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10	STATE OF CALIFORNIA	
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14	2300 Florin Road Sacramento, CA 95822	
15	Institution Code No. 93832312	
16	Respondent.	
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18	Complainant alleges:	
19	PARTIES	
20	1. Laura Metune ("Complainant") brings this Accusation solely in her official capa	icity
21	as the Chief of the Bureau for Private Postsecondary Education ("Bureau"), Department of	
22	2 Consumer Affairs,	
23	2. On or about December 10, 2004, the former Bureau for Private Postsecondary and	ıd
24	4 Vocational Education ¹ ("BPPVE") issued Full Approval to Operate Institution Code Number	r
25	5 93832312 to City Beauty College, John Thai Tran, Owner ("Respondent"). Said Full Appro	val to
26	1 incrother DFF 41 subsected on July 1, 2007. On October 11, 2009, the California	à ·
27	I gyptovo, or bod.) The Act, became operative on samuary 1, 2010, and established the Durea	u for
28	8 Private Postsecondary Education ("Bureau").	
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	11 Acc	usation

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1	Operate was in full force and effect at all times alleged herein and will expire on September 29,
2	2013, unless renewed.
3	JURISDICTION
4	3. This Accusation is brought before the Director of the Department of Consumer
5	Affairs ("Director") for the Bureau under the authority of the following laws. All section
6	references are to the Education Code unless otherwise indicated.
7	4. Section 94932 of the Education Code states:
8 9	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
10	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
11	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
12	pursuant to this article.
13	5. Section 94937 of the Education Code states, in pertinent part:
14 15	(a) As a consequence of an investigation, 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:
16	(2) A material violation or repeated violations of this chapter or regulations adopted pursuant to this chapter that have resulted in harm to students. For
17 18	purposes of this paragraph, "material violation" includes, but is not limited to, misrepresentation, fraud in the inducement of a contract, and false or misleading
19	claims or advertising, upon which a student reasonably relied in executing an enrollment agreement and that resulted in harm to the student.
20	6. Title 5, California Code of Regulations, section 75100, subdivision (a), authorizes
21	the Bureau to discipline its licensees including license suspension or revocation, or place the
22	licensees on probation with terms and conditions and approval to operate.
23	STATUTORY PROVISIONS
24	7. Section 94897 of the Education Code states, in pertinent part:
25	An institution shall not do any of the following:
26	(j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance
27	record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:
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1	(3) Any other record or document required by this chapter or by the bureau.
2	8. Section 94900 of the Education Code states:
3	(a) An institution shall maintain records of the name, address, e-mail
4	address, and telephone number of each student who is enrolled in an educational program in that institution.
5	(b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:
6 7	(1) The degree or certificate granted and the date on which that degree or certificate was granted.
8	(2) The courses and units on which the certificate or degree was based.
9	(3) The grades earned by the student in each of those courses.
10	9. Section 94902 of the Education Code states, in pertinent part:
11	(a) A student shall enroll solely by means of executing an enrollment
12	agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.
13	(b) An enrollment agreement is not enforceable unless all of the following
14	requirements are met;
15	(1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement.
16	(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
17	Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. The Student Performance Fact Sheet shall include a line for the
1.8	student to initial and shall be initialed and dated by the student.
19	(c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the
20	student.
21	10. Section 94904 of the Education Code states, in pertinent part:
22	(a) Before an ability-to-benefit student may execute an enrollment agree-
23	ment, the institution shall have the student take an independently administered examination from the list of examinations prescribed by the United States
24	Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. sec. 1070a et seq.) as it is, from time to time,
25 -	amended. The student shall not enroll unless the student achieves a score, as specified by the United States Department of Education, demonstrating that the
26	student may benefit from the education and training being offered.
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Section 94906 of the Education Code states, in pertinent part: 11. (a) An enrollment agreement shall be written in language that is easily understood. If English is not the student's primary language, and the student is unable to understand the terms and conditions of the enrollment agreement, the student shall have the right to obtain a clear explanation of the terms and conditions and all cancellation and refund policies in his or her primary language. (b) If the recruitment leading to enrollment was conducted in a language other than English, the enrollment agreement, disclosures, and statements shall be in that language. Section 94909 of the Education Code states, in pertinent part: 12. (a) Prior to 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: (7) Information regarding the faculty and their qualifications. (8) A detailed description of institutional policies in the following areas: (B) Cancellation, withdrawal, and refund policies, including an explanation that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later. The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund consistent with the requirements of Article 13 (commencing with Section 94919). (9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program. (14) A description of the student's rights and responsibilities with respect to the Student Tuition Recovery Fund. This statement shall specify that it is a state requirement that a student who pays his or her tuition is required to pay a stateimposed assessment for the Student Tuition Recovery Fund. This statement shall also describe the purpose and operation of the Student Tuition Recovery Fund and the requirements for filing a claim against the Student Tuition Recovery Fund. Section 94910 of the Education Code states: 13. 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 relates to the educational program: (a) Completion rates, as calculated pursuant to Article 16 (commencing with Section 94928. 26 (b) Placement rates, as calculated pursuant to Article 16 (commencing with Section 94928), if the educational program is designed to lead to, or the institu- $\mathbf{28}$

