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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:

Case No. BPPE23-0390

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

FIRST AMENDED ACCUSATION

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

Respondent.

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

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

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

5. Section 94932 of the Code states:

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

6. Section 94933 of the Code states:

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

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

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

...

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 94897 of the Code states:

12 An institution shall not do any of the following:

13 . . .

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

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

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

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

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

24 (l) Use the terms approval, approved, approval to operate, or approved to
25 operate without stating clearly and conspicuously that approval to operate means
26 compliance with state standards as set forth in this chapter. If the bureau has granted
27 an institution approval to operate, the institution may indicate that the institution is
28 licensed or licensed to operate, but may not state or imply either of the following:

(1) The institution or its educational programs are endorsed or recommended by
the state or by the bureau.

(2) The approval to operate indicates that the institution exceeds minimum state
standards as set forth in 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 10. 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 11. 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 12. 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 13. 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
28 authorized employee of the institution.

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

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

...

(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the 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.

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

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

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

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

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

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

...

(15) The following statement:

“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
3 attending (name of institution) to determine if your (credits or degree, diploma, or
4 certificate) will transfer.”

5

6 16. Section 94910 of the Code states, in pertinent part:

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

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

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

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

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

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

(f) All of the following:

(1) A description of the manner in which the figures described in subdivisions
(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
(a) to (d), inclusive, are calculated.

(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
which a student received education and training for the calculation of job placement
rates as required by subdivision (b).

(3) A statement informing the reader of where they may obtain from the
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.

17. 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.

18. 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.

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

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

...

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

...

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

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

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

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

...

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

PERTINENT REGULATIONS

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

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

...

(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.

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

(3) Except as provided herein, all amounts that the student has paid shall be subject to refund unless the enrollment agreement and the refund policy outlined in the catalog specify amounts paid for an application fee or deposit not more than

\$250.00, books, supplies, or equipment, and specify whether and under what circumstances those amounts are non-refundable. Except when an institution provides a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any assessment paid pursuant to section 94923 of the Code is non-refundable.

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

...

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

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

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

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

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

...

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

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

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

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

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

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

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

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

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

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

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

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

22 (b)(1) In addition to permanently retaining a transcript as required by section
23 94900(b) of the Code, the institution shall maintain for a period of 5 years the
24 pertinent student records described in Section 71920 from the student's date of
25 completion or withdrawal.

26 ...

27 (e) All records that the institution is required to maintain by the Act or this
28 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.

29 27. California Code of Regulations, title 5, section 71920, states in pertinent part:

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

32 ...

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

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

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

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

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

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

6 . . .

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

10 28. California Code of Regulations, title 5, section 74112, states in pertinent part:

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

15 . . .

16 (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
17 included in either an Annual Report or a Performance Fact Sheet and shall be
provided to the Bureau upon request; the data for each program shall include at a
18 minimum:

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

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

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

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

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

- 1 (6) a description of all attempts to contact each student or employer;
- 2 (7) any and all documentation used to provide data regarding license
examinations and examination results;
- 3 (8) for each student determined to be unavailable for graduation or unavailable
4 for employment, the identity of the student, the type of unavailability, the dates of
unavailability, and the documentation of the unavailability; and
- 5 (9) the name, email address, phone number, and position or title of the
6 institution's representative who was primarily responsible for obtaining the students'
7 completion, placement, licensing, and salary and wage data, the date that the
information was gathered, and copies of notes, letters or emails through which the
information was requested and gathered.

8 29. California Code of Regulations, title 5, section 71745, states in pertinent part:

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

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

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

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

16 (a) Each qualifying institution shall collect an assessment of zero dollars
17 (\$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
18 California resident or is enrolled in a residency program. For institutional charges of
one thousand dollars (\$1,000) or less, the assessment is zero dollars (\$0).

