



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

August 21, 2019

Champion Institute of Cosmetology, Inc., Owner
 Champion Institute of Cosmetology, Inc.
 611 South Palm Canyon Drive #205
 Palm Springs, CA, 92264

Date of Issuance	Citation Number	Institution Code
August 21, 2019	1819182	3302111

On June 25, 2019, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1819182 (Citation) against Champion Institute of Cosmetology, Inc., Owner of Champion Institute of Cosmetology, Inc. (Institution). In attendance were Yvette Johnson, Administration Chief, and Giselle Bessis and Tony Grandberry, Owners.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1819182.

It is the decision of the Administration Chief that on July 31, 2019, Citation No. 1819182 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p>Violation: 5, CCR Section 74112. Uniform Data – Annual Report, Performance Fact Sheet. <i>(e) Reporting periods:</i> <i>(2) A Performance Fact Sheet shall be current and available not later than December 1st, and shall report data for the previous two calendar years based upon the “number of students who began the program,” as defined in subdivision (d)(1) of this section and were scheduled to graduate in the reported year(s).</i></p> <p>2015 Annual Report: On November 29, 2016, the Institution submitted their 2015 Annual Report online. The SPFS that was submitted with the Annual Report was not in the correct format and was for 2011/2012 and 2013/2014. The correct years that should have been submitted with the 2015 Annual report are SPFS for years 2014/2015.</p> <p>On December 14, 2017, Bureau staff notified the Institution via U.S. mail that the SPFS was not in</p>

the correct format. The letter was returned to the Bureau unclaimed.

On February 7, 2018, a second letter was sent to the Institution via certified mail and was also returned to the Bureau unclaimed.

2016 Annual Report:

On November 27, 2017, the Institution submitted their 2016 Annual Report online. The SPFS that was submitted with the Annual Report was not in the correct format and was for 2011/2012 and 2013/2014. The correct years that should have been submitted with the 2016 Annual report are SPFS for years 2015/2016.

On January 17, 2018, Bureau staff notified the Institution via U.S. mail that the SPFS was not in the correct format. The letter was returned to the Bureau unclaimed.

On February 7, 2018, a second incomplete letter was sent to the Institution via certified mail and was also returned to the Bureau unclaimed.

As of April 25, 2019, the Institution has failed to submit the 2014/2015 and 2015/2016 SPFS with the correct format.

Order of Abatement:

The Bureau orders the Institution to correct the format and submit the 2014/2015 and 2015/2016 SPFS.

Assessment of Fine

The fine for this violation is \$2,500.00

2.

Violation:

CEC Section 94913. Institutional Web Site Requirements

(a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

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

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

On April 24, 2019, Bureau staff reviewed the links that were submitted on the 2015 and 2016 Annual Report. The links directed the public to the Institution's website. The Institution posted the 2011/2012 and 2013/2014 SPFS. The annual report posted on the website is for the year 2014 and is not the most recent annual report submitted to the Bureau. The most recent annual report of 2016 should be posted on the Institution's website.

As of April 25, 2019, the Institution has failed to update the website links for the 2014/2015 and 2015/2016 SPFS, as well as the most recent Annual Report 2016 submitted to the Bureau.

Order of Abatement:

The Bureau orders the Institution to update the Institution's website to include the most recent Annual Report and the 2015 and 2016 SPFS. The Institution shall submit proof of the updates to the Bureau for review.

Assessment of Fine

The fine for this violation is \$2,500.00

3. **Violation:**

5, CCR Section 76130 (a-e)– Collection and Submission of Assessments

"(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.

(c) The STRF Assessment Reporting Form shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and

(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and

(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and

(4) The total number of students who signed their enrollment agreement in a previous reporting period, were eligible for STRF, and who made their first payment during the current reporting period; and

(5) Total amount of institutional charges after rounding each student's institutional charges to the nearest \$1,000, for all eligible STRF students whose STRF assessment was collected in the reporting period; and

(6) Current contact telephone number of the person preparing the form; and

(7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.