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1 tion makes any express or implied claim related to preparing students for, a particular career, occupation, vocation, job, or job title. 2 (c) License examination passage rates for programs leading to employment 3 for which passage of a state licensing examination is required, as calculated pursuant to Article 16 (commencing with Section 94928). 4 (d)(1) Salary or wage information, as calculated pursuant to Article 16 5 (commencing with Section 94928), if the institution or a representative of the institution makes any express or implied claim about the salary that may be 6 earned after completing the educational program. 7 (2) Additionally, each institution that offers an educational program. designed to lead to a particular career, occupation, vocation, trade, job, or job title 8 shall disclose the wage and salary data for the particular career, occupation, trade, job, or job title, as provided by the Employment Development Department's 9 Occupational Employment Statistics, if that data is available. 10 (e) If a program is too new to provide data for any of the categories listed in this subdivision, the institution shall state on its fact sheet: "This program is new. 11 Therefore, the number of students who graduate, the number of students who are placed, or the starting salary you can earn after finishing the educational program 12 are unknown at this time. Information regarding general salary and placement statistics may be available from government sources or from the institution, but is 13 not equivalent to actual performance data." 14 (f) All of the following: 15 (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 16 where he or she may obtain a description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated. 17(2) A statement informing the reader of where he or she may obtain from the 18 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 place-19 ment rates as required by subdivision (b). 20 (3) A statement informing the reader of where he or she may obtain from the institution a list of the objective sources of information used to substantiate the 21salary disclosure as required by subdivision (d). 22 (g) The following statements: 23 (1) "This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion 24 rates, placement rates, starting salaries, or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law." 25 (2) "Any questions a student may have regarding this fact sheet that have 26 not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), 27 (Internet Web site address), (telephone and fax numbers)." 28 111

Accusation

14. Section 94911 of the Education Code states:

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

(a) The name of the institution and the name of the educational program, including the total number of credit hours, clock hours, or other increment required to complete the educational program.

(b) A schedule of total charges, including a list of any charges that are nonrefundable and the student's obligations to the Student Tuition Recovery Fund, clearly identified as nonrefundable charges.

(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.

(d) A clear and conspicuous statement that the enrollment agreement is legally binding when signed by the student and accepted by the institution.

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

(2) The disclosure shall contain the institution's refund policy and a statement that, if the student has received federal student financial aid funds, the student is entitled to a refund of moneys not paid from federal student financial aid program funds.

(3) The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund.

(f) A statement specifying that, if the student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund.

(g) A statement specifying that, if the student is eligible for a loan guaranteed by the federal or state government and the student defaults on the loan, both of the following may occur:

(1) The federal or state government or a loan guarantee agency may take action against the student, including applying any income tax refund to which the person is entitled to reduce the balance owed on the loan.

(2) The student may not be eligible for any other federal student financial aid at another institution or other government assistance until the loan is repaid.

(h) The transferability disclosure that is required to be included in the school catalog, as specified in paragraph (15) of subdivision (a) of Section 94909.

(i)(1) The following statement: "Prior to signing this enrollment agreement, you must be given a catalog or brochure and a School Performance Fact Sheet,

which you are encouraged to review prior to signing this agreement. These documents contain important policies and performance data for this institution. This institution is required to have you sign and date the information included in the School Performance Fact Sheet relating to completion rates, placement rates, license examination passage rates, and salaries or wages, prior to signing this agreement."

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

(j) The following statements:

(1) "Any questions a student may have regarding this enrollment agreement 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 Web site address), (telephone and fax numbers)."

(2) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)."

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

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

15. Section 94920 of the Education Code states, in pertinent part:

An institution that does not participate in the federal student financial aid programs shall do all of the following:

(d) The institution shall have a refund policy for the return of unearned institutional charges if the student cancels an enrollment agreement or withdraws during a period of attendance. The refund policy for students who have completed 60 percent or less of the period of attendance shall be a pro rata refund.

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16. Section 94929 of the Education Code states, in pertinent part:

(a) An institution shall annually report to the bureau, as part of the annual report, and publish in its School Performance Fact Sheet, the completion rate for each program. Except as provided in subdivision (b), the completion rate shall be calculated by dividing the number of graduates by the number of students available for graduation. (b) In lieu of calculating graduation data pursuant to subdivision (a), an institution may report graduation data reported to, and calculated by, the Integrated Postsecondary Education Data System of the United States Department of Education.

17. Section 94925.5 of the Education Code states:

An institution shall annually report to the bureau, as part of the annual report, and shall publish in its School Performance Fact Sheet, all of the following:

(a) The job placement rate, calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for each program that is either (1) designed, or advertised, to lead to a particular career, or (2) advertised or promoted with any claim regarding job placement.

(b) The license examination passage rates for the immediately preceding two years for programs leading to employment for which passage of a state licensing examination is required, calculated by dividing the number of graduates who pass the examination by the number of graduates who take the licensing examination the first time that the examination is available after completion of the educational program. The institution shall use state agency licensing data to calculate license examination passage rates. If those data are unavailable, the institution shall calculate the license examination passage rate in a manner consistent with regulations adopted by the bureau.

(c) Salary and wage information, consisting of the total number of graduates employed in the field and the annual wages or salaries of those graduates stated in increments of five thousand dollars (\$5,000).

18. Section 94929.7 of the Education Code states:

(a) The information used to substantiate the rates calculated pursuant to Sections 94929 and 94929.5 shall be documented and maintained by the institution for five years from the date of the publication of those rates. An institution may retain this information in an electronic format.

(b) An institution shall provide a list of employment positions used to determine the number of graduates employed in the field for purposes of calculating job placement rates pursuant to this article.

REGULATORY PROVISIONS

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19. California Code of Regulations, title 5, section 71230, states:

If the institution offers an educational program, or a portion of it, in a language other than English, the Form Application 94886 shall contain a description of all of the following for each educational program or portion thereof.

(a) The language in which each educational program will be offered.

(b) A statement that the institution has contracted with sufficient duly qualified faculty who will teach each language group of students.

