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7

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

12 In the Matter of the Accusation Against:

13 **LANCASTER BEAUTY SCHOOL**
14 **44646 North 10th Street West**
15 **Lancaster, CA 93534**

16 **Approval to Operate Institution Code**
17 **No. 1904051**

Respondent.

OAH No. 2025080250

Case No. BPPE23-0390

SECOND AMENDED ACCUSATION

18
19
20 **PARTIES**

21 1. Deborah Cochrane (Complainant) brings this Accusation 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 June 1, 1981, the Bureau for Private Postsecondary Education (Bureau)
25 issued Approval to Operate Institution Code Number 1904051 to Lancaster Beauty School
26 (Respondent), owned by Lancaster Beauty Inc. The Approval to Operate Institution Code was in
27 full force and effect at all times relevant to the charges brought herein and will expire on May 31,
28 2030, unless renewed.

JURISDICTION

1
2 3. This Accusation is brought before the Director of Consumer Affairs (Director) for the
3 Bureau, under the authority of the following laws. All section references are to the Education
4 Code (Code) unless otherwise indicated.

5 4. Section 118, subdivision (b) of the Business and Professions Code provides that the
6 suspension, expiration, surrender, cancellation of a license shall not deprive the Director of
7 jurisdiction to proceed with a disciplinary action during the period within which the license may
8 be renewed, restored, reissued or reinstated.

9 5. Section 94932 of the Code states:

10 "The bureau shall determine an institution's compliance with the requirements of this
11 chapter. The bureau shall have the power to require reports that institutions shall file with the
12 bureau in addition to the annual report, to send staff to an institution's sites, and to require
13 documents and responses from an institution to monitor compliance. When the bureau has reason
14 to believe that an institution may be out of compliance, it shall conduct an investigation of the
15 institution. If the bureau determines, after completing an investigation, that an institution has
16 violated any applicable law or regulation, the bureau shall take appropriate action pursuant to this
17 article."

18 6. Section 94933 of the Code states:

19 "The bureau shall provide an institution with the opportunity to remedy noncompliance,
20 impose fines, place the institution on probation, or suspend or revoke the institution's approval to
21 operate, in accordance with this article, as it deems appropriate based on the severity of an
22 institution's violations of this chapter, and the harm caused to students."

23 7. Section 94937, subdivision (a), of the Code states in pertinent part:

24 As a consequence of an investigation, which may incorporate any materials obtained or
25 produced in connection with a compliance inspection, and upon a finding that an institution has
26 committed a violation, the bureau may place an institution on probation or may suspend or revoke
27 an institution's approval to operate for:

28 ...

1 (2) A material violation or repeated violations of this chapter or regulations adopted
2 pursuant to this chapter that have resulted, or may result, in harm to students. For purposes of this
3 paragraph, “material violation” includes, but is not limited to, misrepresentation, fraud in the
4 inducement of a contract, and false or misleading claims or advertising, upon which a student
5 reasonably relied in executing an enrollment agreement and that resulted, or may result, in harm
6 to the student.

7 8. California Code of Regulations, title 5, section 75100, subdivision (a), states that
8 “[t]he Bureau may suspend, revoke or place on probation with terms and conditions an approval
9 to operate.”

10 **PERTINENT CODE SECTIONS**

11 9. Section 94837 of the Code states:

12 “Educational program” means a planned sequence composed of a set of related courses or
13 modules, or a single course or module if not offered as a component of a set of related courses or
14 modules, that provides education, training, skills, or experience, or a combination of these, except
15 that “educational program” does not include a single course, workshop, seminar, continuing
16 education course, or other instruction that consists of 32 hours of instruction or less that is not
17 designed to lead to employment.

18 10. Section 94897 of the Code states:

19 An institution shall not do any of the following:

20 . . .

21 (j) In any manner make an untrue or misleading change in, or untrue or
22 misleading statement related to, a test score, grade or record of grades, attendance
23 record, record indicating student completion, placement, employment, salaries, or
24 financial information, including any of the following:

25 (1) A financial report filed with the bureau.

26 (2) Information or records relating to the student’s eligibility for student
27 financial aid at the institution.

28 (3) Any other record or document required by this chapter or by the bureau.

(k) Willfully falsify, destroy, or conceal any document of record while that
document of record is required to be maintained by this chapter.

. . .

1 (r) Charge or collect any payment for institutional charges that are not
authorized by an executed enrollment agreement.

2 (s) Violate Section 1788.93 of the Civil Code.

3 . . .

4 (u) Fail to maintain policies related to compliance with this chapter or adhere to
5 the institution's stated policies.

6 11. Section 94898, subdivision (a), of the Code states:

7 An institution shall not merge classes unless all of the students have received
8 the same amount of instruction. This subdivision does not prevent the placement of
9 students, who are enrolled in different educational programs, in the same class if that
class is part of each of the educational programs and the placement in a merged class
will not impair the students' learning of the subject matter of the class.

