

**BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

**American Beauty Institute, LLC,
Db a American Beauty Institute**
4625 Convoy Street, Ste. A
San Diego, CA 92111

Case No. 1003292

OAH No. 2018120326

Approval to Operate an Institution, Non-
Accredited; School Code No. 81663192,

Respondent.

DECISION AND ORDER

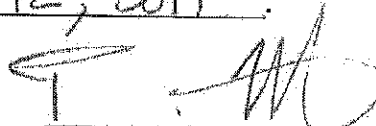
The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Director of the Department of Consumer Affairs as the Decision and Order in the above-entitled matter.

AUG 15 2019

This Decision shall become effective on _____

IT IS SO ORDERED

July 12, 2019



RYAN MARCROFT
Deputy Director
Legal Affairs Division
Department of Consumer Affairs

1 XAVIER BECERRA
Attorney General of California
2 ANTOINETTE B. CINCOTTA
Supervising Deputy Attorney General
3 MARICHELLE S. TAHIMIC
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Attorneys for Complainant

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

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14 In the Matter of the Accusation Against:
15 **AMERICAN BEAUTY INSTITUTE LLC,**
16 **DBA AMERICAN BEAUTY INSTITUTE**
4625 Convoy St Ste A
San Diego, CA 92111
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18 **Approval to Operate an Institution Non-**
Accredited
19 **Institution Code No. 81663192**
20
Respondent.

Case No. 1003292

OAH No. 2018120326

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

21
22 **IT IS HEREBY STIPULATED AND AGREED** by and between the parties to the above-
23 entitled proceedings that the following matters are true:

24 **PARTIES**

25 1. Dr. Michael Marion, Jr. (Complainant) is the Chief of the Bureau for Private
26 Postsecondary Education (Bureau). He brought this action solely in his official capacity and is
27 represented in this matter by Xavier Becerra, Attorney General of the State of California, by
28 Marichelle S. Tahimic, Deputy Attorney General.

2. Respondent American Beauty Institute LLC, dba American Beauty Institute
(Respondent) is represented in this proceeding by attorney James C. Stevens, whose address is:
402 W. Broadway, Suite 400, San Diego, CA 92101.

3. On or about October 28, 2015, the Bureau issued Approval to Operate an Institution
Non-Accredited, Institution Code No. 81663192 to Respondent.

JURISDICTION

4. Accusation No. 1003292 was filed before the Director, and is currently pending
against Respondent. The Accusation and all other statutorily required documents were properly
served on Respondent on August 27, 2018. Respondent timely filed its Notice of Defense
contesting the Accusation.

5. A copy of Accusation No. 1003292 is attached as exhibit A and incorporated herein
by reference.

ADVISEMENT AND WAIVERS

6. Respondent has carefully read, fully discussed with counsel, and understands the
charges and allegations in Accusation No. 1003292. Respondent has also carefully read, fully
discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary
Order.

7. Respondent is fully aware of its legal rights in this matter, including the right to a
hearing on the charges and allegations in the Accusation; the right to confront and cross-examine
the witnesses against them; the right to present evidence and to testify on its own behalf; the right
to the issuance of subpoenas to compel the attendance of witnesses and the production of
documents; the right to reconsideration and court review of an adverse decision; and all other
rights accorded by the California Administrative Procedure Act and other applicable laws.

8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
every right set forth above.

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CULPABILITY

9. Respondent understands and agrees that the charges and allegations in Accusation No. 1003292, if proven at a hearing, constitute cause for imposing discipline upon its Approval to Operate an Institution Non-Accredited.

10. For the purpose of resolving the Accusation without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest those charges.

11. Respondent agrees that its Approval to Operate an Institution Non-Accredited is subject to discipline and it agrees to be bound by the Director's probationary terms as set forth in the Disciplinary Order below.

