



**Bureau for Private Postsecondary Education**  
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
P.O. Box 980818, West Sacramento, CA 95798-0818  
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



## NOTICE AND EMERGENCY DECISION

July 11, 2018

FAX at (714) 892-4827 and  
OVERNIGHT DELIVERY

Matthew Choe, 50% Owner  
Joo Choe, 50% Owner  
Orange Valley College  
7952 Barbi Lane  
La Palma, CA 90623

Pursuant to California Education Code section 94938, California Code of Regulations, Title 5, section 75150, and article 13 (commencing with section 11460.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code, the Bureau for Private Postsecondary Education (Bureau) issues the following Emergency Decision:

The Bureau hereby orders Orange Valley College (Institution) to:

1. **CEASE ENROLLMENT OF ANY NEW STUDENTS IN ALL PROGRAMS AND**
2. **CEASE THE COLLECTION OF TUITION AND FEES FOR ALL INSTITUTIONAL PROGRAMS**

at the following location:

**School Code: 37953993**  
**7138 Westminster Boulevard, Suite 3**  
**Westminster, CA 92683**

**This order is effective upon close of business July 19, 2018:**

This order is based on an immediate danger to the public health, safety, and welfare. Specifically, the Bureau has determined that:

- As set forth in the attached Declaration of Paul Bradshaw, there is a substantial failure by the Institution to meet institutional minimum operating standards in that, among other violations of law, the Institution is charging students and then

not offering the educational programs approved by the Bureau and the California Board of Barbering and Cosmetology (BBC). The BBC has informed the Bureau that it will not be processing licensure exam applications from the Institution's students. As such, students and prospective students of the Institution will not be able to sit for the BBC licensure examination.

This circumstance requires immediate action by the Bureau to protect students, prevent misrepresentations to the public, and prevent the loss of public funds or monies paid by students.

You have the right to be heard before the Director of the Department of Consumer Affairs, or his designee, regarding the allegations in the Emergency Decision prior to the effective date of the Emergency Decision. If you would like to be heard before the Director, please submit a request by fax to Christina Villanueva, Discipline Manager, Bureau for Private Postsecondary Education, 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833, (916) 263-1895 (fax). Alternatively, you may request a hearing before the Director, or his designee, by telephoning Christina Villanueva at (916) 431-6958. Unless the Bureau receives your request by **5:00 p.m.** on **July 17, 2018** you will be deemed to have waived your right to be heard before the Director, or his designee.

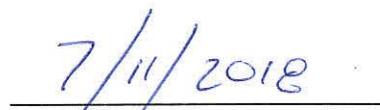
If requested, the hearing before the Director of the Department of Consumer Affairs, or his designee, will be held on **July 18, 2018** at **1:00 p.m.** at the Department of Consumer Affairs, Legal Affairs Division, located at 1625 North Market Blvd., Suite S-307, Sacramento, CA 95834.

Within 10 days after issuance of the Emergency Decision, the Bureau will file an accusation to revoke the Institution's approval to operate based, in part, on the charges and allegations set forth in the Emergency Decision. The adjudicative proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

Upon issuance of the Emergency Decision, you have the right under Government Code section 11460.80 to obtain judicial review of the Decision.

The Emergency Decision, **effective upon close of business July 19, 2018**, shall remain in effect until such time as the Accusation has been fully adjudicated or upon issuance of the final decision following judicial review.

  
\_\_\_\_\_  
Dr. Michael Marion, Jr., Bureau Chief  
Bureau for Private Postsecondary Education

  
\_\_\_\_\_  
Date

### **Declaration of Paul Bradshaw**

I, Paul Bradshaw, declare that if called to testify I would testify competently and relevantly as follows:

1. Since November 2016, I have been an investigator for the Bureau for Private Postsecondary Education (Bureau) in the California Department of Consumer Affairs (DCA). My duties include investigation of institutions approved by the Bureau, including but not limited to reviewing documents and writing investigative reports. I have personal knowledge of the matters set forth herein.