10 12. Section 94900 of the Education Code states:

11 (a) An institution shall maintain records of the name, address, e-mail address,
12 and telephone number of each student who is enrolled in an educational program in
13 that institution.

14 (b) An institution shall maintain, for each student granted a degree or certificate
by that institution, permanent records of all of the following:

15 (1) The degree or certificate granted and the date on which that degree or
16 certificate was granted.

17 (2) The courses and units on which the certificate or degree was based.

18 (3) The grades earned by the student in each of those courses.

19 13. Section 94900.5 of the Code states, in pertinent part:

20 An institution shall maintain, for a period of not less than five years, at its
21 principal place of business in this state, complete and accurate records of all of the
following information:

22 . . .

23 (c) Any other records required to be maintained by this chapter, including, but
24 not limited to, records maintained pursuant to Article 16 (commencing with Section
94928).

25 14. Section 94902 of the Code states, in pertinent part:

26 (a) A student shall enroll solely by means of executing an enrollment
27 agreement. The enrollment agreement shall be signed by the student and by an
authorized employee of the institution.

1 (b) An enrollment agreement is not enforceable unless all of the following
requirements are met:

2 (1) The student has received the institution's catalog and School Performance
3 Fact Sheet prior to signing the enrollment agreement.

4 . . .

5 (3) Prior to the execution of the enrollment agreement, the student and the
6 institution have signed and dated the information required to be disclosed in the
7 School Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of
Section 94910. Each of these items in the School Performance Fact Sheet shall
include a line for the student to initial and shall be initialed and dated by the student.

8 15. Section 94905, subdivision (a), of the Code states:

9 During the enrollment process, an institution offering educational programs
10 designed to lead to positions in a profession, occupation, trade, or career field
11 requiring licensure in this state shall exercise reasonable care to determine if the
12 student will not be eligible to obtain licensure in the profession, occupation, trade, or
13 career field at the time of the student's graduation and shall provide all students
14 enrolled in those programs with a written copy of the requirements for licensure
15 established by the state, including any applicable course requirements established by
the state.

16 (1) If the minimum course requirements of the institution exceed the minimum
17 requirements for state licensure, the institution shall disclose this information,
18 including a list of those courses that are not required for state licensure.

19 (2) The institution shall not execute an enrollment agreement with a student that
20 is known to be ineligible for licensure, unless the student's stated objective is other
21 than licensure.

22 16. Section 94909 of the Code states, in pertinent part:

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

26 . . .

27 (15) The following statement:

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

The transferability of credits you earn at (name of institution) is at the complete
discretion of an institution to which you may seek to transfer. Acceptance of the
(degree, diploma, or certificate) you earn in (name of educational program) is also at
the complete discretion of the institution to which you may seek to transfer. If the
(credits or degree, diploma, or certificate) that you earn at this institution are not
accepted 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

1 make certain that your attendance at this institution will meet your educational goals.
2 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.”

3

4 17. Section 94910 of the Code states, in pertinent part:

5 Except as provided in subdivision (d) of Section 94909 and Section 94910.5,
6 prior to enrollment, an institution shall provide a prospective student with a School
Performance Fact Sheet containing, at a minimum, the following information, as it
7 relates to the educational program:

8 (a) Completion rates, as calculated pursuant to Article 16 (commencing with
Section 94928).

9 (b) Placement rates for each educational program, as calculated pursuant to
10 Article 16 (commencing with Section 94928), if the educational program is designed
to lead to, or the institution makes any express or implied claim related to preparing
11 students for, a recognized career, occupation, vocation, job, or job title.

12 (c) License examination passage rates for programs leading to employment for
which passage of a state licensing examination is required, as calculated pursuant to
13 Article 16 (commencing with Section 94928).

14 (d) Salary or wage information, as calculated pursuant to Article 16
(commencing with Section 94928).

15 (e) If a program is too new to provide data for any of the categories listed in this
16 subdivision, the institution shall state on its fact sheet: “This program is new.
Therefore, the number of students who graduate, the number of students who are
17 placed, or the starting salary you can earn after finishing the educational program are
unknown at this time. Information regarding general salary and placement statistics
18 may be available from government sources or from the institution, but is not
equivalent to actual performance data.”

19 (f) All of the following:

20 (1) A description of the manner in which the figures described in subdivisions
21 (a) to (d), inclusive, are calculated or a statement informing the reader of where they
may obtain a description of the manner in which the figures described in subdivisions
22 (a) to (d), inclusive, are calculated.

23 (2) A statement informing the reader of where they may obtain from the
institution a list of the employment positions determined to be within the field for
24 which a student received education and training for the calculation of job placement
rates as required by subdivision (b).

25 (3) A statement informing the reader of where they may obtain from the
26 institution a list of the objective sources of information used to substantiate the salary
disclosure as required by subdivision (d).

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(g) The following statements:

(1) "This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion rates, placement rates, starting salaries, or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law."

(2) "Any questions a student may have regarding this fact sheet that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (internet website), (telephone and fax numbers)."

(h) If the institution participates in federal financial aid programs, the most recent three-year cohort default rate reported by the United States Department of Education for the institution and the percentage of enrolled students receiving federal student loans.