19 **COST RECOVERY**

20 32. Code section 94937, subdivision (c), states:

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

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

1 **FACTUAL BACKGROUND**

2 34. Respondent operates a school of cosmetology that promises to prepare successful
3 graduates with the skills needed to secure employment in cosmetology arts and sciences and
4 related fields. The Bureau commenced an investigation into Respondent's operational practices
5 after receiving multiple complaints alleging that Respondent was failing to provide students with
6 the education promised in its school catalog and enrollment agreements. The Bureau's
7 investigation substantiated those claims, as the evidence obtained revealed that Respondent failed
8 to provide the instructional materials, equipment and learning resources necessary for its students
9 to accomplish the educational goals of Respondent's academic programs. Respondent's
10 violations of governing law have subjected its Approval to Operate Institution Code to discipline
11 as set forth below.

12 **FIRST CAUSE FOR DISCIPLINE**

13 **(Prohibited Business Practice)**

14 35. 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. Respondent's
18 violations of applicable state law are as follows:

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

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

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

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

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

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

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

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

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

16 j. Respondent violated Code section 94897, subdivision (l), in that Respondent's School
17 Catalog states that the school is approved by the Bureau without stating clearly and conspicuously
18 that approval to operate means compliance with state standards as set forth in the California
19 Private Postsecondary Education Act;

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

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

25 m. 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 n. Respondent violated Code section 94919, subdivision (a), and California Code of
2 Regulations, title 5, section 71750, subdivision (c) by calculating pro rata student refund amounts
3 on pay periods instead of the period of attendance as required by state law;

4 o. Respondent violated Code section 94919, subdivision (a), and California Code of
5 Regulations, title 5, section 71750, subdivision (c) by failing to calculate financial aid refunds in
6 compliance with federal regulations;

7 p. Respondent violated Code section 94897, subdivision (r), by making institutional
8 charges to student V.K. that were not authorized by student V.K.'s enrollment agreement;

9 **SECOND CAUSE FOR DISCIPLINE**

10 **(Prohibited Business Practice)**

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

15 a. Respondent violated California Code of Regulations, title 5, section 71710,
16 subdivision (a), by failing to provide all of the required subject areas for the educational programs
17 in which students were enrolled;

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

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

24 **THIRD CAUSE FOR DISCIPLINE**

25 **(Prohibited Business Practice)**

26 37. 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

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

a. Respondent violated California Code of Regulations, title 5, section 71715, subdivision (a), by failing to make instruction the central focus of the resources and services of the institution, as evidenced by its lack of formal arrangement for faculty to present the curriculum and Respondent's failure to permit certain instruction due to perceived profit loss concerns;

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

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

FOURTH CAUSE FOR DISCIPLINE

(Prohibited Business Practice)

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

a. Respondent violated California Code of Regulations, title 5, section 71735, subdivision (a), by failing to 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, resulting in students having to incur additional expense in order to provide their own supplies and equipment;

b. Respondent violated California Code of Regulations, title 5, section 71735, subdivision (a)(1) and (a)(2), in that the equipment used for instruction in Manicuring classes was

1 not comparable in model type or features to equipment generally used in related occupations and
2 was not sufficient for instructional purposes; and

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

7 **FIFTH CAUSE FOR DISCIPLINE**

8 **(Prohibited Business Practice)**

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

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

15 **SIXTH CAUSE FOR DISCIPLINE**

16 **(Prohibited Business Practice)**

17 40. 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 maintain administrative staff at a branch location commensurate
22 with its purpose, size and educational objectives, as evidenced by Respondent's failure to respond
23 to requests for documents and information from students and Bureau staff, in violation of
24 California Code of Regulations, title 5, section 71730, subdivision (d).

25 **SEVENTH CAUSE FOR DISCIPLINE**

26 **(Prohibited Business Practice)**

27 41. 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

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

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

EIGHTH CAUSE FOR DISCIPLINE

(Prohibited Business Practice)

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

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

NINTH CAUSE FOR DISCIPLINE

(Prohibited Business Practice)

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

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

TENTH CAUSE FOR DISCIPLINE

(Prohibited Business Practice)

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

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

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

ELEVENTH CAUSE FOR DISCIPLINE

(Prohibited Business Practice)

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

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

TWELFTH CAUSE FOR DISCIPLINE

(Prohibited Business Practice)

