of Educational**
3 **Program)**

4 21. Respondent's application is subject to denial under California Code of Regulations,
5 title 5, division 7.5, section 71220 (f) in that Respondent submitted a deficient educational
6 program to the Bureau. The violation is as follows:

7 a. Respondent did not state whether the Cosmetology program is designed to prepare the
8 student to sit for licensure once completed.

9 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

10 **(Facilities and Equipment)**

11 22. Respondent's application is subject to denial under California Code of Regulations,
12 title 5, division 7.5, section 71260(b), (d), (e), (f), in that Respondent's application does not
13 satisfy the legally required minimum operating standard.

14 a. Respondent provided a lease agreement that specifically states that running a beauty
15 school is restricted. The institution also mentions that the lease agreement will not be changed
16 until after approval is received.

17 b. Respondent did not provide specifications of significant equipment that demonstrates
18 the equipment meets the standards required to enable the students to achieve the educational
19 objectives of each educational program.

20 c. Respondent did not indicate whether the significant equipment is owned, leased,
21 rented, or licensed for short- or long-term, or owned by another and loaned to be used without
22 charge.

23 d. Respondent did not provide a list of permits, certifications, or other evidence of
24 inspections or authorizations required to operate. Specifically, the business license that was
25 provided was expired and the programs that the institution proposes to offer require approval
26 from the Board of Barbering and Cosmetology.

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28 ///

1 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

2 **(School Catalog)**

3 23. Respondent's application is subject to denial under Education Code section
4 94909(a)(15) and (a)(5), and California Code of Regulations, title 5, division 7.5, section
5 71810(b)(9), and 71735(a) in that Respondent submitted a deficient catalog to the Bureau. The
6 violations are as follows:

7 a. Respondent's catalog does not provide a description of the facilities in the catalog.
8 Specifically, a description that the institution has sufficient facilities to support the achievement
9 of the educational objectives.

10 b. Respondent's catalog does not contain the specific required language that addresses
11 transferability of credits and credentials as required in section 94909(a)(15).

12 c. Respondent's catalog did not provide the description of instruction provided for the
13 Esthetician and Manicurist programs. Specifically, will there be classroom instructions,
14 internships, distance education, etc.

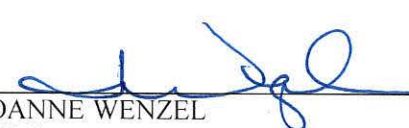
15 **PRAYER**

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

19 1. Denying the application of Glamour Spot School of Beauty for Approval to Operate
20 an Institution Non-Accredited; and,

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

22
23 DATED: 10/24/16

24 
25 JOANNE WENZEL
26 Chief
27 Bureau for Private Postsecondary Education
28 Department of Consumer Affairs
State of California
Complainant

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