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CONTINGENCY

12. This stipulation shall be subject to approval by the Director of the Department of Consumer Affairs or the Director's designee. Respondent understands and agrees that counsel for Complainant and the staff of the Bureau for Private Postsecondary Education may communicate directly with the Director and staff of the Department of Consumer Affairs regarding this stipulation and settlement, without notice to or participation by Respondent or its counsel. By signing the stipulation, Respondent understands and agrees that they may not withdraw its agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon it. If the Director fails to adopt this stipulation as the Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Director shall not be disqualified from further action by having considered this matter.

13. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

14. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement.

1 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
2 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
3 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
4 writing executed by an authorized representative of each of the parties.

5 15. In consideration of the foregoing admissions and stipulations, the parties agree that
6 the Director may, without further notice or formal proceeding, issue and enter the following
7 Disciplinary Order:

8 **DISCIPLINARY ORDER**

9 IT IS HEREBY ORDERED that the approval to operate a private postsecondary non-
10 accredited institution (Institution Code 81663192) issued to Respondent American Beauty
11 Institute LLC, dba American Beauty Institute is revoked. However, the revocation is stayed and
12 Respondent is placed on probation for three (3) years on the following terms and conditions.

13 **Severability Clause.** Each condition of probation contained herein is a separate and
14 distinct condition. If any condition of this Order, or any application thereof, is declared
15 unenforceable in whole, in part, or to any extent, the remainder of this Order, and all other
16 applications thereof, shall not be affected. Each condition of this Order shall separately be valid
17 and enforceable to the fullest extent permitted by law.

18 **1. Obey All Laws**

19 Respondent shall obey all federal, state and local laws and regulations governing the
20 operation of a private postsecondary educational institution in California. Respondent shall
21 submit, in writing, a full detailed account of any and all violations of the law to the Bureau within
22 five (5) days of discovery.

23 **CRIMINAL COURT ORDERS:** If respondent is under criminal court orders, including
24 probation or parole, and the order is violated, this shall be deemed a violation of these probation
25 conditions, and may result in the filing of an Accusation and/or Petition to Revoke Probation.

26 **2. Compliance with Probation and Quarterly Reporting**

27 Respondent shall fully comply with the terms and conditions of probation established by
28 the Bureau and shall cooperate with representatives of the Bureau in its monitoring and

1 investigation of the respondent's compliance with probation. Respondent, within ten (10) days of
2 completion of the quarter, shall submit quarterly written reports to the Bureau on a Quarterly
3 Report of Compliance form obtained from the Bureau.

4 **3. Personal Appearances**

5 Upon reasonable notice by the Bureau, Respondent shall report to and make personal
6 appearances at times and locations as the Bureau may direct.

7 **4. Notification of Address and Telephone Number Change(s)**

8 Respondent shall notify the Bureau, in writing, within five (5) days of a change of name,
9 title, physical home address, email address, or telephone number of each person, as defined in
10 section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in of the
11 institution and, to the extent applicable, each general partner, officer, corporate director, corporate
12 member or any other person who exercises substantial control over the institution's management
13 or policies.

14 **5. Notification to Prospective Students**

15 When currently soliciting or enrolling (or re-enrolling) a student for any program,
16 Respondent shall provide notification of this action to each current or prospective student prior to
17 accepting their enrollment, and to those students who were enrolled at the time of the conduct that
18 is the subject of this action as directed by the Bureau. This notification shall include a copy of the
19 Accusation, Statement of Issues, Stipulated Settlement, or Disciplinary Decision (whichever
20 applies).

21 **6. Student Roster**

22 Within 15 days of the effective date of this Decision, and with the Quarterly Reports
23 thereafter, provide to the Bureau the names, addresses, phone numbers, email addresses, and the
24 programs in which they are or were enrolled, of all persons who are currently or were students of
25 the institution within 60 days prior to the effective date of the Decision, and those students who
26 were enrolled at the time of the conduct that is the subject of this action.