2. The Bureau has discretion to make an emergency decision to protect the public. California Education Code section 94938 states, in part:

“(a) If the bureau determines that it needs to make an emergency decision to protect students, prevent misrepresentation to the public, or prevent the loss of public funds or moneys paid by students, it may do so pursuant to Article 13 (commencing with Section 11460.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.”

Title 5, California Code of Regulations Division 7.5, section 75150, states, in part:

- “(a) The Bureau may make an emergency decision for temporary, interim relief pursuant to Article 13 (commencing with section 11460.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.
- (b) The Bureau may make an emergency decision pursuant to subdivision (a) where there is an immediate danger to the public health, safety, or welfare that requires immediate action to protect students, prevent misrepresentations to the public, or prevent the loss of public funds or monies paid by students, including but not limited to fraud; a substantial misrepresentation in the institution's Performance Fact Sheet, school catalog, or enrollment agreement; a substantial failure to meet institutional minimum operating standards; failure to meet statutory and regulatory requirements for accreditation; or a substantial failure to obtain a necessary approval or permit from another agency or regulatory body, affecting public health, safety or welfare.
- (c) The Bureau may order temporary, interim relief in the form of some or all of the following measures:

- (1) cease or limit enrollment of new students;
- (2) cease part or all instruction for some or all programs;
- (3) cease collection of tuition or fees for some or all programs.
- (4) suspend approval or provisional approval to operate or offer any degree programs.”

3. State statutes and regulations require that private postsecondary educational institutions such as Orange Valley College (Orange Valley) be approved by the Bureau and in the case of training programs intended to lead to licensure in cosmetology, estheticians, and manicurists, that those programs also be approved by the California Board of Barbering and Cosmetology (BBC). Orange Valley is currently approved by the Bureau to offer three non-degree programs which are also approved by BBC, namely Cosmetology (with “Length of Instruction” or “training hours” of 1,600 hours), Esthetics (600 hours), and Nail Care (400 hours). Orange Valley is jointly approved by the Bureau and BBC to offer educational programs in cosmetology, esthetics and nail care for the stated hours. The educational objective for the program is for the students to complete those training hours prior to taking the BBC licensure exam. [Attached as **Exhibit A** is a true and correct copy of the Bureau’s “Approved Educational Program List” for Orange Valley].

4. To ensure public protection, the Bureau’s law mandates that institutions meet and maintain institutional minimum operating standards, which include ensuring that the content of each educational program achieves its stated objective, and that upon satisfactory completion of an educational program, the institution gives students a document signifying the completion. [See, Ed. Code § 94885.] Minimum operating standards are not met where instruction of the approved program is not the central focus of the resources and services of the institution, or where direct instruction does not include the physical presence of students and faculty at the same location.

[See, Title 5, Code of Regulations, § 71715.]

5. As set forth below, my investigation of Orange Valley, which included a physical inspection of the Orange Valley campus on May 2, 2018 by the Bureau and observed by BBC, demonstrates that there is an immediate danger to the public health, safety, and welfare that warrants an order to prevent Orange Valley from enrolling and collecting tuition from any students pending the outcome of an action to revoke Orange Valley's approval to operate by the Bureau. In sum, my investigation found that, among other violations of law, Orange Valley is collecting monies from students for educational programs without offering instruction in those programs. Instead, Orange Valley admitted that it is falsifying documents submitted to BBC, certifying that students have completed BBC required training hours when they have not completed such training. This practice is known by the Bureau as "selling hours" or "diploma mill" activity. BBC has informed the Bureau that it will not be processing exam applications from Orange Valley students due to BBC's identical belief that Orange Valley is "selling hours" and not providing the required training hours to students. As such, Orange Valley students and prospective students have and will continue to lose money by paying Orange Valley for education and training without being able to then sit for the BBC license exam using Orange Valley education.