1	(c) The language of the textbooks and other written materials to be used by each language group of students.
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3	20. California Code of Regulations, title 5, section 71710 states, in pertinent part:
4	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:
6	(a) those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;
8	(b) subject areas and courses or modules that are presented in a logically organized manner or sequence to students;
9 10	(c) course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:
11	(1) a short, descriptive title of the educational program;
12	(2) a statement of educational objectives;
13	(3) length of the educational program;
14	(4) sequence and frequency of lessons or class sessions;
15	(5) complete citations of textbooks and other required written materials;
16	(6) sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;
17 18	(7) instructional mode or methods.
10	(c) specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and
20	(f) evaluation by duly qualified faculty of those learning outcomes.
21	21. California Code of Regulations, title 5, section 71715 states, in pertinent part;
22	(a) Instruction shall be the central focus of the resources and services of the
23	institution.
24	(b) The institution shall document that the instruction offered leads to the achievement of the learning objectives of each course.
25	(c) Direct instruction requires the physical presence of one or more students
26	and one or more faculty members at the same location. Direct instruction includes instruction presented in a classroom, seminar, workshop, lecture, colloquium,
27	laboratory, tutorial, or other physical learning settings consistent with the mission, purposes, and objectives of the institution.
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1 22. California Code of Regulations, title 5, section 71720 states, in pertinent part: 2 (b) Instructors in an Educational Program Not Leading to a Degree. 3 (1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of 4 three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three 5 years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are 6 equivalent to the minimum qualifications. 7 (2) Each instructor shall maintain their knowledge by completing continuing education courses in his or her subject area, classroom management or 8 other courses related to teaching. 9 23. California Code of Regulations, title 5, section 71735 states, in pertinent part: 10 (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 11 relating to the health and safety of the institution's facilities and equipment on file, 12 and such permits shall be available to the Bureau upon request. 13 24. California Code of Regulations, title 5, section 71760 states: 14 Each institution shall develop and maintain adequate procedures used by the institution to assure that it is maintained and operated in compliance with the Act 15 and this Division. 16 25. California Code of Regulations, title 5, section 71770 states, in pertinent part: 17 18 (a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the 19 particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of 20completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that: 2122 (1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise 23successfully take and pass the relevant examination as required by section 94904 of the Code. 24 25 California Code of Regulations, title 5, section 71800, states, in pertinent part: 26. 26In addition to the requirements of section 94911 of the Code, an institution shall provide to each student an enrollment agreement that contains at the least the 27following information: 28

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1	(a) The name and address of the institution and the addresses where instruction will be provided.
2	(b) Period covered by the enrollment agreement.
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4	(d) Date by which the student must exercise his or her right to cancel or
5	withdraw, and the refund policy, including any alternative method of calculation if approved by the Bureau pursuant to section 94921 of the Code.
6	(e) Itemization of all institutional charges and fees including, as applicable:
7	(11) Student Tuition Recovery Fund fee (non-refundable);
8	27. California Code of Regulations, title 5, section 71810 states, in pertinent part:
9	(a) Each institution shall provide a catalog pursuant to section 94909 of the code, which shall be updated annually. Annual updates may be made by the use
10	of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in
11	the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are
12	made in supplements or inserts accompanying the catalog.
13	(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:
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15 16	(3) If the institution admits students from other countries, whether visa services are provided or whether the institution will youch for student status, and
17	any associated charges;
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19	(5) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of
20	proficiency, such as the United States Foreign Service Language Rating System, that will be accepted;
21	28. California Code of Regulations, title 5, section 71920 states, in pertinent part:
22	(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:
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24	(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution are the institution of small education of temperatures of temperatures are the institution of the in
25	to the institution or the institution's award of credit or acceptance of transfer credits including the following:
26	(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as
27	successful completion of an ability-to-benefit test;
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(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program; (3) Copies of all documents signed by the student, including contracts. instruments of indebtedness, and documents relating to financial aid; (4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation; and (9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received; (10) A document specifying the amount of a refund, including the amount 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 person or entity to which the refund was sent; 29. 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. (c) A record is considered current for three years following a student's completion or withdrawal. A record may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply: (1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act; (2) For a record that is current, the institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California. For a record that is no longer current, the institution shall be able to reproduce exact, legible printed copies within two (2) business days. (d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

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(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.

30. California Code of Regulations, title 5, section 74140 states:

Every institution shall retain, for a minimum of five years, copies of all advertising, including (a) flyers, brochures, newspaper, and other print advertisements, (b) scripts for, and audio and video recordings of, broadcast advertisements, and (c) internet content, and (d) scripts for telephone solicitations. The institution shall make these records immediately available for inspection and copying during normal business hours to site visit teams and the Bureau.

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

(a) Each qualifying institution shall collect an assessment of two dollars and fifty cents (\$2.50) 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 California resident or is enrolled in a residency program. For institutional charges of one thousand dollars (\$1,000) or less, the assessment is two dollars and fifty cents (\$2.50).

32. California Code of Regulations, title 5, section 76130 states, in pertinent part:

(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.

(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

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1	33. California Code of Regulations, title 5, section 76140 states in pertinent part:
2 3	(a) A qualifying institution shall collect and maintain records of student information to substantiate the data reported on the STRF Assessment Reporting Form and records of the students' eligibility under the Fund. Such records shall include the following for each student:
4	(1) Student identification number,
5	(2) First and last names,
6	(3) Email address,
7 8	(4) Local or mailing address,
° 9	(5) Address at the time of enrollment,
9 10	(6) Home address,
11	(7) Date enrollment agreement signed,
12	(8) Courses and course costs,
12	(9) Amount of STRF assessment collected,
14	(10) Quarter in which the STRF assessment was remitted to the Bureau,
15	(11) Third-party payer identifying information,
16	(12) Total institutional charges charged, and
17	(13) Total institutional charges paid.
18	34. California Code of Regulations, title 5, section 76215 states:
19	(a) A qualifying institution shall include the following statement on both its enrollment agreement for an educational program and its current schedule of student charges:
20	"You must pay the state-imposed assessment for the Student Tuition
21	Recovery Fund (STRF) if all of the following applies to you:
22	1. You are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition either
23	by cash, guaranteed student loans, or personal loans, and
24 25	2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third party.
26	You are not eligible for protection from the STRF and you are not required
27	to pay the STRF assessment, if either of the following applies:
28	1. You are not a California resident; or are not enrolled in a residency program, or
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2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party."

