

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

In the Matter of the Statement of Issues Against:

UNIVERSAL COLLEGE OF BEAUTY, INC.

Institution Code: 1920961

Case No.: 1006752

OAH Case No.: 2021100444

Respondent.

DECISION AND ORDER

The attached Proposed Decision of the Administrative Law Judge is hereby accepted and adopted by the Director of the Department of Consumer Affairs as the Decision in the above-entitled matter.

This Decision shall become effective on March 25, 2023.

It is so ORDERED February 16, 2023.

"Original Signature on File"

RYAN MARCROFT

DEPUTY DIRECTOR, LEGAL AFFAIRS DIVISION
DEPARTMENT OF CONSUMER AFFAIRS

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FOR THE BUREAU FOR PRIVATE POSTSECONDARY
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Respondent.

Agency No. 1006752

OAH No. 2021100444

PROPOSED DECISION

Howard W. Cohen, Administrative Law Judge (AU), Office of Administrative Hearings (OAH), State of California, heard this matter on December 13, 2022, by video and teleconference.

Elaine Yan, Deputy Attorney General, appeared on behalf of complainant Deborah Cochran, Chief, Bureau for Private Postsecondary Education (Bureau), Department of Consumer Affairs, State of California.

Respondent Universal College of Beauty, Inc. (Universal College of Beauty) appeared through owner and Executive Director Kenneth Williams (Mr. Williams) and owner Belinda Williams.

Oral and documentary evidence was received. The record was closed and the matter was submitted for decision on December 13, 2022.

On January 10, 2023, the AU ordered the record reopened in order to mark and admit into evidence documents the parties filed after the record closed .

(a) Respondent filed a cover letter to OAH accompanied by emails between Mr. Williams and the National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS) dated December 13, 2022, and the complete February 27, 2019 accreditation letter from NACCAS to respondent, with all the enclosures; the cover letter, emails and NACCAS letter with attachments were marked, collectively, as exhibit E.

(b) Complainant filed a letter in opposition to respondent's filing; the opposition letter was marked as exhibit 21.

(c) Respondent filed a letter in reply to complainant's opposition letter, again accompanied by the February 27, 2019 NACCAS letter, with attachments, and also accompanied by a letter from the California Board of Barbering and Cosmetology, dated December 22, 2022. The reply letter and accompanying documents were marked, collectively, as exhibit F.

Exhibits E, F, and 21 were deemed moved into evidence and admitted .

Also on January 10, 2023, the AU ordered that respondent file with OAH and serve on complainant, on or before January 23, 2023, a copy of the "Application for

Change of Ownership for Universal College of Beauty" referred to in the December 22, 2022 letter from the Board of Barbering and Cosmetology (ex. F), and any other document from that board identifying the current owners of Universal College of Beauty. The AU ordered that complainant could file an objection or response by January 30, 2023.

Respondent timely filed the documents the AU ordered; they were collectively marked for identification as exhibit G. Complainant filed no objection or response to those documents. Ex. G was deemed moved into evidence and admitted.

The record closed and the matter was submitted on January 30, 2023.

In a separate protective order, the AU on his own motion sealed portions of exhibit G.

FACTUAL FINDINGS

Jurisdiction

1. On November 20, 1991, the Bureau granted full approval for Universal College of Beauty to operate an accredited institution under Institution Code number 1920961. The full approval expired on January 31, 2020. According to the Bureau's records, John C. Williams was the owner and Executive Director of Universal College of Beauty when the Bureau granted the approval.

2. On February 4, 2020, the Bureau received a new Application for Approval to Operate an Accredited Institution (Application for Approval to Operate) from Universal College of Beauty. On January 30, 2020, Universal College of Beauty certified under penalty of perjury to the truthfulness of all statements, answers, and

representations in the application. The Bureau denied the application on April 15, 2021.

3. In a letter dated May 3, 2021, from "Kenneth Williams, President," respondent requested an administrative hearing to challenge the Bureau's denial of the Application for Approval to Operate.

4. Complainant signed and filed a Statement of Issues dated September 30, 2021. The Statement of Issues set forth three causes for the denial of respondent's application:

a. Respondent's Application for Approval to Operate was incomplete in that it lacked correct information for, and original signatures from, respondent's owners (citing Ed. Code, § 94887, and Cal. Code Regs., tit. 5, § 71390, subds. (a) & (c)(3));

b. Respondent failed to provide the Bureau with information from respondent's accrediting agency required for obtaining the Bureau's approval to operate (citing Ed. Code, § 94887, and Cal. Code Regs., tit. 5, § 71390, subd. (b)); and

c. Respondent failed to pay certain fees (citing Ed. Code, § 94887, and Cal. Code Regs., tit. S, § 74006, subd. (b)).