6. Specifically, the following forms the basis for the Bureau's Emergency Decision:

a. On May 2, 2018, I conducted a field investigation of Orange Valley at 7138 Westminster Boulevard, Suite B, Westminster, California 92683. My investigation was in conjunction with an unannounced compliance inspection by the Bureau's compliance inspectors and personnel from BBC. During the joint investigation/inspection, multiple violations of the California Education Code and Title 5, California Code of Regulations, were discovered. During

the inspection, Orange Valley's owner admitted selling hours and falsifying documents. Additionally, the Bureau issued a Notice to Comply (NTC) to the owner prior to departing the institution. [Attached as **Exhibit B** is a true and correct copy of the NTC issued.]

b. Further, between March 6, 2017, and January 12, 2018, the Bureau received multiple anonymous complaints alleging students are paying to obtain Manicurist diplomas without completing the required 400-hour program, as well as paying to obtain diplomas for the Cosmetology and Esthetician programs, without completing the required hours.

c. Significantly, the Bureau has received information from BBC that BBC would not be processing all pending applications for Orange Valley students. [Attached as **Exhibit C** is a true and correct copy of the BBC declaration that the Bureau received, and that I reviewed in my capacity as an investigator.]

7. I have recommended to Bureau management that the Bureau take disciplinary action against Orange Valley to prevent the institution from causing further or future student harm. This recommendation was based on the determination of twenty-three (23) violations of the California Education Code and Title 5, Code of Regulations, coupled with my findings that instruction is not the central focus of Orange Valley's resources and, significantly, BBC's decision to deny all pending applications for Orange Valley students.

8. With the conclusion of the Bureau's investigation and BBC's determination that it will not be processing exam applications of Orange Valley students, the Bureau believes that there is now an immediate danger to the public health, safety, or welfare that requires immediate action to protect students, prevent misrepresentations to the public, and prevent the loss of monies paid by students. The Bureau has a duty to ensure that Orange Valley continues to meet minimum operating standards. The Bureau believes that an emergency decision is necessary to prevent new

student enrollments/tuition collections by Orange Valley. Orange Valley is not meeting minimum operating standards as required by Education Code section 94885, and is in violation of other Bureau's laws and regulations.

I declare under penalty of perjury under the laws of the State of California that the above statements are true and correct of my personal knowledge.

Executed this 9th day of July 2018 at Sacramento, California.

A handwritten signature in blue ink that reads "Paul Bradshaw". The signature is written in a cursive style with a horizontal line underneath it.

PAUL BRADSHAW

# Exhibit A



Business, Consumer Services, and Housing Agency - Edmund G. Brown Jr., Governor  
**Bureau for Private Postsecondary Education**  
 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
 P.O. Box 980818, West Sacramento, CA 95798-0818



# Approved Educational Program List

*In accordance with the provisions of California Education Code 94866 or 94890, the Bureau for Private Postsecondary Education approves:*

## *Orange Valley College*

*7138 Westminster Boulevard, Suite B  
 Westminster, CA 92683*

*School Code #: 37953993  
 Site Type: Main*

*to offer the following program(s)/course(s):*

<u>Program Name</u>	<u>Length of Instruction</u>	<u>Program Approved</u>	<u>Program Type</u>	<u>Distance Learning</u>
Advanced Skin Care	20.00 Hours	08/31/2004	Non-Degree	No
Cosmetology	1,600.00 Hours	05/17/2005	Non-Degree	No
Esthetician	600.00 Hours	05/17/2005	Non-Degree	No
Manicurist	400.00 Hours	05/17/2005	Non-Degree	No
Massage Technician	500.00 Hours	08/31/2004	Non-Degree	No
Permanent Makeup Artist	40.00 Hours	08/31/2004	Non-Degree	No

**Non-Degree (Vocational) Programs/Courses: 6**  
**Total Programs/Courses: 6**

*The program list above represents all currently approved educational programs for this institution. The Main, Branch, or Satellite locations of this institution may offer any subset of this list.*

**Robert Bayles, Education Administrator**

This document is valid if all fees are current. Subject to earlier termination in accordance with the law.