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

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

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

1. The school closed before the course of instruction was completed.

2. The school's failure to pay refunds or charges on behalf of a student to a third party for license fees or any other purpose, or to provide equipment or materials for which a charge was collected within 180 days before the closure of the school.

3. The school's failure to pay or reimburse loan proceeds under a federally guaranteed student loan program as required by law or to pay or reimburse proceeds received by the school prior to closure in excess of tuition and other costs.

4. There was a material failure to comply with the Act or this Division within 30 days before the school closed or, if the material failure began earlier than 30 days prior to closure, the period determined by the Bureau.

5. An inability after diligent efforts to prosecute, prove, and collect on a judgment against the institution for a violation of the Act."

COST RECOVERY

35. Section 94937 of the Education Code states, in pertinent part:

(c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business and Professions Code.

(d) An institution shall not be required to pay the cost of investigation to more than one agency.

36. Section 125.3 of the Business and Professions Code provides, in pertinent part, that

26 || the Director may request the administrative law judge to direct a licentiate found to have

committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable

28 || costs of the investigation and enforcement of the case.

FACTUAL BACKGROUND

37. Respondent operated City Beauty College, a cosmetology institution in Sacramento, California, ("Institution") and accepted tuition from students for completion of a cosmetology program that would prepare them to take the Board of Barbering and Cosmetology licensing examination.

38. On or about June 13, 2012, an Enforcement Inspection Analyst with the Bureau began conducting an announced compliance inspection of the Institution resulting in multiple 7 possible violations of the Education Code ("Code"). 8

39. On or about June 14, 2012, the Enforcement Inspection Analyst along with a Bureau 9 Representative returned to complete the announced compliance inspection of the Institution and 10 to confirm the multiple possible violations of the Code. 11

On or about June 14, 2012, the Institution was toured by the Enforcement Inspection 40. 12 Analyst and Bureau Representative and the school catalog, a blank enrollment agreement, and 13 student files were reviewed. The following violations were found: 14

Respondent's facility and equipment were unsafe in that multiple extension cords 15 a. were running through the facility, doors were closed with telephone extension cord, and there was 16 no air conditioning in 100 degree weather. 17

Respondent's facility was unsanitary, including, but not limited to, trash was 18 b. overflowing and the work areas were filthy. 19

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Respondent failed to post the Health and Safety permits. c.

Respondent's student files were incomplete in that they failed to contain properly d. 21 executed enrollment agreements, verification of prior education, copies of documents signed by 22 the students and the institution, financial ledgers, and transcripts. 23

Respondent's school catalog failed to contain required statements, disclosures, and a 24 e. complete list of faculty and their qualifications. 25

Respondent failed to maintain files and documents showing the faculty had the f. 26 minimum qualifications to teach. 27

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Respondent failed to maintain a School Performance Fact Sheet. g.

h. Respondent failed to develop and maintain adequate procedures to assure the facility is maintained and operated in compliance with the California Private Postsecondary Act of 2009 ("Act") and California Code of Regulations.

41. On or about June 14, 2012, a student informed the Enforcement Analyst and Bureau 4 Representative that approximately two weeks earlier, Respondent had provided the students with enrollment agreements and instructed them to fill in the agreements.

42. On or about June 14, 2012, the Bureau issued Notice to Comply 000271 to the Institution and Respondent notifying them of the violations set forth hereinbelow. The Institution and Respondent failed to timely appeal the Notice to Comply within the thirty (30) day period or remedy their noncompliance,

FIRST CAUSE FOR DISCIPLINE

(Committed Prohibited Business Practices)

43. Respondent is subject to discipline under Education Code ("Code") sections 94932. 13 and California Code of Regulations ("CCR"), title 5, section 75100, and Code section 94897, 14 15 subdivision (j), in that Respondent's Admissions Officer, T.N., committed prohibited business 16 practices when she made untrue statements during the June 14, 2012, on-site compliance 17 inspection, by stating that enrollment agreements were completed at the time of student 18 enrollment. In fact, student enrollment agreements maintained in their files were falsified in that 19 students were instructed to complete them after the Bureau had scheduled the June 14, 2012, onsite compliance inspection, as set forth in paragraph 41, above, incorporated herein by reference. 20

SECOND CAUSE FOR DISCIPLINE

(Violated Requirements for Student Records)

23 44. Respondent is subject to discipline under Code sections 94932 and CCR, title 5, section 75100, and Code section 94900 as follows: 24

25 a. Respondent violated Code section 94900, subdivision (a), in that he failed to 26 maintain records of the name, address, e-mail address, and telephone number of each student enrolled in an educational program. 27