5. This hearing was originally set to take place on March 15, 2022. On complainant's motion, due to an essential witness's unavailability, OAH continued the hearing to April 5, 2022. On complainant's motion, to allow respondent time to obtain documents from NACCAS, which was scheduled to meet in late May 2022, OAH continued the hearing to July 12, 2022. On respondent's motion, to allow respondent

additional time to obtain documents from NACCAS, OAH continued the hearing to December 13, 2022. This hearing ensued.

The Bureau's Response to the Application for Approval to Operate

6. Ashley Piper, a Staff Service Analyst for the Bureau since 2017, and a Licensing Office Technician from 2015 to 2017, testified that she was responsible for processing respondent's application. Ms. Piper's duties include reviewing and processing applications for accredited institutions for substantive and non-substantive changes, certifying licensing certificates, investigating student complaints, and monitoring unlicensed activity, all with the primary objective of protecting consumers.

7. The Bureau's regulations require that an institution supply the Bureau with verification of accreditation by an accrediting agency recognized by the Department of Education in order for the Bureau to issue an approval to operate as an accredited institution. (Cal. Code Regs., tit. 5, § 71390, subd. (b); see also § 71480, subd. (d) [renewal applications]). The Department of Education recognizes NACCAS as a national accrediting agency.

8. To verify its accreditation, respondent was required to submit to the Bureau documentation from NACCAS confirming the period of accreditation, the name of the institution, all of the institution's addresses, its ownership structure, all of its programs, including hours and credits offered, information about the type of degree or certification students may achieve, whether programs operate on the quarter or semester system, and the term of accreditation. (Ex. 20, pp. A72-A73.)

9. The Bureau relies on this information when determining whether to issue an approval. If an institution fails to provide proof of accreditation or other required documentation to the Bureau, the application is considered incomplete. (Cal Code

Regs., tit. 5, § 71400; see also § 71480, subd. (i) [incomplete application for renewal renders institution ineligible].)

10. On February 4, 2020, the Bureau received respondent 's Application for Approval to Operate from Loretta Williams, John Williams' wife (and Kenneth Williams's stepmother). The application identified respondent's owners of 25 percent or more of the stock as David Rice, Chief Financial Officer (50 percent), and Kenneth Williams, President and Chief Executive Officer (49 percent). Loretta Williams enclosed with the application a check and a one-page accreditation letter from NACCAS dated February 27, 2019. (Ex. 3.) The NACCAS letter identifies five enclosures, comprising attachments A, B, C, and R, and a Certificate of Accreditation. Loretta Williams did not include those enclosures in her application to the Bureau.

11. In its accreditation letter, NACCAS stated it had:

acted to renew accreditation for a period of four (4) years. The renewal term was reduced to four (4) years as the institution received four (4) limitations on the day of the on-site evaluation. Of the four (4) limitations, three (3) were associated and two (2) were considered critical. The institution's expected anniversary date for renewal of accreditation is scheduled for January 2023. Additionally, the Commission acted to place the institution on low outcomes monitoring for graduation (Standard 1, Criterion 5). Please refer to Attachment A for details regarding the monitoring process.

(Ex. 3, p. A32.)

12. According to Ms. Piper, the limitations NACCAS imposed on respondent indicate NACCAS identified certain issues for respondent to correct. For example, the accreditation letter states, "low outcomes monitoring Please refer to Attachment A." (Ex. 3, p. A32.) Ms. Piper testified that the Bureau would consider details about the instructions from the accreditor, the accreditor's monitoring activities, and actions the institution is taking to remedy the issues in deciding whether to grant respondent's application.

13. Ms. Piper concluded from her review of respondent's documents that the application lacked information sufficient for approval. Without the missing information, for example, the Bureau was unable to ascertain which of respondent's programs to approve.

14. The Bureau did not deny the application upon receipt, however. Instead, on February 28, 2020, Ms. Piper mailed a deficiency letter to Loretta Williams, the contact person listed on the application. The deficiency letter stated that Loretta Williams failed to include the NACCAS letter's enclosures, failed to identify the names of courses, and failed to specify whether the programs were on a semester or quarter basis. The deficiency letter also stated the application did not include an original signature of respondent's owner of record, John Williams.