**Approved Program List**

**School Name: Orange Valley College**

**School Code: 37953993 (Institution Code: 37953993.....Site Type: Main)**

<u>Program Name</u>	<u>Length of Instruction</u>	<u>Program Approved</u>	<u>Program Type</u>	<u>Distance Learning</u>
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*The program list above represents all currently approved educational programs for this institution. The Main, Branch, or Satellite locations of this institution may offer any subset of this list.*



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**Robert Bayles, Education Administrator**

This document is valid if all fees are current. Subject to earlier termination in accordance with the law.

# **Exhibit B**



Bureau for Private Postsecondary Education  
 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
 P.O. Box 980818, West Sacramento, CA 95798-0818  
 P (916) 431-8969 F (916) 263-1897 www.bppe.ca.gov



**NOTICE TO COMPLY - CU-37953993-0518 (Ed. Code §94935 & 5, CCR §75010)**

Institution Name:	Orange Valley College	Institution Telephone:	714-892-4834
Institution Code:	37953993	Administrator Name:	Matthew Kyu Choe
Street Address:	7138 Westminster Blvd. Suite B Westminster, CA 92683	Date of Inspection:	05/02/18

Nature and Facts of the Violation(s), Including a Reference to the Statute or Regulation Violated, and Manner in Which the Institution Must Correct the Violation to Achieve Compliance:

Item No.	Referenced Law	Deficiency - Requested Submission
	CEC §94909(a)(1)	<p>(a) Except as provided in subdivision (d), 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:                      (1) The name, address, telephone number, and, if applicable, Internet Web site address of the institution.</p> <p><b>The school failed to include its website address in the catalog.</b></p> <p><b>To remedy this violation the school shall include the website address in the catalog.</b></p>
	CEC §94909(a)(12)	<p>(a) Except as provided in subdivision (d), 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:                      (12) A statement specifying whether the institution has a pending petition in bankruptcy, is operating as a debtor in possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy filed against it within the preceding five years that resulted in reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).</p> <p><b>The school failed to include all components for the required bankruptcy disclosure.</b></p> <p><b>To remedy this violation the school shall identify all of the following: whether the institution has a pending</b></p>

Notice to Comply -  
 Inspector's Initial: *GA*  
 Administrator's Initial: *K.C*

		petition in bankruptcy, whether the institution is operating as a debtor in possession, whether the institution has filed a petition within the preceding five years and whether the institution has had a petition in bankruptcy filed against it within the preceding five years that resulted in reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).
	CEC §94909(a)(3)(B)	<p>(a) Except as provided in subdivision (d), 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:</p> <p>(3) The following statements:</p> <p>(B) "As a prospective student, you are encouraged to review this catalog prior to signing an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet, which must be provided to you prior to signing an enrollment agreement."</p> <p>The school failed to include the above statement verbatim in its catalog, specifically "....encouraged to review this catalog prior to signing an enrollment agreement...."</p> <p>To remedy this violation the school shall include the above statement verbatim in its catalog.</p>
	5, CCR §71810(b)(9)	<p>(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:</p> <p>(9) A description of the facilities and of the types of equipment and materials that will be used for instruction;</p> <p>The school failed to provide a general description of the types of equipment and materials used for instruction in the facilities section.</p> <p>To remedy this violation the school shall include a general description of the equipment used for the programs in the facilities section of its catalog.</p>
	CEC §94899.5(b)	<p>(b) For those programs designed to be four months or longer, an institution shall not require more than one term or four months of advance payment of tuition at a time. When 50 percent of the program has been offered, the institution may require full payment.</p> <p>Page 10 of the catalog indicates the school requires tuition payment in full at the beginning of the program, this is in violation of the law for collection of tuition.</p>