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Ъ. Respondent violated Code section 94900, subdivision (b)(1), in that Respondent 1 failed to maintain for each student granted a certificate, a record of the certificate granted and the 2 3 date on which it was granted. Respondent violated Code section 94900, subdivision (b)(2), in that Respondent 4 C. failed to maintain for each student, the courses and units on which the student's certificate or 5 degree was based. 6 d. Respondent violated Code section 94900, subdivision (b)(3), in that Respondent 7 failed to maintain for each student, the grades earned in each of his/her courses. 8 9 THIRD CAUSE FOR DISCIPLINE (Violated General Enrollment Requirements) 10 45. 11 Respondent is subject to discipline under Code sections 94932 and CCR, title 5, section 75100, and Code section 94902, as follows: 12 13 Respondent violated Code section 94902, subdivision (a), in that Respondent failed а, 14 to ensure that students and an authorized employee of Respondent signed enrollment agreements. 15 b. Respondent violated Code section 94902, subdivision (b)(1), in that Respondent failed to provide a School Performance Fact Sheet to students prior to their enrollment. 16 17 c. Respondent violated Code section 94902, subdivision (b)(3), in that Respon-18 dent failed to ensure that students and an authorized employee of Respondent signed and dated 19 the information required to be disclosed in the School Performance Fact Sheet. 20 d. Respondent violated Code section 94902, subdivision (c), in that Respondent failed to provide a copy of the signed enrollment agreement to students. 21 22 FOURTH CAUSE FOR DISCIPLINE (Failed to Show Compliance with Ability-to-Benefit Requirements) 23 46. Respondent is subject to discipline under Code sections 94932 and CCR, title 5, 24 25section 75100, and Code section 94904, in that Respondent failed to provide documentation 26showing an ability-to-benefit student had taken and passed an independently administered exam prior to permitting the student's enrollment. 27 111 28 18

FIFTH CAUSE FOR DISCIPLINE
(Violated Requirement to Provide Documents in Students' Primary Language)
47. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
section 75100, and Code section 94906, as follows:
a. Respondent violated Code section 94906, subdivision (a), in that Respondent failed
to provide enrollment agreements to students in their primary language including a clear
explanation of the terms and conditions and all cancellation and refund policies.
b. Respondent violated Code section 94906, subdivision (b), in that Respondent
recruited students in Vietnamese, but failed to provide copies of the enrollment agreement,
disclosures, and statements in Vietnamese.
SIXTH CAUSE FOR DISCIPLINE
(Violated Statutory Catalog Requirements)
48. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
section 75100, and Code section 94909 as follows:
a. Respondent violated Code section 94909, subdivision (a)(7), in that Respondent's
catalog does not contain a complete list of faculty and their qualifications.
b. Respondent violated Code section 94909, subdivision (a)(8)(B), in that Respondent's
catalog does not contain the following: an explanation that students have the right to cancel their
enrollment agreement and obtain a refund of charges paid through attendance at the first class
session, or the seventh day after enrollment, whichever is later; a description of the procedures
for students to follow to cancel their enrollment agreement or withdraw from the institution; and,
the address to send their notice of cancellation or withdrawal.
c. Respondent violated Code section 94909, subdivision (a)(9), in that the total charges
set forth in Respondent's catalog do not identify the Registration Fee (non-refundable) and the
Student Tuition Recovery Refund (non-refundable).
d. Respondent violated Code section 94909, subdivision (a)(14), in that Respondent's
catalog does not contain a complete description of the student's rights and responsibilities with
respect to the Student Tuition Recovery Refund.
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SEVENTH CAUSE FOR DISCIPLINE

(Violated Requirements for School Performance Fact Sheet)

49. Respondent is subject to discipline under Code sections 94932 and CCR, title 5, section 75100, and Code section 94910, in that Respondent failed to maintain a School Performance Fact Sheet as required by section 94910. As such, Respondent violated section 94910 as follows:

a. Respondent failed to maintain a School Performance Fact Sheet stating the completion, placement, and license examination passage rates.

b. Respondent failed to maintain a School Performance Fact Sheet stating the salary or
wage information and disclosure of salary or wage data for the careers, occupations, vocations,
trades, jobs, or job titles.

c. Respondent failed to maintain a School Performance Fact Sheet stating, if the
program is new, the following: "This program is new. Therefore, the number of students who
graduate, the number of students who are laced, or the starting salary you can earn after finishing
the educational program are unknown at this time. Information regarding general salary and
placement statistics may be available from government sources or form the institution, but is not
equivalent to actual performance data."

d. Respondent failed to maintain a School Performance Fact Sheet stating all of the
 following information:

(1) A description of the manner in which the rates of completion, placement,
and license examination passage rates are calculated, or a statement informing the reader where
he/she may obtain a description of the manner in which the rates are calculated.

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(2) A statement informing the reader where he/she may obtain from the institution a list of employment positions determined to e within the field for which a student received education and training for the calculation of job placement rats.

(3) A statement informing the reader of where he/she may obtain from the
institution a list of the objective sources of information used to substantiate the required salary
disclosures.

e. Respondent failed to maintain a School Performance Fact Sheet stating all of 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 Web site address), (telephone and fax numbers)."

SEVENTH CAUSE FOR DISCIPLINE

(Violated Statutory Requirements for Enrollment Agreement)

13 50. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
14 section 75100, and Code section 94911 as follows:

a. Respondent violated Code section 94911, subdivision (a), in that Respondent's
enrollment agreement failed to identify the educational program and the clock hours required to
complete the educational program.

b. Respondent violated Code section 94911, subdivision (b), in that Respondent's
enrollment agreement failed to state that the Student Tuition Recovery Fund is non-refundable.

c. Respondent violated Code section 94911, subdivision (c), in that Respondent's
enrollment agreement failed to state, in underlined 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.

d. Respondent violated Code section 94911, subdivision (d), in that Respondent's
enrollment agreement failed to include a clear and conspicuous statement that the enrollment
agreement is legally binding when signed by the student and accepted by Respondent.