15. The deficiency letter also noted respondent did not submit with its application a Student Tuition Recovery Fund (STRF) assessment, due quarterly. Ms. Piper testified, however, that respondent has paid all fees due through the hearing date. This decision shall reflect, therefore, that the third cause for denial, based on the nonpayment of fees, is dismissed. (See Factual Finding 4, *ante*.)

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16. Ms. Piper allowed respondent until March 28, 2020, to correct the deficiencies. (Ex. 4.)

17. By email on April 1, 2020, Loretta Williams responded to Ms. Piper's deficiency letter and explained the reasons for the delayed response :

The Corporation underwent a change of ownership in early February, 2020 due the death of John C. Williams, President and 100% shareholder. Legal issues caused a delay in selecting shareholders. The new shareholder is now in place. We were in process of notifying NACCAS and gathering signatures for the documents when the corona virus pandemic occurred. NACCAS is now closed and is not accepting anything but essential documents. Due to our concern for our student, staff and community, this institution closed and may reopen on April 30, 2020 if the stay at home order is lifted by local and state officials. The 4th quarter 2019 STRF was submitted. You will be sent a copy of this confirmation. We are requesting an extension until May 1, 2020 to comply with BPPE requests. It is my hope that in view of the extraordinary circumstances, that our request will be approved. Loretta Williams CAO.

(Ex. 5.)

18. Ms. Piper granted the requested extension. (Ex. 6.)

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19. On August 21, 2020, Ms. Piper sent an email to Kenneth Williams, stating that three weeks earlier she spoke about the status of respondent's application with Loretta Williams. Loretta Williams told her,

the institution was undergoing [a] change in ownership in February (We have yet to receive an application for a change in ownership) and that the missing signatures for completing the Approval application were taking time. Additionally in my deficiency letter dated February 28, 2020 additional items missing from the [accreditation] Renewal letter from NACCAS are: list of approved locations, ownership levels and percentages, and approved programs.

(Ex. 7.)

20. Ms. Piper testified that the Bureau cannot approve an application without correct ownership information. She addressed the proposed change in ownership in an email to Loretta Williams. (She also referred to "change-in-method applications" Kenneth Williams had submitted to the Bureau.)

With the change in Method applications that were submitted, Kenneth Williams is listed as 49% owner. This does not match Bureau records which list John C. Williams as 100% owner. The institution must submit a change in ownership application to have the current ownership properly recorded.

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Additionally, the institution did not submit an approval from NACCAS regarding temporary approval for distance education. This is required to implement a change.

Please provide me with an update on the status of the institution and when we can expect to receive the required information for processing the 3 pending applications.

(Ex. 7.)

21. On August 21, 2020, the same day Ms. Piper sent her email to Loretta Williams, the Bureau received from Loretta Williams a copy of pages 1 and 4 of a five-page application for change of ownership signed on March 6, 2020. The form application represents that, as of March 6, 2020, Loretta Williams was respondent's contact person and that respondent's ownership was allocated as follows: David Rice {50 percent), Kenneth Williams (49 percent), and Loretta Williams (one percent). {Exs. 8 & 9.)

22. In another deficiency letter dated September 29, 2020, Bureau Licensing Analyst Kimberly Harris responded to Loretta Williams regarding the change in ownership application. Licensing Analyst Harris wrote that:

{a) Respondent did not include any document from NACCAS approving the ownership change;

{b} Loretta Williams had only sent the Bureau two pages of the five-page change-of-ownership application; and

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{c) The Bureau required documentation reflecting that the Board of Barbering and Cosmetology, which also licenses respondent, approved the ownership change. (Ex. 10.)

23. Licensing Analyst Harris asked Loretta Williams to resubmit the change-in-ownership application and to provide the requested documents by October 29, 2020.

24. On January 4, 2021, Licensing Analyst Harris emailed Loretta Williams to say that she had not received any response to the September 29, 2020 deficiency letter, despite the October 29, 2020 deadline for submission of documents. Licensing Analyst Harris extended the deadline for a response to January 15, 2021, to allow respondent "to avoid a denial of this application" for a change of ownership. (Ex. 11, pp. A45-A46 .)

25. By email on January 13, 2021, Loretta Williams asked Licensing Analyst Harris to resend the deficiency letter to a different email address, noting that "[w]e have been closed since March 14, 2020." (Ex. 11, p. A44.) Licensing Analyst Harris sent another copy of the deficiency letter to Loretta Williams on January 14, 2021. (Ex. 11, p. A43.)