Notice to Comply -  
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Administrator's Initial: *ke*

		<p>The school shall not require full payment for a program longer than four months.</p> <p>To remedy this violation the school shall edit its policies on tuition collection and include the new policy in the catalog that the school will only require no more than four months advance payment.</p>
	<p>CEC §94909(a)(8)(a)</p>	<p>(a) Except as provided in subdivision (d), 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:</p> <p>(8) A detailed description of institutional policies in the following areas:</p> <p>(A) Admissions policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests, admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements between the institution and any other college or university that provides for the transfer of credits earned in the program of instruction. If the institution has not entered into an articulation or transfer agreement with any other college or university, the institution shall disclose that fact.</p> <p>The school failed to identify whether or not it has entered into any articulation or transfer agreement with any other college or university.</p> <p>To remedy this violation the school shall clearly identify whether or not it has entered into any articulation or transfer agreement with any other college or university.</p>
	<p>5, CCR §71810(b)(7)</p>	<p>(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:</p> <p>(7) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay;</p> <p>The school failed to include the provisions for appeal for the evaluation and award of experiential learning credit. Additionally, the school did not identify whether or not there are any charges associated with the evaluation and award of experiential credit.</p>

Notice to Comply -  
 Inspector's Initial: *MM*  
 Administrator's Initial: *KE*

		<b>To remedy this violation the school shall include the provisions for appeal of experiential learning credit as well as identify any associated fees.</b>
	<b>CEC §94920(b)</b>	<p>An institution that does not participate in the federal student financial aid programs shall do all of the following:  (b) Institutions shall refund 100 percent of the amount paid for institutional charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars (\$250), if notice of cancellation is made through attendance at the first class session, or the seventh day after enrollment, whichever is later.</p> <p><b>The institution's cancellation policies are in violation with the mandatory cancellation policy. Page 12 of the catalog indicates that the Cosmetology kit(s) are non-refundable. During the 7-Day cancellation period, all institutional charges are refundable with the exception of a registration or application fee not to exceed \$250.</b></p> <p><b>To remedy this violation the school shall edit its refund policies to indicate all institutional charges are refundable with the exception of a registration or application fee not to exceed \$250.</b></p>
	<b>CEC §94897(m)</b>	<p>An institution shall not do any of the following:  (m) Direct any individual to perform an act that violates this chapter, to refrain from reporting unlawful conduct to the bureau or another government agency, or to engage in any unfair act to persuade a student not to complain to the bureau or another government agency.</p> <p><b>Page 19 of the catalog indicates the student may contact the Bureau for a grievance only after they have attempted to resolve the matter with the school. This is a prohibited business practice. A student may file a complaint with the Bureau at any time.</b></p> <p><b>To remedy this violation the school shall edit its grievance policies to indicate a student may file a complaint with the Bureau at any time with or without exhausting the internal grievance process.</b></p>
	<b>CEC §94897(j)(3)</b>	<p>An institution shall not do any of the following:  (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 record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:</p>

Notice to Comply -  
Inspector's Initial: *MM*  
Administrator's Initial: *KE*

		<p>(3) Any other record or document required by this chapter or by the bureau.</p> <p>Page 6 of the catalog indicates a student in the massage technician program will be prepared to successfully pass the State Board Examination. There is no State Board examination for massage technician. This is a false statement.</p> <p>To remedy this violation the school shall remove this statement from the catalog.</p>
	<p>CEC §94909(a)(10)</p>	<p>(a) Except as provided in subdivision (d), 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:</p> <p>(10) A statement reporting whether the institution participates in federal and state financial aid programs, and if so, all consumer information that is required to be disclosed to the student pursuant to the applicable federal and state financial aid programs.</p> <p>Page 17 of the catalog implies students are eligible to receive Federal Title IV financial aid. It appears this is untrue as the school indicates they do not participate in Federal Financial Aid.</p> <p>To remedy this violation the school shall clarify whether or not it participates in Title IV financial aid.</p>