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e. Respondent violated Code section 94911, subdivision (e), in that Respondent's enrollment agreement failed to contain disclosure statements as follows:

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(1) A clear and conspicuous statement of the student's right to cancel the enrollment agreement and the right to obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later;

6 (2) The institution's refund policy and a statement regarding refunding of moneys not
7 paid from federal student financial aid program funds; and,

8 (3) Text including a description of the procedures a student is required to follow to
9 cancel the enrollment agreement or to withdraw from the institution and obtain a refund.

f. Respondent violated Code section 94911, subdivision (f), in that Respondent's
enrollment agreement failed to include a statement of the student's responsibility if he/she obtains
an educational loan.

g. Respondent violated Code section 94911, subdivision (g), in that Respondent's
enrollment agreement failed to include a statement that if the student obtained a federal or state
loan and defaults, the government may take action against the student and he/she may be
ineligible for other financial aid.

h. Respondent violated Code section 94911, subdivision (h), in that Respondent's
enrollment agreement failed to include a statement of transferability disclosure, as specified in
Code section 94909, subdivision (a)(15).

i. Respondent violated Code section 94911, subdivision (i), in that Respondent's
enrollment agreement failed to include the following required statements:

(1) "Prior to signing this enrollment agreement, you must be given a catalog or
brochure and a School Performance Fact Sheet, which you are encouraged to review prior to
signing this agreement. These documents contain important policies and performance data for
this institution. This institution is required to have you sign and date the information included in
the School Performance Fact sheet relating to completion rates, placement rates, license
examination passage rates, and salaries or wages, prior to signing this agreement."

(2) Immediately following the statement in paragraph 50.i.(1), above, a line for the student to initial, and the following statement: "I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, and salary or wage information included in the School Performance Fact Sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet."

j. Respondent violated Code section 94911, subdivision (j), in that Respondent's enrollment agreement failed to include all of the following statements:

9 (1) "Any questions a student may have regarding this enrollment agreement that have
10 not been satisfactorily answered by the institution may be directed to the Bureau for Private
11 Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address),
12 (telephone and fax numbers)."

(2) "A student or any member of the public may file a complaint about this institution
with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by
completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet
Web site address)."

k. Respondent violated Code section 94911, subdivision (k), in that Respondent's
enrollment agreement failed to include, above the space for the student's signature, the following
statement: "I understand that this is a legally binding contract. My signature below certifies that
I have read, understood, and agreed to my rights and responsibilities, and that the institution's
cancellation and refund policies have been clearly explained to me."

EIGHTH CAUSE FOR DISCIPLINE

(Violated Refund Policy Requirements)

51. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
section 75100, and Code section 94920, subdivision (d), in that Respondent's refund policy failed
to address the maximum percentage of instruction that a student can complete to be eligible for a
pro rata refund.

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1	NINTH CAUSE FOR DISCIPLINE
2	(Violated School Performance Fact Sheet Requirements)
3	52. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
4	section 75100, as follows:
5	a. Respondent violated Code section 94929 in that Respondent failed to maintain and
6	publish its School Performance Fact Sheet for reporting the completion rate for each of
7	Respondent's programs.
8	b. Respondent violated Code section 94929.5 in that Respondent failed to maintain and
9	publish its School Performance Fact Sheet for reporting the job placement rate, license
10	examination passage rates, and salary and wage information.
11	c. Respondent violated Code section 94929.7 in that Respondent failed to maintain and
12	publish its School Performance Fact Sheet stating the information used to substantiate the rates
13	calculated pursuant to Code sections 94929 and 94929.5, above, and a list of employment
14	positions used to determine the number of graduates employed in the field and used to calculate
15	job placement rates.
16	TENTH CAUSE FOR DISCIPLINE
17	(Violated Language Requirement)
18	53. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
19	sections 75100 and 71230 in that Respondent provided a class schedule showing "Cosmo theory
20	in Vietnamese" when Respondent was not approved to offer educational programs in a language
21	other than English.
22	ELEVENTH CAUSE FOR DISCIPLINE
23	(Violated Educational Program Requirements)
24	54. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
25	sections 75100 and 71710 as follows:
26	a. Respondent violated CCR, title 5, section 71710, subdivision (a), in that Respon-
27	dent's educational program failed to comprise a curriculum that includes those subject areas that
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are necessary for a student to achieve the educational objectives of the educational program in which the student was enrolled. 2

b. Respondent violated CCR, title 5, section 71710, subdivision (b), in that Respondent's educational program failed to comprise a curriculum that includes subject areas and courses or modules that are presented in a logically organized manner or sequence to students.

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c. Respondent violated CCR, title 5, section 71710, subdivision (c), in that:

(1) Respondent's educational program failed to comprise a curriculum that includes course or module materials that are designed or organized by duly qualified faculty; and

(2) Respondent failed to show it provided students with a syllabus or course outline 9 for each course or module stating a short, descriptive title of the educational program; a statement 10 of educational objectives, the length of the program, the sequence and frequency of lessons or 11 class sessions, a complete citation of textbooks and other required written materials, a sequential 12 and detailed outline of subject matter to be addressed or a list of skills to be learned and how 13 14 those skills are to be measured, and instructional mode or methods.

d. Respondent violated CCR, title 5, section 71710, subdivision (f), in that Respondent 15 failed to show that its educational programs are comprised of a curriculum that includes 16 evaluation by duly qualified faculty of those learning outcomes. 17

TWELFTH CAUSE FOR DISCIPLINE

(Violated Requirements for Instruction)

55. Respondent is subject to discipline under Code sections 94932 and CCR, title 5, sections 75100 and 71715 as follows:

a. Respondent violated CCR, title 5, section 71715, subdivision (a), in that Respondent 22 failed to show that instruction was the central focus of the resources and services of the 23 institution. 24

b. Respondent violated CCR, title 5, section 71715, subdivision (b), in that Respon-25 dent failed to provide documentation showing that the instruction offered leads to the achieve-26 ment of the learning objectives of each course offered by Respondent. 27