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1 **7. Instruction Requirements and Limitations**

2 During probation, Respondent shall provide approved instruction in the State of California.
3 If Respondent is not providing instruction, the period of probation shall be tolled during that time.

4 **8. Record Storage**

5 Within 5 days of the effective date of this Decision, provide the Bureau with the location of
6 the repository for all records as they are required to be maintained pursuant to Title 5, California
7 Code of Regulations, section 71930.

8 **9. Maintenance of Current and Active Approval to Operate**

9 Respondent shall, at all times while on probation, maintain a current and active approval to
10 operate with the Bureau including any period during which approval is suspended or probation is
11 tolled.

12 **10. Comply With Citations**

13 Respondent shall comply with all final orders resulting from citations issued by the Bureau.

14 **11. Cost Recovery Requirements**

15 Respondent shall pay to the Bureau its costs of investigation and enforcement in the amount
16 of \$6,500.00 no later than one year before the termination of probation. Such costs shall be
17 payable to the Bureau and are to be paid regardless of whether the probation is tolled. Failure to
18 pay such costs shall be considered a violation of probation.

19 Except as provided above, the Bureau shall not renew or reinstate the approval to operate of
20 any respondent who has failed to pay all the costs as directed in a Decision.

21 **12. Violation of Probation**

22 If Respondent violates probation in any respect, the Bureau, after giving respondent notice
23 and opportunity to be heard, may revoke probation and carry out the disciplinary order which was
24 stayed. If an Accusation or a Petition to Revoke Probation is filed against respondent during
25 probation, the Bureau shall have continuing jurisdiction until the matter is final, and the period of
26 probation shall be extended, and respondent shall comply with all probation conditions, until the
27 matter is final.

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13. Future Approvals to Operate

If Respondent subsequently obtains other approvals to operate during the course of this probationary order, this Decision shall remain in full force and effect until the probationary period is successfully terminated. Future approvals shall not be granted, however, unless Respondent is currently in compliance with all of the terms and conditions of probation.

14. Comply with All Accreditation Standards

As applicable, Respondent shall comply with all standards set by its accreditor in order to maintain its accreditation. Respondent shall submit to the Bureau, in writing, a full detailed account of any and all actions taken by any accrediting agency against Respondent regarding any institution operated by Respondent, including an order to show cause, or conditions or restrictions placed on accreditation, within five (5) days of occurrence.

15. Completion of Probation

Upon successful completion of probation, Respondent's approval to operate will be fully restored.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, James C. Stevens. I understand the stipulation and the effect it will have on the institution's Approval to Operate an Institution Non-Accredited. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Director of the Department of Consumer Affairs.

DATED: 05/28/2019

Signature: Chau Ha Suki Leung

Printed name/Title: Chau Ha Suki Leung/ CAO

Authorized agent of
AMERICAN BEAUTY INSTITUTE LLC,
DBA AMERICAN BEAUTY INSTITUTE
Respondent

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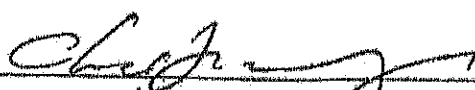
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19 Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree
20 to be bound by the Decision and Order of the Director of the Department of Consumer Affairs.

21
22 DATED: 7/9/19

Signature: 

Printed name/Title: Chau ha Suki Leung CAO

Authorized agent of
AMERICAN BEAUTY INSTITUTE LLC,
DBA AMERICAN BEAUTY INSTITUTE
Respondent



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I have read and fully discussed with Respondent American Beauty Institute LLC, dba American Beauty Institute the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED:

5/28/19

[Signature]
JAMES C. STEVENS
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Director of the Department of Consumer Affairs.

Dated:

May 30, 2019

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
ANTOINETTE B. CINCOTTA
Supervising Deputy Attorney General

[Signature]
MARICHELLE S. TAHIMIC
Deputy Attorney General
Attorneys for Complainant

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