**ENROLLMENT AGREEMENT MINIMUM REQUIREMENTS**

Item No.	Referenced Law	Deficiency - Requested Submission
	<p>CEC §94911(a)</p>	<p>An enrollment agreement shall include, at a minimum, all of the following:</p> <p>(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.</p> <p>The Enrollment Agreement lists the Massage Therapy Program hours as 50 hours, however the catalog indicates the Massage Therapy Program is 500 hours.</p> <p>To remedy this discrepancy the school shall clarify how many hours is required for the Massage Therapy Program.</p>

Notice to Comply -  
 Inspector's Initial: *KMA*  
 Administrator's Initial: *K.C.*

	<p>5, CCR §71800(d)</p>	<p>In 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 following information: (d) Date by which the student must exercise his or her right to cancel or withdraw, and the refund policy, including any alternative method of calculation if approved by the Bureau pursuant to section 94921 of the Code.</p> <p><b>The enrollment agreement does not contain the date by which the student must exercise his or her right to cancel or withdraw.</b></p> <p><b>To remedy this violation the school shall include the date by which the student must exercise in order to receive a full refund.</b></p>
	<p>5, CCR §71800(e)(2)</p>	<p>In 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 following information: (e) Itemization of all institutional charges and fees including, as applicable: (2) Registration fee (non-refundable);</p> <p><b>The Enrollment Agreement does not identify the non-refundable registration fee in the itemization of charges.</b></p> <p><b>To remedy this violation the school shall clearly identify the registration fee in the itemization of charges in its Enrollment Agreement.</b></p>
	<p>5, CCR §71800(e)(3)</p>	<p>In 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 following information: (e) Itemization of all institutional charges and fees including, as applicable: (3) Equipment;</p> <p><b>The Enrollment Agreement does not identify equipment in the itemization of charges.</b></p> <p><b>To remedy this violation the school shall clearly identify any equipment the student must purchase in the itemization of charges in its Enrollment Agreement.</b></p>

Notice to Comply -  
 Inspector's Initial: *MA*  
 Administrator's Initial: *KE*

	<p>5, CCR §71800(e)(12)</p>	<p>In 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 following information: (e) Itemization of all institutional charges and fees including, as applicable: (12) Any other institutional charge or fee.</p> <p><b>The Enrollment Agreement does not identify the "other charges" in the itemization of fees.</b></p> <p><b>To remedy this violation the school shall clearly identify what the "other charges" consist of.</b></p>
	<p>5, CCR §76215(a)</p>	<p>(a) A qualifying institution shall include the following statement on both its enrollment agreement and school catalog: "The State of California established the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic loss suffered by a student in an educational program at a qualifying institution, who is or was a California resident while enrolled, or was enrolled in a residency program, if the student enrolled in the institution, prepaid tuition, and suffered an economic loss. Unless relieved of the obligation to do so, you must pay the state-imposed assessment for the STRF, or it must be paid on your behalf, if 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. You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if you are not a California resident, or are not enrolled in a residency program."</p> <p><b>The STRF disclosure in the Enrollment Agreement is outdated. New language for the disclosure has been implemented.</b></p> <p><b>To remedy this violation, replace the old STRF language in the Enrollment Agreement with the new disclosure listed above.</b></p>
	<p>CEC §94911(g)(1)(2)</p>	<p>An enrollment agreement shall include, at a minimum, all of the following: (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:</p>