(i) Data and information disclosed pursuant to subdivisions (a) to (d), inclusive, is not required to include students who satisfy the qualifications specified in subdivision (d) of Section 94909, but an institution shall disclose whether the data, information, or both provided in its fact sheet excludes students pursuant to this subdivision. An institution shall not actively use data specific to the fact sheet in its recruitment materials or other recruitment efforts of students who are not California residents and do not reside in California at the time of their enrollment.

18. Section 94911 of the Code states, in pertinent part:

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

...

(c) In underlined capital letters on the same page of the enrollment agreement in 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," followed by the relevant amounts of charges in bold, underlined type.

...

(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.

19. Section 94912 of the Code states, in pertinent part:

Prior to the execution of an enrollment agreement, the information required to be disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be signed and dated by the institution and the student. Each of these items shall also be initialed and dated by the student.

1 20. Section 94913, subdivision (a), of the Code states in pertinent part:

2 (a) An institution that maintains an internet website shall provide on that
3 internet website all of the following:

4 ...

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

7 ...

8 (4) A link to the bureau's internet website.

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

10 21. Section 94919 of the Code states, in pertinent part:

11 (a) An institution that participates in the federal student financial aid programs
12 complies with this article by complying with applicable regulations of the federal
13 student financial aid programs under Title IV of the federal Higher Education Act of
14 1965.

15 ...

16 (c) The institution shall also provide a pro rata refund of nonfederal student
17 financial aid program moneys paid for institutional charges to students who have
18 completed 60 percent or less of the period of attendance.

19 (d) Institutions shall refund 100 percent of the amount paid for institutional
20 charges, less a reasonable deposit or application fee not to exceed two hundred fifty
21 dollars (\$250), if notice of cancellation is made through attendance at the first class
22 session, or the seventh day after enrollment, whichever is later.

23 **PERTINENT REGULATIONS**

24 22. California Code of Regulations, title 5, section 71750, states in pertinent part:

25 (a) Every institution shall make refunds that are no less than the refunds
26 required under the Act and this Division.

27 ...

28 (c) A pro rata refund pursuant to section 94919(c) or 94920(d) or 94927 of the
Code shall be no less than the total amount owed by the student for the portion of the
educational program provided subtracted from the amount paid by the student,
calculated as follows:

(1) The amount owed equals the daily charge for the program (total institutional
charge, divided by the number of days or hours in the program), multiplied by the
number of days student attended, or was scheduled to attend, prior to withdrawal.

1 (2) Except as provided for in subdivision (a)(3) of this section, all amounts paid
2 by the student in excess of what is owed as calculated in subdivision (a)(1) shall be
3 refunded.

4 (3) Except as provided herein, all amounts that the student has paid shall be
5 subject to refund unless the enrollment agreement and the refund policy outlined in
6 the catalog specify amounts paid for an application fee or deposit not more than
7 \$250.00, books, supplies, or equipment, and specify whether and under what
8 circumstances those amounts are non-refundable. Except when an institution provides
9 a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any
10 assessment paid pursuant to section 94923 of the Code is non-refundable.

11 (4) For purposes of determining a refund under the Act and this section, a
12 student shall be considered to have withdrawn from an educational program when he
13 or she withdraws or is deemed withdrawn in accordance with the withdrawal policy
14 stated in its catalog.

15 ...

16 (f) The institution shall maintain a cancellation and withdrawal log, kept current
17 on a monthly basis, which shall include the names, addresses, telephone numbers, and
18 dates of cancellations or withdrawal of all students who have cancelled the enrollment
19 agreement with, or withdrawn from, the institution during the calendar year.

20 23. California Code of Regulations, title 5, section 71710, states in pertinent part:

21 (a) In order to meet its mission and objectives, the educational program defined
22 in Section 94837 of the Code shall be comprised of a curriculum that includes:

23 (1) Those subject areas that are necessary for a student to achieve the
24 educational objectives of the educational program in which the student is enrolled;

25 (2) Subject areas and courses or modules that are presented in a logically
26 organized manner or sequence to students;

27 ...

28 (6) Evaluation by duly qualified faculty of those learning outcomes.

29 24. California Code of Regulations, title 5, section 71715, states in pertinent part:

30 (a) Instruction shall be the central focus of the resources and services of the
31 institution.

32 (b) The institution shall document that the instruction offered leads to the
33 achievement of the learning objectives of each course.

34 (c) Direct instruction requires the physical presence of one or more students and
35 one or more faculty members at the same location. Direct instruction includes
36 instruction presented in a classroom, seminar, workshop, lecture, colloquium,
37 laboratory, tutorial, or other physical learning settings consistent with the mission,
38 purposes, and objectives of the institution.

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25. California Code of Regulations, title 5, section 71735, states in pertinent part:

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

(2) The institution shall establish that the equipment used for instruction or provided to a student is not obsolete and is sufficient for instructional purposes to reasonably assure that a student acquires the necessary level of education, training, skill, and experience to 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.