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	Denne last date de COD stille 6 metter 71715 mit division (n) in that Domon
1	c. Respondent violated CCR, title 5, section 71715, subdivision (c), in that Respon-
2	dent failed to ensure direct instruction to students during the June 14, 2012, onsite compliance
3	inspection, when students were observed to be using cell phones, talking in small groups, and
4	indicated they have no set instruction periods.
5	THIRTEENTH CAUSE FOR DISCIPLINE
6	(Violated Requirements for Faculty)
7	56. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
8	sections 75100 and 71720 as follows:
9	a. Respondent violated CCR, title 5, section 71720, subdivision (b)(1), as follows:
10	(1) Respondent failed to show the Bureau's inspectors that the instructors possessed
11	the required academic, experiential, and professional qualifications to teach at the institution
12	including a minimum of three years of experience, education and training in current practices of
13	the subject area they are teaching.
14	(2) Respondent failed to show the Bureau documents that, if the instructor did not
15	possess the requirements in paragraph 56.a.(1), above, the qualifications the instructor did possess
16	were equivalent to the minimum qualifications.
17	b. Respondent violated CCR, title 5, section 71720, subdivision (b)(2), as follows:
18	(1) Respondent failed to show the Bureau documents that each instructor maintained
19	their knowledge by completing continuing education courses in his/her subject area, classroom
20	management or other courses related to teaching.
21	FOURTEENTH CAUSE FOR DISCIPLINE
22	(Violated Facilities and Equipment Requirements)
23	57. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
24	sections 75100 and 71735, subdivision (b), as follows:
25	a. Student workstations lacked electricity for blow dryers, clippers, and nail dryers.
26	b. Hair washing stations were not secured properly and had little to no running water.
27	c. The facility had exposed wiring and did not properly secure the extension cords to
28	prevent a tripping hazard for students as the cords were strewn throughout the building.
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1	d. Dirt and hair covered the floor of the facility.	
2	e. Student equipment was not sanitary.	
3	f. Respondent did not provide current health and safety permits upon request.	•
4	FIFTEENTH CAUSE FOR DISCIPLINE	1
5	(Violated Requirement for Self-Monitoring Procedures)	
6	58. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,	
7	sections 75100 and 71760 in that Respondent failed to develop and maintain procedures used by	
8	the institution to assure that it is maintained and operated in compliance with the Act and	
9	regulations.	
10	SIXTEENTH CAUSE FOR DISCIPLINE	
11	(Violated Requirements for Written Standards for Admissions)	
12	59. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,	
13	sections 75100 and 71770 as follows:	ł
14	a. Respondent violated CCR, title 5, section 71770, subdivision (a), in that Respondent	
15	failed to provide documentation showing it had specific written standards for student admissions	
16	for each educational program.	
17	b. Respondent violated CCR, title 5, section 71770, subdivision (a)(1), in that Respon-	
18	dent failed to provide documentation that each student admitted possessed a high school diploma	
19	or its equivalent, or otherwise successfully took and passed the ability-to-benefit exam required	
20	by Code section 94904.	
21	SEVENTIETH CAUSE FOR DISCIPLINE	
22	(Violated Regulatory Enrollment Agreement Requirements)	
23	60. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,	
24	sections 75100 and 71800 as follows:	ļ
25	a. Respondent violated CCR, title 5, section 71800, subdivision (a), in that	
26	Respondent's enrollment agreement was incomplete in that it failed to state the name and address	5
27	of the institution and the address(es) where instruction will be provided.	
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b. Respondent violated CCR, title 5, section 71800, subdivision (b), in that Respondent's enrollment agreement was incomplete in that it failed to state the period covered by the enrollment agreement.

c. Respondent violated CCR, title 5, section 71800, subdivision (d), in that Respondent's enrollment agreement was incomplete in that it failed to state the date by which the student
must exercise his/her right to cancel or withdraw.

d. Respondent violated CCR, title 5, section 71800, subdivision (e)(11), in that
Respondent's enrollment agreement was incomplete in that it failed to itemize and state that the
Student Tuition Recovery Fund fee was non-refundable.

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EIGHTEENTH CAUSE FOR DISCIPLINE

(Violated Regulatory Requirements for Catalog)

61. Respondent is subject to discipline under Code sections 94932 and CCR, title 5, sections 75100 and 71810 as follows:

a. Respondent violated CCR, title 5, section 71810, subdivision (a), in that Respondent
failed to provide a catalog or supplement or insert to accompany the catalog that had been
updated with the information required to be included in the catalog by the Act or regulations.

b. Respondent violated CCR, title 5, section 71810, subdivision (b)(3), in that Respondent's catalog did not state if students from other countries are admitted and whether visa services
are provided or whether the institution will vouch for student status, and any associated charges.

c. Respondent violated CCR, title 5, section 71810, subdivision (b)(5), in that Respondent's catalog did not state instruction will occur in another language despite documentation
showing "Cosmo theory in Vietnamese." In fact, the instruction in all courses was in Vietnamese
only.

NINETEENTH CAUSE FOR DISCIPLINE

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(Violated Regulatory Requirements for Student Records)

26 62. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
27 sections 75100 and 71920 as follows:

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a. Respondent violated CCR, title 5, section 71920, subdivision (b)(1)(A), in that Respondent's student files failed to include documentation verifying students' high school completion or equivalency, or documentation showing successful completion of an ability-tobenefit test.