26. The next day, on January 15, 2021, Kenneth Williams, identifying himself as respondent's president, emailed Licensing Analyst Harris. "I'm trying to correct the transfer of ownership for our school. Loretta Williams has previously sent in the application of which she cannot locate at this time. If you would be so kind, please send me that copy so I may correct it asap, then you will be able to get us off of your desk. Please know I('m) sorry for this." (Ex. 15, p. AS6.)

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27. Ms. Piper sent an email to Kenneth Williams on February 5, 2021 regarding respondent's pending license and change-of-owner applications. She wrote that the license application "is at risk of being denied as we have still yet to receive the proper documents needed for completion." (Ex. 12.) Reciting the history of extensions the Bureau granted respondent, Ms. Piper wrote that "I need to know where you are at in the process of supplying the Bureau with documentation" needed to complete the Application, the change of method applications, and the change of ownership application. (*Ibid*) "I will need an update from you before Friday February 12, 2021 before I move forward with denials for these applications." (*Ibid*)

28. Ms. Piper spoke with Kenneth Williams on February 9, 2021, and sent him a confirming email the same day. In her email, Ms. Piper reiterated that the Application for Approval to Operate, the change-of-ownership application, and the two change-of-method applications were incomplete. "All of them are being upheld because we do not have the correct ownership information on file. *I need you to focus on this [change-of-ownership} application first*" (Ex. 13, p. A49, italics in original.) For the change-of-ownership application, Ms. Piper reiterated that the Bureau needed all five pages of the application, with original signatures, and documentation of approval for the ownership change both from NACCAS and from the Board of Barbering and Cosmetology.

29. As for the Application for Approval to Operate, Ms. Piper wrote in her email that the approval "cannot be completed until the ownership information is resolved." (Ex. 13, p. A49.) Also still required for processing the Application for Approval to Operate were the owners' original signatures and the enclosures to the NACCAS accreditation letter.

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30. On February 9, 2021, Kenneth Williams emailed Ms. Piper and identified himself as respondent's contact person and custodian of records. He wrote, "all corrections are now being processed. Will update you in a very timely basis." (Ex. 14.)

31. A week later, on February 16, 2021, Licensing Analyst Harris emailed Kenneth Williams regarding the change-in-ownership application. She wrote, "if the items are not received in our office by Friday, February 26, 2021, I will be moving forward with a denial of this application." (Ex. 15, p. A54.)

The Bureau's Denial of Respondent's Applications

32. By letter dated March 22, 2021, addressed to John C. Williams, then still the owner of record, the Bureau notified respondent it was denying the change-of-ownership application due to respondent's failure to provide required documents. (Ex. 16.)

33. By letter dated April 15, 2021, addressed to John C. Williams, the Bureau notified respondent it was denying the Application for Approval to Operate due to respondent's failure to provide the required documents. (Ex. 17, p. A62.)

Subsequent Documentation and Communications

SHORTLY BEFORE THIS HEARING

34. Shortly before this hearing, Kenneth Williams and his wife, Belinda Williams, sent to NACCAS an application for change of ownership, signed on December 2, 2022, and amended on December 6, 2022.

35. NACCAS responded with a letter to Kenneth Williams, dated November 10, 2022, regarding a "Process: Non-substantive to Substantive Change of Ownership -

Previously Deferred." In the letter, NACCAS notified Kenneth Williams "that the Commission acted to approve the change listed below" (Ex. A, pp, 83-B10.) The "change listed below" that NACCAS referred to was a change in respondent's ownership, from owners Loretta Williams (51 percent) and Kenneth Williams (49 percent) to owners Kenneth Williams (74.5 percent) and Belinda Williams (25.5 percent). (*Ibid*)

36. By letter dated December 3, 2022, Kenneth Williams wrote the Bureau to identify the "new ownership," specifically , Kenneth Williams and Belinda Williams. He added that NACCAS had not yet sent respondent the enclosures to the February 2019 accreditation letter, which the Bureau had repeatedly requested. (Ex. C, p. B21.)

37. Ms. Piper testified that as of the date of this hearing, the Bureau still had not received those enclosures. (See ex. A, pp. 813-B14.) Nor had Kenneth Williams sent the Bureau documentation from the Board of Barbering and Cosmetology approving the ownership change.