(b) An institution's facilities, including heating and cooling, ventilation, lighting, classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall maintain all valid permits required by any public agencies relating to the health and safety of the institution's facilities and equipment on file, and such permits shall be available to the Bureau upon request.

26. California Code of Regulations, title 5, section 71730, states in pertinent part:

(d) The administrative staffing at each branch location shall reflect the purposes, size, and educational operations at that location and at any satellite location for which the branch has administrative responsibilities.

27. California Code of Regulations, title 5, section 71930, states in pertinent part:

(a) An institution shall maintain all records required by the Act and this chapter. The records shall be maintained in this state.

(b)(1) In addition to permanently retaining a transcript as required by section 94900(b) of the Code, the institution shall maintain for a period of 5 years the pertinent student records described in Section 71920 from the student's date of completion or withdrawal.

...

(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.

1 28. California Code of Regulations, title 5, section 71920, states in pertinent part:

2 (b) In addition to the requirements of section 94900, the file shall contain all of
3 the following pertinent student records:

4 ...

5 (5) In addition to the requirements of section 94900(b) of the Code, a transcript
6 showing all of the following:

7 (A) The courses or other educational programs that were completed, or were
8 attempted but not completed, and the dates of completion or withdrawal;

9 (B) Credit awarded for prior experiential learning, including the course title for
10 which credit was awarded and the amount of credit;

11 (C) Credit for courses earned at other institutions;

12 (D) Credit based on any examination of academic ability or educational
13 achievement used for admission or college placement purposes;

14 (E) The name, address, website address, and telephone number of the
15 institution.

16 ...

17 (10) A document specifying the amount of a refund, including the amount
18 refunded for tuition and the amount for other itemized charges, the method of
19 calculating the refund, the date the refund was made, and the name and address of the
20 person or entity to which the refund was sent;

21 29. California Code of Regulations, title 5, section 71800, subdivision (f), states that an
22 institution shall provide to each student an enrollment agreement that contains “[c]harges paid to
23 an entity other than an institution that is specifically required for participation in the educational
24 program.”

25 30. California Code of Regulations, title 5, section 74112, states in pertinent part:

26 (a) Format. The format for the Performance Fact Sheet shall be in at least 12 pt.
27 type, in an easily readable font, with 1.15 line spacing and all titles and column
28 headings shall be in bold 14 pt. type, which shall also identify the program for which
the Performance Fact Sheet pertains. The Performance Fact Sheet shall contain all
and only the information required or specifically permitted by sections 94910 and
94929.5 of the Code or this chapter. A separate Performance Fact Sheet shall be
prepared for each program.

...

(m) Documentation supporting all data reported shall be maintained
electronically by the institution for at least five years from the last time the data was
included in either an Annual Report or a Performance Fact Sheet and shall be

1 provided to the Bureau upon request; the data for each program shall include at a
2 minimum:

3 (1) the list of job classifications determined to be considered gainful
4 employment for the educational program;

5 (2) student name(s), address, phone number, email address, program completed,
6 program start date, scheduled completion date, and actual completion date;

7 (3) graduate's place of employment and position, date employment began, date
8 employment ended, if applicable, actual salary, hours per week, and the date
9 employment was verified;

10 (4) for each employer from which employment or salary information was
11 obtained, the employer name(s) address and general phone number, the contact
12 person at the employer and the contact's phone number and email address, and all
13 written communication with employer verifying student's employment or salary;

14 (5) for students who become self-employed, all documentation necessary to
15 demonstrate self-employment;

16 (6) a description of all attempts to contact each student or employer;

17 (7) any and all documentation used to provide data regarding license
18 examinations and examination results;

19 (8) for each student determined to be unavailable for graduation or unavailable
20 for employment, the identity of the student, the type of unavailability, the dates of
21 unavailability, and the documentation of the unavailability; and

22 (9) the name, email address, phone number, and position or title of the
23 institution's representative who was primarily responsible for obtaining the students'
24 completion, placement, licensing, and salary and wage data, the date that the
25 information was gathered, and copies of notes, letters or emails through which the
26 information was requested and gathered.

27 31. California Code of Regulations, title 5, section 71745, states in pertinent part:

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

32. California Code of Regulations, title 5, section 74117, states in pertinent part:

In addition to the requirement in Section 94913(b) of the Code, an institution
that maintains a website shall provide on the homepage of that website clear and
conspicuous links to all the items required in Section 94913(a) of the Code.

33. California Code of Regulations, title 5, section 76120, states in pertinent part:

(a) Each qualifying institution shall collect an assessment of zero dollars
(\$0.00) per one thousand dollars (\$1,000) of institutional charges, rounded to the
nearest thousand dollars, from each student in an educational program who is a

1 California resident or is enrolled in a residency program. For institutional charges of
2 one thousand dollars (\$1,000) or less, the assessment is zero dollars (\$0).

3 **COST RECOVERY**

4 34. Code section 94937, subdivision (c), states:

5 "The bureau may seek reimbursement pursuant to Section 125.3 of the Business and
6 Professions Code.