Notice to Comply -  
Inspector's Initial: *MD*  
Administrator's Initial: *KE*

		<p>(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.</p> <p>(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.</p> <p><b>The Enrollment Agreement does not contain both of the required disclosures listed above.</b></p> <p><b>To remedy this violation the school shall include both of the above required disclosures in its Enrollment Agreement.</b></p>
	<p><b>CEC §94911(h)</b></p>	<p>An enrollment agreement shall include, at a minimum, all of the following:</p> <p>(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.</p> <p><b>The transferability disclosure in the Enrollment Agreement is incomplete. The disclosure failed to identify the school name, educational program and whether it's a diploma or degree program.</b></p> <p><b>To remedy this violation the school shall insert the school name, insert the educational program and identify whether it's a diploma or degree.</b></p>
	<p><b>CEC §94916</b></p>	<p>An institution extending credit or lending money to an individual for institutional and noninstitutional charges for an educational program shall cause any note, instrument, or other evidence of indebtedness taken in connection with that extension of credit or loan to be conspicuously marked on its face in at least 12-point type with the following notice:</p> <p><b>"NOTICE"</b></p> <p><b>"You may assert against the holder of the promissory note you signed in order to finance the cost of the educational program all of the claims and defenses that you could assert against this institution, up to the amount you have already paid under the promissory note."</b></p> <p><b>The Enrollment Agreement does not contain the required notice listed above.</b></p> <p><b>To remedy this violation the school shall include this notice in its enrollment agreement.</b></p>

Notice to Comply -  
 Inspector's Initial: *MS*  
 Administrator's Initial: *KC*

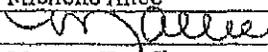
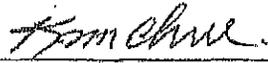
	<p align="center"><b>CEC §94897(i)(1)</b></p>	<p>An institution shall not do any of the following:          (1) Use a name in any manner improperly implying any of the following:          (1) The institution is affiliated with any government agency, public or private corporation, agency, or association if it is not, in fact, thus affiliated.</p> <p>The Enrollment Agreement is titled "Enrollment Agreement (California BPPE)" This implies this is a state issued document, which it is not.</p> <p>To remedy this violation the school shall remove the "California BPPE" from the title of its Enrollment Agreement.</p>
	<p align="center"><b>CEC §94897(j)(2)</b></p>	<p>An institution shall not do any of the following:          (1) 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 record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:          (2) Information or records relating to the student's eligibility for student financial aid at the institution.</p> <p>Page 2 of the Enrollment Agreement has two separate statements referencing Title IV and Financial Aid. This is misleading to the students, as the school indicates it does not offer financial aid.</p> <p>To remedy this violation the school shall remove both of these statements implying the school may offer Title IV.</p>

**WEBSITE MINIMUM REQUIREMENTS**

Item No.	Referenced Law	Deficiency - Requested Submission
	<p align="center">5, CCR §74117</p>	<p>In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code.</p> <p>The school failed to include the links to all the required documents on the <u>homepage</u> of its website.</p> <p>To remedy this violation the school shall post clear and conspicuous links on the homepage to all the items required in §94913(a) of the Code.</p>

Notice to Comply -  
 Inspector's Initial: *MD*  
 Administrator's Initial: *KE*

Only minor violations are listed on a Notice to Comply.

Inspector's Name	Michelle Allee
Inspector's Signature	
Institution Administrator Name/Title:	Matthew Kyul Choe Owner
Institution Administrator's Signature:	

Education Code can be located at: [http://www.bppe.ca.gov/lawsregs/ppe\\_act.shtml](http://www.bppe.ca.gov/lawsregs/ppe_act.shtml)

Code of Regulations can be located at: <http://www.bppe.ca.gov/lawsregs/regs.shtml>

Notice to Comply -

Inspector's Initial: 

Administrator's Initial: 

RETURN THIS FORM WITHIN THE SPECIFIED TIME FRAME WITH EITHER: 1) VERIFICATION OF COMPLIANCE OR 2) A NOTICE OF DISAGREEMENT

**IMPORTANT COMPLIANCE NOTICE**

California Education Code §94935 and California Code of Regulations §75010 provide that the Bureau for Private Postsecondary Education (Bureau) shall issue a Notice to Comply for minor violations detected during a compliance inspection by the Bureau.