(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.

(e) Submission of all prior reports and assessments required by this section is a condition of renewal."

The Institution has failed to submit the STRF Assessment Reporting Form for the following quarter:

- 4th Quarter of 2018

On December 20, 2018, the Institution was notified, via mail at 611 South Palm Canyon Drive #205 Palm Springs, CA 92264, stating that the STRF Assessment Reporting Form for the 4th Quarter of 2018, was due. As of April 25, 2019, the Bureau has not received the STRF Assessment Reporting Form from the Institution.

Order of Abatement:

The Bureau orders that the Institution submit the delinquent STRF Assessment Reporting Form with the STRF Assessments collected from students for the quarter listed above. The Institution shall also submit the student information to substantiate the data reported on the STRF Assessment Reporting Form(s). The information provided shall comply with "Record Keeping Requirements"

Pursuant to 5, CCR section 76140.

Reason for Modification: New substantive facts presented at informal conference. Order of Abatement is satisfied.

Assessment of Fine

The fine for this violation is \$50.00

The administrative fee for this violation has been modified from \$50.00 to 00.00.

4. **Violation:**

5, CCR Section 74006(a) and (b) - Annual Fee

"(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval. (b) An institution shall pay its annual fee in addition to any other applicable fees.

CEC Section 94930.5 (d)(1)(A) - Fee Schedule

(d) (1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following:

(A) An annual fee for each campus designated by the institution as a main campus location in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

CEC Section 94930.5 (g) - Fee Schedule

(g) Notwithstanding subdivision (d), effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000) for each campus.

CEC Section 94931(a) Late Payment

"(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee."

The Institution has failed to pay its annual fee for calendar years 2016, 2017, 2018.

Annual Fee 2016:

On September 1, 2016, the Institution was notified (Invoice #900316175), via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2016 was due on October 1, 2016. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On November 15, 2016, the 1st delinquency notice (Invoice #900317841), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2016 was due on October 1, 2016. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On February 16, 2017, the 2nd delinquency notice (Invoice #900317841), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2016 was due on October 1, 2016. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

Annual Fee 2017:

On September 1, 2017, the Institution was notified (Invoice #900327721), via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2017 was due on October 1, 2017. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On November 15, 2017, the 1st delinquency notice (Invoice #900329506), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2017 was due on October 1, 2017. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On January 16, 2018, the 2nd delinquency notice (Invoice #900329506), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2017 was due on October 1, 2017.

As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

Annual Fee 2018:

On September 4, 2018, the Institution was notified (Invoice #900335921), via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2018 was due on October 1, 2018. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On November 15, 2018, the 1st delinquency notice (Invoice #900337809), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2018 was due on October 1, 2018. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

On January 16, 2019, the 2nd delinquency notice (Invoice #900337809), was sent via mail at 611 South Palm Canyon Drive #205, Palm Springs, CA 92264, stating that the annual fee for calendar year 2018 was due on October 1, 2018. As of April 25, 2019, the Bureau has not received the annual fee from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit its annual fees for calendar year 2016, 2017, and 2018 in accordance with 5, CCR section 74006(a)(b) and CEC section 94930.5(d)(1)(A)(g). In addition, the Institution must pay all late payment penalty fees.

Assessment of Fine

The fine for this violation is \$00.00.

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$5,000.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Cheryl Lardizabal, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on August 21, 2019. The Order of Abatement and payment are due by **September 20, 2019**.

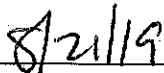
Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Modified Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this decision or desire further information, please contact Cheryl Lardizabal, Citation Analyst, at (916) 621-2591 or at Cheryl.Lardizabal@dca.ca.gov.



Christina Villanueva
Discipline Manager



Date

Enclosures

- Payment of Fine
- Declaration of Service by Certified and First-Class Mail