7 35. Section 125.3 of the Business and Professions Code provides, in pertinent part, that
8 the Board may request the administrative law judge to direct a licentiate found to have committed
9 a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the
10 investigation and enforcement of the case, with failure of the licentiate to comply subjecting the
11 license to not being renewed or reinstated. If a case settles, recovery of investigation and
12 enforcement costs may be included in a stipulated settlement.

13 **FACTUAL BACKGROUND**

14 36. Respondent operates a school of cosmetology that promises to prepare successful
15 graduates with the skills needed to secure employment in cosmetology arts and sciences and
16 related fields. The published costs, including tuition and fees, for its cosmetology and barbering
17 programs are more than \$17,000. The Bureau commenced an investigation into Respondent's
18 operational practices after receiving multiple complaints alleging that Respondent was failing to
19 provide students with the education promised in its school catalog and enrollment agreements.
20 The Bureau's investigation substantiated those claims, as the evidence obtained revealed that
21 Respondent failed to provide the curriculum, instructional materials, equipment and learning
22 resources necessary for its students to accomplish the educational goals of Respondent's
23 academic programs, leaving students without the requisite education and experience to take state
24 licensing examinations. The investigation further revealed that Respondent routinely charged
25 students additional fees that were not disclosed in its school catalog or student enrollment
26 agreements. Respondent's violations of governing law have subjected its Approval to Operate
27 Institution Code to discipline as set forth below.

28 ///

///

1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Misrepresentation/False or Misleading Claims)**

3 37. Respondent is subject to disciplinary action under Code sections 94932 and 94937,
4 subdivision (a)(2), in conjunction with California Code of Regulations, title 5, section 75100,
5 subdivision (a), in that Respondent made misrepresentations and/or false or misleading claims
6 reasonably relied upon by students in executing enrollment agreements that resulted or may have
7 resulted in harm to the student as follows:

8 a. The curricula stated in Respondent’s 2023 School Catalog misrepresents the course of
9 study provided to students in the cosmetology, barbering and manicuring programs.

10 b. Respondent’s 2023 School Catalog falsely states that the school’s facilities and
11 equipment are well maintained and functional.

12 c. Respondent’s 2023 School Catalog and its student enrollment agreements falsely state
13 that students will receive kits containing the equipment necessary for their specific area of
14 training.

15 d. Respondent’s 2023 School Catalog and its student enrollment agreements falsely
16 states that the school will administer a final exam that simulates the actual State Board Exam and
17 the test must be passed to in order to graduate.

18 e. Respondent’s 2023 School Catalog falsely states that students will be given progress
19 reports each month.

20 f. Respondent’s 2023 School Catalog falsely states that each student will be issued all
21 handouts, books, software, and equipment at the beginning of their training.

22 **SECOND CAUSE FOR DISCIPLINE**

23 **(Educational Program Violations)**

24 38. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
25 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
26 Respondent has engaged in material and/or repeated violations of the California Private
27 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:
28

1 a. Respondent violated California Code of Regulations, title 5, section 71710,
2 subdivision (a), by failing to provide all of the required subject areas for the educational programs
3 in which students were enrolled, including subject matter required for licensure by the Board of
4 Barbering and Cosmetology;

5 b. Respondent violated California Code of Regulations, title 5, section 71710,
6 subdivision (a), by failing to provide subject areas and courses that were presented to students in a
7 logically organized manner; and

8 c. Respondent violated California Code of Regulations, title 5, section 71710,
9 subdivision (a)(6), by failing to provide an educational program that included an evaluation by
10 duly qualified faculty of learning outcomes.

11 **THIRD CAUSE FOR DISCIPLINE**

12 **(Unauthorized Fee Violations)**

13 39. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
14 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
15 Respondent has engaged in material and/or repeated violations of the California Private
16 Postsecondary Education Act by charging an hourly fee to students for absences despite the fact
17 that such fees were not disclosed in the students' enrollment agreements in violation of Code
18 section 94897, subdivision (r).

19 **FOURTH CAUSE FOR DISCIPLINE**

20 **(Instruction Violations)**

21 40. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
22 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
23 Respondent has engaged in material and/or repeated violations of the California Private
24 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

25 a. Respondent violated California Code of Regulations, title 5, section 71715,
26 subdivision (a), by failing to make instruction the central focus of the resources and services of
27 the institution, as evidence by its lack of formal arrangement for faculty to present the curriculum,
28 failure to provide adequate instruction on the clinic floor, failure to ensure students gained

1 required practical operations experience, failure to provide adequate supplies, and failure to
2 permit certain instruction due to perceived profit loss concerns;

3 b. Respondent violated California Code of Regulations, title 5, section 71715,
4 subdivision (b), by failing to document that the instruction offered leads to the achievement of the
5 learning objectives of each course, as evidenced by its lack of final examinations, failure to grade
6 assignments and its failure to provide the entire educational program to its students, including
7 educational components that are required for cosmetology professionals to become licensed by
8 the state; and

9 c. Respondent violated California Code of Regulations, title 5, section 71715,
10 subdivision (c), by failing to provide direct instruction as evidenced by Respondent's failure to
11 have an instructor and student at the same location at its evening Barbering course.