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b. Respondent violated CCR, title 5, section 71920, subdivision (b)(1)(B), in that
Respondent's student files for transfer students failed to include records documenting acceptance
of units or credits earned at the other institution and accepted and applied as transfer credits to
Respondent's institution.

c. Respondent violated CCR, title 5, section 71920, subdivision (b)(3), in that
Respondent's student files failed to include copies of all documents signed by the student
including contracts, instruments of indebtedness, and documents relating to financial aid.

d. Respondent violated CCR, title 5, section 71290, subdivision (b)(4), in that
Respondent's student files failed to include copies of documents recording the dates of
enrollment, and, if applicable, withdrawal, leaves of absence, and graduation.

e. Respondent violated CCR, title 5, section 71290, subdivision (b)(9), in that
Respondent's student files failed to include documents showing the total amount of money
received from or on behalf of the student and the date or dates on which the money was received.

f. Respondent violated CCR, title 5, section 71290, subdivision (b)(10), in that
Respondent's student files for students who had withdrawn from the Institution, failed to include
documentation specifying the amount of a refund, including the amount 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 person or entity to which the refund was sent.

TWENTIETH CAUSE FOR DISCIPLINE

(Violated Regulatory Requirements for Institution Records)

63. Respondent is subject to discipline under Code sections 94932 and CCR, title 5, sections 75100 and 71930 as follows:

a. Respondent violated CCR, title 5, section 71930, subdivision (a), in that Respondent failed to maintain all records required by the Act and regulations.

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b. Respondent violated CCR, title 5, section 71930, subdivision (b)(1), in that Respondent failed to permanently retain student transcripts and failed to maintain student records required by CCR, title 5, section 71920 for a minimum of five years from the student's date of completion or withdrawal from the institution.

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c. Respondent violated CCR, title 5, section 71930, subdivision (c)(1), in that Respondent failed to maintain records free from loss of information or legibility for the period within which the record is required to be maintained by the Act.

d. Respondent violated CCR, title 5, section 71930, subdivision (c)(2), in that Respondent failed to maintain functioning devices that can immediately reproduce exact, legible printed copies of the institution's stored records.

e. Respondent violated CCR, title 5, section 71930, subdivision (d), in that Respondent failed to maintain a second set of all academic and financial records at a different location
from the originals which were not maintained in a manner secure from damage or loss.

f. Respondent violated CCR, title 5, section 71930, subdivision (e), in that Respondent
failed to immediately make available to the Bureau or investigatory entity, all requested records
that Respondent is required by the Act or regulations to maintain.

TWENTY-FIRST CAUSE FOR DISCIPLINE

(Violated Advertising Requirements)

64. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
sections 75100 and 74140 as follows:

a. Respondent violated CCR, title 5, section 74140, subdivisions (a) through (d), in that
Respondent failed to maintain copies of its advertisements (English and Vietnamese) for a
minimum of five years.

TWENTY-SECOND CAUSE FOR DISCIPLINE

(Violated Requirement to Assess Student Tuition Recovery Fund Fees)

65. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
sections 75100 and 76120, subdivision (a), in that Respondent failed to assess eligible students
the Student Tuition Recovery Fund assessment fees.

1	TWENTY-THIRD CAUSE FOR DISCIPLINE
2	(Violated Requirement to Collect and Submit Student Tuition Recovery Fund Fees)
3	66. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
4	sections 75100 and 76130, as follows:
5	a. Respondent violated CCR, title 5, section 76130, subdivision (a), in that Respondent
6	failed to collect the Student Tuition Recovery Fund fees from students. Respondent collected the
7	first payment from students after enrollment.
8	b. Respondent violated CCR, title 5, section 76130, subdivision (b), in that Respondent
9	failed to complete the Student Tuition Recovery Fund Assessment Reporting Form and remit it
10	with the assessments collected from students to the Bureau no later than the last day of the month
11	following the close of the quarter.
12	TWENTY-FOURTH CAUSE FOR DISCIPLINE
13	(Violated Record Keeping Requirements)
14	67. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
15	sections 75100 and 76140, subdivision (a)(1) through (13), in that Respondent failed to collect
16	and maintain records of student information to substantiate the data reported on the Student
17	Tuition Recovery Fund Assessment Reporting Form.
18	TWENTY-FIFTH CAUSE FOR DISCIPLINE
19	(Violated Requirements for Student Tuition Recovery Fund Disclosures)
20	68. Respondent is subject to discipline under Code sections 94932 and CCR, title 5,
21	sections 75100 and 76215, as follows:
22	a. Respondent violated CCR, title 5, section 76215, subdivision (a), in that Respon-
23	dent's catalog and enrollment agreement for an educational program and current schedule of
24	student charges failed to state the complete required statement of student's rights, responsibilities,
25	and protections with respect to the Student Tuition Recovery Fund.
26	b. Respondent violated CCR, title 5, section 76215, subdivision (b), in that Respon-
27	dent's catalog failed to state the complete required statement of student's eligibility for the
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Student Tuition Recovery Fund if he/she suffered economic losses resulting from specific conditions.

FACTORS IN AGGRAVATION

69. On or about February 22, 2013, the Bureau served Citation: Assessment of Fine and 4 Order of Abatement, Citation Number 1213012, on Respondent alleging the following: 5 violations of Education Code sections 94909, subdivisions (a)(3)(A) and (a)(15); and violations of 6 California Code of Regulations, title 5, sections 71730, subdivision (b), 71750, subdivision (f), 7 8 71760, and 71810, subdivision (b)(1). The total fine assessed is \$2,701.00. Respondent failed to request an Informal Conference and/or Administrative Hearing within 30 days from the date of 9 service. Citation Number 1213012 was final on March 24, 2013. Respondent paid the \$2,701.00 10 11 fine on April 9, 2013. Respondent has not satisfied the order of abatement.

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

Revoking or suspending Institution Code Number 93832312 issued to City Beauty
 College, John Thal Tran, Owner;

Ordering John Thai Tran, Owner of City Beauty College, Institution Code number
 93832312 to pay the Bureau for Private Postsecondary Education the reasonable costs of the
 investigation and enforcement of this case;

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

21 DATED: N/ay 23, 2013 2223

Chief

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

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