By no later than 30 days from the date of the inspection, you must either: 1) Remedy the noncompliance item(s), sign the below declaration and submit this form to the Bureau, along with documentation describing how compliance was achieved; or 2) File with the Bureau a written notice of disagreement, specifying the minor violation(s) described in the Notice to Comply with which you disagree, and appealing it by requesting an informal office conference. If a written notice of disagreement is not timely filed with the Bureau, the right to appeal is deemed to have been waived.

Failure to timely remedy the noncompliance item(s) or file a written request for an informal office conference may result in the Bureau taking administrative enforcement action.

**DECLARATION**

Attached to this document is a list describing how compliance was achieved for each violation and supporting documentation. I declare under penalty of perjury that all violations identified in this Notice to Comply are corrected as described in the attachment.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

**THIS DECLARATION OR A NOTICE OF DISAGREEMENT MUST BE SUBMITTED TO THE BUREAU BY JUNE 2, 2018**

Notice to Comply -  
Inspector's Initial: *WA*  
Administrator's Initial: *KE*

# Exhibit C

**Declaration of Heather Berg**

I, Heather Berg, declare that if called to testify I would testify competently and relevantly as follows:

1. Since July 2, 2014, I have been the Deputy Executive Officer for the California Board of Barbering and Cosmetology (BBC). Prior to that, I was a Staff Services Manager I for the BBC since March of 2006. My duties then and now include investigation of complaints filed against California private postsecondary educational institutions for violations of the BBC's laws and regulations, announced and unannounced site inspection visits, documentation of my findings, and enforcement recommendations to the Board's Executive Officer. I have personal knowledge of the matters set forth herein.

2. State statutes and regulations require that private postsecondary educational institutions such as Orange Valley College (Orange Valley) be approved by the Bureau for Private Postsecondary Education (Bureau) and in the case of programs intended to lead to licensure in cosmetology, estheticians, and manicurists, that those programs also be approved by BBC. Orange Valley is currently approved by BBC for Cosmetology (with "Length of Instruction" or "training hours" of 1,600 hours), Esthetics (600 hours), and Nail Care (600 hours). Orange Valley is jointly approved by the Bureau and BBC to offer educational programs in cosmetology, esthetics and nail care for the stated hours. To satisfy the BBC's required curriculum for training prior to taking the BBC licensure exam, the educational objective is for the students to complete those training hours.

3. BBC is currently investigating Orange Valley College for compliance with all relevant laws and regulations pertaining to schools approved by BBC.

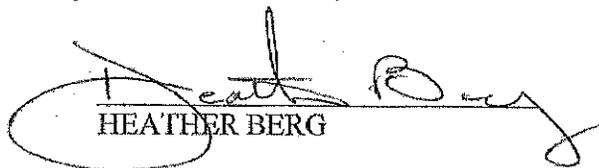
4. I visited Orange Valley on May 2, 2018, to review compliance with BBC laws and regulations and found multiple violations. I attended along with Bureau personnel.

5. I found that, among other things, Orange Valley is collecting monies from students for educational programs without actually offering instruction in those programs. Instead, Orange Valley appears to be falsifying time cards, and thus, falsely certifying to BBC that students have completed the BBC required training hours and curriculum when they have not completed such training. This practice is known by BBC as "selling hours". BBC has informed the Bureau that it will not be processing exam applications from Orange Valley students due to BBC's belief that Orange Valley is "selling hours" and not providing the required training hours and curriculum to students. As such, Orange Valley students and prospective students have and will continue to lose money by paying Orange Valley for education and training without being able to then sit for the BBC license exam using Orange Valley education.

6. Based on BBC's investigation, BBC is not processing pending applications for Orange Valley students, and we have informed the Bureau of same.

I declare under penalty of perjury under the laws of the State of California that the above statements are true and correct of my personal knowledge.

Executed this 6th day of July 2018 at Sacramento, California.

  
HEATHER BERG