12 **FIFTH CAUSE FOR DISCIPLINE**

13 **(Facilities and Equipment Violations)**

14 41. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
15 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
16 Respondent has engaged in material and/or repeated violations of the California Private
17 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

18 a. Respondent violated California Code of Regulations, title 5, section 71735,
19 subdivision (a), by failing to have sufficient facilities and necessary equipment to support the
20 achievement of the educational objectives of all of the courses and educational programs in which
21 students are enrolled, resulting in students having to incur additional expense in order to provide
22 their own supplies and equipment;

23 b. Respondent violated California Code of Regulations, title 5, section 71735,
24 subdivision (a)(1) and (a)(2), in that Respondent's pedicure and barbering chairs were broken and
25 the equipment used for instruction in Manicuring classes was not comparable in model type or
26 features to equipment generally used in related occupations and was not sufficient for
27 instructional purposes; and

28

1 c. Respondent violated California Code of Regulations, title 5, section 71735,
2 subdivision (b), in that Respondent's facilities were not well-maintained, as evidenced by mold
3 growth in areas used for sanitization, dilapidated chairs, an unsanitary wash station, plumbing and
4 electrical issues, the failure to have functioning shampoo bowls, the failure to provide sufficient
5 heating and air conditioning, and the failure to properly store chemicals.

6 **SIXTH CAUSE FOR DISCIPLINE**

7 **(Excessive Tuition Charges)**

8 42. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
9 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
10 Respondent charged student R.M. tuition fees in excess of the tuition cost stated in her enrollment
11 agreement in violation of Code section 94897, subdivision (r). Specifically, Respondent charged
12 R.M a total of \$15,000 in tuition fees even though the total cost of tuition stated in R.M.'s
13 enrollment agreement was \$11,400. When informed of the unauthorized overcharge to R.M.,
14 Respondent refused to provide a refund.

15 **SEVENTH CAUSE FOR DISCIPLINE**

16 **(Failure to Provide Full Refund)**

17 43. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
18 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
19 Respondent failed to provide a 100% refund to Student A.S less the stated application fee in
20 violation of Code section 94919, subdivision (d), even though A.S. cancelled her enrollment
21 within the timeframe in which she was owed a 100% refund.

22 **EIGHTH CAUSE FOR DISCIPLINE**

23 **(Class Merger Violations)**

24 44. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
25 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
26 Respondent has engaged in material and/or repeated violations of the California Private
27 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:
28

1 a. Respondent merged classes in situations where all students had not received the same
2 amount of instruction in violation of Code section 94898, subdivision (a).

3 **NINTH CAUSE FOR DISCIPLINE**

4 **(Administration Violations)**

5 45. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
6 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
7 Respondent has engaged in material and/or repeated violations of the California Private
8 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

9 a. Respondent failed to maintain administrative commensurate with its purpose, size and
10 educational objectives, as evidenced by Respondent's failure to respond to requests for
11 documents and information from students and Bureau staff, in violation of California Code of
12 Regulations, title 5, section 71730, subdivision (d).

13 **TENTH CAUSE FOR DISCIPLINE**

14 **(Record Maintenance Violations)**

15 46. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
16 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
17 Respondent has engaged in material and/or repeated violations of the California Private
18 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

19 a. Respondent failed to maintain and provide to the Bureau certain required records,
20 including but not limited to, school catalogs, school financial statements and School Performance
21 Fact Sheets (SPFS) for the Esthetics, Barbering, Manicuring, Cosmetology and Teacher Training
22 programs in violation of Code section 94900.5, subdivision (c), and California Code of
23 Regulations, title 5, section 71930, subdivisions (a) and (e).

24 **ELEVENTH CAUSE FOR DISCIPLINE**

25 **(School Performance Fact Sheet Violations)**

26 47. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
27 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
28

1 Respondent has engaged in material and/or repeated violations of the California Private
2 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

3 a. Respondent failed to have a SPFS for every program and failed to provide SPFS
4 backup documentation for those programs upon request in violation of California Code of
5 Regulations, title 5, section 74112, subdivisions (a) and (m).

6 **TWELFTH CAUSE FOR DISCIPLINE**

7 **(Financial Resources Violation)**

8 48. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
9 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
10 Respondent has engaged in material and/or repeated violations of the California Private
11 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

12 a. Respondent failed to provide a recent financial statement to the Bureau upon request
13 in violation of California Code of Regulations, title 5, section 71745, subdivision (c).

14 **THIRTEENTH CAUSE FOR DISCIPLINE**

15 **(Website Violations)**

16 49. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
17 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
18 Respondent has engaged in material and/or repeated violations of the California Private
19 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

20 a. Respondent's website did not provide a link to all current SPFSs or to the most recent
21 annual report submitted by Respondent to the Bureau in violation of Code section 94913,
22 subdivision (a)(2), (a)(4) and (a)(5), and California Code of Regulations, title 5, section 74117.