38. Kenneth Williams testified he requested from NACCAS another copy of the accreditation letter with the enclosures. He did not make the request earlier because, until the school reopened after the pandemic, respondent did not understand he had to continue to pursue the approval to operate. In response to his request, NACCAS sent a letter with enclosures pertaining, not to respondent, but to a different school. The letter confirmed respondent is accredited through January 31, 2023, and stated that NACCAS was still reviewing the school's financial information before approving accreditation beyond January 31, 2023. Mr. Williams informed NACCAS of its forwarding the wrong enclosures and asked for the correct enclosures.

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AFTER THE RECORD CLOSED AT THE END OF THE HEARING

39. After the record closed at the end of the hearing, respondent filed with OAH and served:

(a) The February 27, 2019 accreditation letter from NACCAS to respondent, with all the enclosures (ex. E); and

(b) A letter from the Board of Barbering and Cosmetology, dated December 22, 2022, to Kenneth Williams, acknowledging receipt of and approving respondent's application for a change of ownership, which the Bureau had also requested (ex. F). But the letter *did not identify the owners*.

40. In response to respondent's filing , in a letter dated December 16, 2022, complainant wrote,

The first cause for denial in the Statement of Issues alleges that Respondent's Application is deficient because it did not include the correct information for the owners of the institution. The [Bureau's] current records show Respondent's owner of record to be John C. Williams. According to [respondent], Ken Williams and Belinda Williams are Respondent's current owners. (See Exhibit A, p. B3.) Before the Bureau can grant approval for Respondent to operate an accredited institution, the Bureau must first approve Respondent's change of ownership Before approving the change of ownership, the Bureau requires confirmation that the Board of Barbering and Cosmetology ... has approved Respondent's ownership change. (See

Education Code section 94838 and section 94894, subsection {b}.) Complainant informed Respondent of this requirement [several times]. [Citation to exhibits omitted.]

As of the date of this filing, Complainant has not received confirmation or documentation showing [the Board of Barbering and Cosmetology's] approval of Respondent's ownership change.

(Ex. 21, pp. A75-A76.)

AFTER THE ALJ REOPENED THE RECORD

41. After the AU reopened the record, respondent filed with OAH and served:

(a) A December 14, 2022 letter from the Bureau, stating the Bureau cannot grant approval for a change of ownership without receiving a copy of documentation showing the Board of Barbering and Cosmetology 's approval of the change. "Upon approval from the Board of Barbering and Cosmetology, please forward a copy of the approval to the Bureau; the Bureau will then issue a final approval for a change in ownership." (Ex. G, p. 838.)

(b) A copy of the application for change of ownership respondent sent to the Board of Barbering and Cosmetology, which that board approved. The application included supporting documentation identifying the owners as Kenneth Williams, President, and Belinda Williams, Vice President, and identifying the previous owner as John Williams, deceased. {Ex. G, p. 826-B37, B39-B51.)

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Additional Evidence

42. Kenneth Williams and Belinda Williams both testified about respondent's history as a Black family-owned institution providing non-degree career-training opportunities for women. Mr. Williams's grandmother opened the school originally many decades ago. NACCAS first accredited respondent in 1979, they testified, and no similar school has better licensure rates for its graduates. Since the school's spring 2022 reopening after closing for the pandemic in April 2020, respondent's one-year program has graduated 13 students, eight of whom now have licenses. There is no evidence on this record of any student complaints against respondent.

43. Mr. Williams testified that respondent never had a problem with the Bureau until his father died in April 2019, leaving Loretta Williams in charge. Loretta Williams did not properly attend to the paperwork required for a change of ownership and the Application for Approval to Operate. Belinda Williams testified Loretta Williams never gave her or Mr. Williams the attachments to the NACCAS letter.

44. Both Kenneth and Belinda Williams testified that their efforts to obtain and provide the Bureau with complete documentation have been hampered by the pandemic, which forced respondent to close for two years, in addition to John Williams's death and Loretta Williams' failure to properly deal with paperwork. Mr. Williams was also busy opening a new school in Inglewood, which he had to close due to this situation. Mr. Williams believes the Bureau should approve the application because, throughout respondent's closure, NACCAS did not rescind respondent's accreditation. Belinda Williams testified NACCAS visited respondent in September 2022, and respondent is expecting renewed accreditation. She testified it breaks her heart to think the Bureau might close respondent, which would devastate its students.

She testified there are few Black-owned schools in the area that educate students on caring for Black people's hair.

LEGAL CONCLUSIONS

Legal Authority

1. The Bureau is responsible for regulating private postsecondary educational institutions. Protection of the public is its highest priority. (Ed. Code, § 94875.)