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

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

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1 **THIRTEENTH CAUSE FOR DISCIPLINE**

2 **(Prohibited Business Practice)**

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

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

11 **FOURTEENTH CAUSE FOR DISCIPLINE**

12 **(Prohibited Business Practice)**

13 48. 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 and regulations enacted by the Bureau thereunder as follows:

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

19 **FIFTEENTH CAUSE FOR DISCIPLINE**

20 **(Prohibited Business Practice)**

21 49. 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 failed to maintain a cancellation and withdrawal log, kept current on a
26 monthly basis, that included the names, addresses, telephone numbers, and dates of cancellations
27 or withdrawal of all students who cancelled the enrollment agreement with, or withdrew from, the
28

1 school during the calendar year in violation of California Code of Regulations, title 5, section
2 71750, subdivision (f).

3 **SIXTEENTH CAUSE FOR DISCIPLINE**

4 **(Prohibited Business Practice)**

5 50. 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:

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10 a. Respondent failed to accurately calculate STRF Assessment Fees that were charged
11 to students K.S. and L.N. in violation of California Code of Regulations, title 5, section 76120,
12 subdivision (a).

13 **SEVENTEENTH CAUSE FOR DISCIPLINE**

14 **(Prohibited Business Practice)**

15 51. 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's student file for W.S. does not contain a document specifying the
20 amount of a refund and including the method of calculating the refund in violation of California
21 Code of Regulations, title 5, section 71920, subdivision (b)(10).

22 **EIGHTEENTH CAUSE FOR DISCIPLINE**

23 **(Prohibited Business Practice)**

24 52. 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:

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

5 **NINETEENTH CAUSE FOR DISCIPLINE**

6 **(Prohibited Business Practice)**

7 53. 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 enroll student W.S. solely by means of executing an enrollment
12 agreement in violation Code section 94902, subdivision (a).

13 **TWENTIETH CAUSE FOR DISCIPLINE**

14 **(Prohibited Business Practice)**

15 54. 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's student file for W.S. did not contain a signed and dated SPFS in
20 violation of Code section 94902, subdivision (b)(1) and (b)(3), Code section 94910 and Code
21 section 94912.

22 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

23 **(Prohibited Business Practice)**

24 55. 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:
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1 a. Respondent's student files for S.W., R.M., D.M., A.G., D.H., D.B., A.M., R.H., and
2 K.S. contained SPFSs that did not disclose completion rates, placement rates, license exam
3 passage rates or job placement rates in violation of Code section 94902, subdivision (b)(3), Code
4 section 94910, subdivisions (a)-(d), and Code section 94912.

5 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

6 **(Prohibited Business Practice)**

7 56. 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 ///

12 a. Respondent's enrollment agreements for students S.W., R.M., D.M., D.B., A.M.,
13 M.L., R.H., K.S. and W.S. did not accurately identify the charges to the students for a period of
14 attendance in violation of Code section 94911, subdivision (c).

15 **TWENTY-THIRD CAUSE FOR DISCIPLINE**

16 **(Prohibited Business Practice)**

17 57. 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's student file for W.S. contained an enrollment agreement in which the
22 required disclosure regarding transferability of credits is missing program name information in
23 violation of Code section 94911, subdivision (h).

24 **TWENTY-FOURTH CAUSE FOR DISCIPLINE**

25 **(Prohibited Business Practice)**

26 58. 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

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

a. Respondent violated Code section 94897, subdivision (r), by charging an hourly fee to students for absences despite the fact that such fees were not disclosed in the students' enrollment agreements;

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

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

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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 Consumer Affairs issue a decision:

1. Revoking or suspending Approval to Operate Institution Code Number 1904051 issued to Lancaster Beauty School (Respondent), owned by Lancaster Beauty Inc.;

2. Ordering Lancaster Beauty School (Respondent), owned by Lancaster Beauty Inc., to pay the Bureau for Private Postsecondary Education the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and

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

DATED: 6/25/2025

"Original Signature on File"

DEBORAH COCHRANE

Chief

Bureau for Private Postsecondary
Education

Department of Consumer Affairs
State of California

Complainant

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