23 **FOURTEENTH CAUSE FOR DISCIPLINE**

24 **(Refund Violations)**

25 50. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
26 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
27 Respondent has engaged in material and/or repeated violations of the California Private
28 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

1 a. The student refund provision contained in Respondent’s enrollment agreements does
2 not comply with state law in that that the school failed to use the period of attendance as the basis
3 for refund calculations in violation of Code section 94919, subdivision (c), and California Code
4 of Regulations, title 5, section 71750, subdivision (a).

5 **FIFTEENTH CAUSE FOR DISCIPLINE**

6 **(Student Records Violations)**

7 51. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
8 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
9 Respondent has engaged in material and/or repeated violations of the California Private
10 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

11 a. Respondent’s refund computation form did not contain required information,
12 including the amount of the refund, the amount of tuition refunded, the amount refunded for
13 itemized fees, the date the refund was made, and the name and address of the person receiving the
14 refund in violation of California Code of Regulations, title 5, section 71920, subdivision (b)(10).

15 **SIXTEENTH CAUSE FOR DISCIPLINE**

16 **(Minimum Course Requirement Disclosure Violation)**

17 52. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
18 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
19 Respondent has engaged in material and/or repeated violations of the California Private
20 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

21 a. Respondent failed to disclose that its minimum course requirements for the
22 Manicuring program exceed the minimum requirements for state licensure and failed to list those
23 courses that are not required for state licensure in violation of Code section 94905, subdivision
24 (a).

25 **SEVENTEENTH CAUSE FOR DISCIPLINE**

26 **(Prohibited Business Practices)**

27 53. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
28 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that

1 Respondent has engaged in material and/or repeated violations of the California Private
2 Postsecondary Education Act and regulations enacted by the Bureau thereunder. Respondent's
3 violations of applicable state law are as follows:

4 a. Respondent made untrue or misleading statements in its 2022 Annual Report related
5 to its cohort default rate in violation of Code section 94897, subdivision (j);

6 b. Respondent made untrue or misleading statements in its 2022 Annual Report related
7 to its 2020 passage rates for each of its academic programs in violation of Code section 94897,
8 subdivision (j);

9 c. Respondent made untrue or misleading statements to students regarding its course
10 completion rates in violation of Code section 94897, subdivision (j);

11 d. Respondent made untrue or misleading statements in its 2021/2022 School
12 Performance Fact Sheets (SPFS) related to graduation and employment rates and licensing exam
13 passage rates in violation of Code section 94897, subdivision (j);

14 e. Respondent made untrue or misleading statements in its 2023 School Catalog and in
15 its enrollment agreements related to final exams and graduation requirements in violation of Code
16 section 94897, subdivision (j);

17 f. Respondent violated Code section 94897, subdivision (s), in that its School Catalog
18 states that student transcripts will be withheld for nonpayment, which is unlawful pursuant to
19 Civil Code section 1788.93;

20 g. Respondent violated Code section 94897, subdivision (u), by failing to cover the
21 curriculum published in its 2023 School Catalog;

22 h. Respondent violated Code section 94897, subdivision (u), by failing to administer a
23 Mock State Board Exam as published in its 2023 School Catalog;

24 i. Respondent violated Code section 94897, subdivision (u), by failing to require
25 students to pass a Mock State Board Exam in order to graduate as published in its 2023 School
26 Catalog;

27 j. Respondent violated Code section 94897, subdivision (u), by failing to provide
28 monthly progress reports to students as published in its 2023 School Catalog;

1 k. Respondent violated Code section 94897, subdivision (u), by failing to prepare
2 students to become licensed by the Board of Barbering and Cosmetology as stated in its 2023
3 School Catalog in that Respondent did not provide instruction on subject matter required for
4 licensure;

5 l. Respondent made untrue or misleading statements in its payment ledger for student
6 V.K. with regard to the number of overtime hours student V.K. had received as of September 5,
7 2021 in violation of Code section 94897, subdivision (j)(3);

8 m. Respondent made untrue or misleading statements in its attendance record for student
9 V.K. with regard to the student's total accumulated absent hours at the end of February and
10 beginning of March 2022 as well as at the end of April and beginning of May 2022 in violation of
11 Code section 94897, subdivision (j);

12 n. Respondent falsified information on student S.K.'s enrollment agreement and on
13 student R.M.'s transcript in violation of Code section 94897, subdivision (k);

14 o. Respondent violated Code section 94897, subdivision (r), by charging overtime fees
15 to students G.D., K.H. and A.G. at rates that were higher than the rates stated in their enrollment
16 agreements.