2. A "private postsecondary educational institution" is "a private entity with a physical presence in this state that offers postsecondary education to the public for an institutional charge." (Ed. Code, § 94858.) "Postsecondary education" is "a formal institutional educational program whose curriculum is designed primarily for students who have completed or terminated their secondary education ... , including programs whose purpose is academic, vocational, or continuing professional education." (Ed. Code, § 94857.) "To offer to the public" means "to advertise, publicize, solicit, or recruit." (Ed. Code, § 94868.) "To operate means "to establish , keep, or maintain any facility or location in this state where, or from which, or through which, postsecondary educational programs are provided." (Ed. Code, § 94869.)

3. All private postsecondary educational institutions must obtain an approval to operate from the Bureau, unless exempted. (Ed. Code, § 94886.) The Bureau shall not grant an approval to operate until an applicant "has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum

operating standards. The bureau shall deny an application for an approval to operate if the application does not satisfy those standards." (Ed. Code, § 94887.)

4. The Bureau has adopted regulations setting those minimum operating standards to ensure institutions operate in compliance with all applicable laws. (Ed. Code, § 94885, subd. (a)(9).)

5. Accredited institutions seeking approval to operate must complete an "Application for Approval to Operate an Accredited Institution" form application. (Cal. Code Regs., tit. 5, § 71390, sub d. (a).) The institution must submit the application to the Bureau with a certified copy of current verification of accreditation granted by its accrediting agency and an application fee. (Cal. Code Regs., tit. 5, § 71390, subd. (b).) The application must provide the Bureau with certain specified information. It must include the name, address, email address, and telephone number of the institution, of the contact person, of each person who owns or controls 25 percent or more of the stock in the institution, and of each officer and each person who exercises substantial control over the institution's management, and it must include the social security number for each individual owner. (Cal. Code Regs., tit. 5, § 71390, subd. (c).) It must be signed under penalty of perjury by each person who owns or controls 25 percent or more of the stock. (Cal. Code Regs., tit. 5, § 71390, subd. d.)

6. An ownership change is a substantive change to an approval to operate requiring prior authorization from the Bureau. (Ed. Code, §§ 94838, 94893, 94896, item (b)).

7. An institution must pay an annual fee in addition to other applicable fees. (Cal. Code Regs., tit. 5, § 74006, subd. (b).)

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Cause for Denial of Application

8. Cause does not exist to deny respondent's Application for Approval to Operate under Education Code section 94887 and California Code of Regulations, title 5, section 71390, subdivisions (a) and (c)(3), on the grounds that the application was incomplete in that it lacked correct information for, and original signatures from, respondent's owners, as set forth in Factual Findings 8 through 44.

9. Cause does not exist to deny respondent's Application for Approval to Operate under Education Code section 94887 and California Code of Regulations, title 5, section 71390, subdivision (b), on the grounds that respondent failed to provide the Bureau with a letter from respondent's recognized accrediting agency, as set forth in Factual Findings 8 through 44.

10. Cause does not exist to deny respondent's Application for Approval to Operate under Education Code section 94887 and California Code of Regulations, title 5, section 74006, subdivision (b), on the grounds that respondent failed to pay the institution's 2020 annual fee and subsequent late fee, as set forth in Factual Findings 8 through 44.

11. Respondent's delay in providing the Bureau with requested information was to a large degree justified by, among other things, the death of the owner of record, John William, Loretta Williams' s inability to satisfy the paperwork requirements regarding the change of ownership and the Application for Approval to Operate, Kenneth Williams's attention being diverted by the operation of another location, and, due to the COVID-19 pandemic, both respondent's long closure and processing delays at NACCAS.

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12. The Bureau, which granted repeated extensions, made generous efforts to work with respondent and allow it to provide the information required for licensure. {Factual Findings 8-41.)

13. But though respondent's delay in completing its paperwork was problematic, the equities do not support shutting the school down now that the Bureau has received all the paperwork it requested. Because the Statement of Issues alleged no grounds for denying the application other than respondent's failure to produce that paperwork for the Bureau's review, and complainant reiterated during and after the hearing that the only basis for denying the application was that the Bureau still had not, as of the time of hearing, received the supporting documentation (see, e.g., Factual Finding 40), the Statement of Issues will be dismissed.

ORDER

The application of respondent Universal College of Beauty, Inc. for approval to operate an accredited institution is granted.

DATE: **02/07/2023**

"Original Signature on File"

Howard W. Cohen (Feb 7, 2023 18:22 PST)

HOWARD W. COHEN

Administrative Law Judge

Office of Administrative Hearings