17 p. Respondent violated Code section 94897, subdivision (u), by failing to withdraw
18 student A.M. from enrollment in compliance with its published cancellation policy;

19 q. Respondent violated Code section 94897, subdivision (u), by failing to comply with
20 its published overtime charge policy with respect to the overtime charges Respondent assessed to
21 students A.M., T.C., V.K., M.L., L.N. and W.S.;

22 r. Respondent failed to adhere to stated policies in its catalog in violation of Code
23 section 94897, subdivision (u), in that it charged overtime hour fees to students S.W. and P.T.
24 even though neither student had exceeded their contracted hours; and

25 s. Respondent violated Code section 94897, subdivision (u), by failing to adhere to its
26 published refund policy with respect to the refunds it provided to students A.M., T.C. and W.S.
27 following those students' withdrawal from school.

28

1 t. The “Student’s Right to Cancel” provision contained in Respondent’s enrollment
2 agreement for student A.S. does not provide for a 100 percent of the amount paid for institutional
3 charges, less only a reasonable deposit or application fee not to exceed two hundred fifty dollars
4 in violation of Code section 94919, subdivision (d) and Code section 94897, subdivision (u).

5 **EIGHTEENTH CAUSE FOR DISCIPLINE**

6 **(Violation of Federal Regulations on Title IV Funds)**

7 54. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
8 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
9 Respondent has engaged in material and/or repeated violations of the California Private
10 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

11 a. Respondent failed to comply with federal regulations regarding the application of
12 Title IV funds with respect to student W.S. in violation of Code section 94919, subdivision (a).

13 **NINETEENTH CAUSE FOR DISCIPLINE**

14 **(Cancellation and Withdrawal Log Violations)**

15 55. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
16 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
17 Respondent has engaged in material and/or repeated violations of the California Private
18 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

19 a. Respondent failed to maintain a cancellation and withdrawal log, kept current on a
20 monthly basis, that included the names, addresses, telephone numbers, and dates of cancellations
21 or withdrawal of all students who cancelled the enrollment agreement with, or withdrew from, the
22 school during the calendar year in violation of California Code of Regulations, title 5, section
23 71750, subdivision (f).

24 **TWENTIETH CAUSE FOR DISCIPLINE**

25 **(Assessment Fee Violations)**

26 56. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
27 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that
28

1 Respondent has engaged in material and/or repeated violations of the California Private
2 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

3 a. Respondent failed to accurately calculate Student Tuition Recovery Fund (STRF)
4 Assessment Fees that were charged to students R.M., K.S. and L.N. in violation of California
5 Code of Regulations, title 5, section 76120, subdivision (a).

6 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

7 **(Transcript Violations)**

8 57. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
9 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that

10 Respondent has engaged in material and/or repeated violations of the California Private
11 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

12 a. Respondent's student file for W.S. did not contain a transcript showing the courses
13 that were completed or attempted and not completed in violation of Code section 94900(b) and
14 California Code of Regulations, title 5, sections 71920, subdivision (b)(5) and 71930, subdivision
15 (b)(1).

16 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

17 **(Enrollment Violations)**

18 58. Respondent is subject to disciplinary action under Code sections 94932 and 94937, in
19 in conjunction with California Code of Regulations, title 5, section 75100, subdivision (a), in that

20 Respondent has engaged in material and/or repeated violations of the California Private
21 Postsecondary Education Act and regulations enacted by the Bureau thereunder as follows:

- 22 a. Respondent failed to enroll student W.S. solely by means of executing an enrollment
23 agreement in violation Code section 94902, subdivision (a).
- 24 b. Respondent's student files for A.S. and W.S. did not contain a signed and dated SPFS
25 in violation of Code section 94902, subdivision (b)(1) and (b)(3), Code section 94910
26 and Code section 94912.
- 27 c. Respondent's student files for S.W., R.M., D.M., A.G., D.H., D.B., A.M., R.H., and
28 K.S. contained SPFSs that did not disclose completion rates, placement rates, license

- 1 exam passage rates or job placement rates in violation of Code section 94902,
2 subdivision (b)(3), Code section 94910, subdivisions (a)-(d), and Code section 94912.
- 3 d. Respondent's enrollment agreements for students A.S. S.W., R.M., D.M., D.B., A.M.,
4 M.L., R.H., K.S. and W.S. did not accurately identify the charges to the students for a
5 period of attendance in violation of Code section 94911, subdivision (c).
- 6 e. Respondent's student file for W.S. contained an enrollment agreement in which the
7 required disclosure regarding transferability of credits is missing program name
8 information in violation of Code section 94911, subdivision (h).
- 9 f. Respondent's enrollment agreement for student R.M. failed to disclose the state
10 licensing exam fee, a required cost to accomplish the stated objective of the student's
11 course, in violation of California Code of Regulations, title 5, section 71800,
12 subdivision (f).

13 **PRAYER**

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

- 16 1. Revoking or suspending Approval to Operate Institution Code Number 1904051
17 issued to Lancaster Beauty School (Respondent), owned by Lancaster Beauty Inc.;
- 18 2. Ordering Lancaster Beauty School (Respondent), owned by Lancaster Beauty Inc., to
19 pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and
20 enforcement of this case, pursuant to Business and Professions Code section 125.3; and
- 21 3. Taking such other and further action as deemed necessary and proper.

22 DATED: 3/20/2026

23 "Original Signature on File"

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

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