



Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Michael Souza
The Real Barbers College
528 West Lincoln Avenue
Anaheim, CA 92805

INSTITUTION CODE: 3012981
CITATION NUMBER: 1516043
CITATION ISSUANCE/SERVICE DATE: November 6, 2015
DUE DATE: December 5, 2015
FINE AMOUNT: \$7,651.00
ORDER OF ABATEMENT INCLUDED: YES

Elainea Shotwell issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Enforcement Chief of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Michael Souza, Owner of The Real Barbers College located at 528 West Lincoln Avenue, Anaheim, CA 92805 pursuant to Business and Professions Code section 125.9; California Education Code (CEC) section 94936; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

VIOLATION

Table with 2 columns: # and description of violation. Row 1: 1. Violation: CEC - 94911 (e)(2) Minimum requirements for Enrollment Agreement. Row 2: # and description of law violated.

The Enrollment Agreement does not contain the institution's refund policy and the statement that "if the student has received federal student financial aid funds, the student is entitled to a refund of moneys not paid from federal student financial aid program funds."

**Order of Abatement:**

The Bureau orders that the institution update and submit an Enrollment Agreement in compliance with CEC 94911(e)(2).

**Assessment of Fine**

The fine for this violation is \$1,100.00

2. **Violation:**

5, CCR 71800 (b) - Enrollment Agreement

*"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: (b) Period covered by the enrollment agreement."*

The Enrollment Agreement does not list the period covered as required by 5, CCR 71800 (b).

5, CCR 71800 (e)(3-5) - Enrollment Agreement

*"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; (4) lab supplies or kits; (5) Textbooks, or other learning media;"*

CEC 94911(c) Minimum Requirements for Enrollment Agreements

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

*(c) In underlined capital letters on the same page of the enrollment agreement in which the student's signature is required, the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment."*

The Enrollment Agreement does not itemize institutional charges for equipment, lab supplies or kits and text books as required by 5, CCR 71800 (e)(3-5) and CEC 94911 (c).

**Order of Abatement:**

The Bureau orders that the institution provide an updated Enrollment Agreement in compliance with 5, CCR 71800 (b); (e)(3-5) and CEC 94911 (c). Submit written evidence of compliance to the Bureau

**Assessment of Fine**

The fine for this violation is \$500.00

3. **Violation:**

CEC- 94930.5 (d)(1)(A) – Fee Schedule

*"Subject to Section 94930, an institution shall remit to the bureau for deposit in the Private Postsecondary Education Administration Fund the following fees, in accordance with the following 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 institutional fee, in an amount equal to three-quarters of 1 percent of the institution's annual revenues derived from students in California, but not exceeding a total of twenty-five thousand dollars (\$25,000) annually."

CEC- 94931 (b) – 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."

On 3/3/14, the Bureau mailed invoice #900300698 to the institution for the 2014 Annual Institutional Fee with a payment due date of 4/1/14.

On 5/19/14, the Bureau mailed a delinquency notice to the institution stating that the Annual Institutional Fee has not been received and is now subject to the late fee.

The Institution failed to pay their 2014 Annual Institutional Fee on or before the 90<sup>th</sup> calendar day after the due date of payment as required by CEC 94931 (b).

**Order of Abatement:**

The Bureau orders that the institution pay their 2014 Annual Institutional Fee and the 35% late payment fee on the 2014 Annual Institutional Fee in compliance with CEC 94930.5 (d)(1)(A) and CEC 94931 (b).

**Assessment of Fine**

The fine for this violation is \$2,500.00

4. **Violation:**

5, CCR 71720 (b)(1) – Faculty

"(b) Instructors in an Educational Program Not Leading to a Degree. 1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are equivalent to the minimum qualifications."

The institution employs two instructors, E.H. and R.M., who both received their original licenses in 2013. They do not meet the minimum three years' experience required by 5, CCR 71720 (b)(1).

**Order of Abatement:**

The Bureau orders that the institution review all faculty qualifications; ensuring that they meet the minimum three years of experience required by 5, CCR 71720 (b)(1). Provide the Bureau with a written summary of how each faculty member qualifies.

**Assessment of Fine**

The fine for this violation is \$1,500.00

5. **Violation:**

5, CCR 71720 (b)(2) - Faculty

"(2) Each instructor shall maintain their knowledge by completing continuing education courses in his or her subject area, classroom management or other courses related to teaching."

CEC 94900.5 (b) - Required Institutional Records

*"An institution shall maintain, for a period of not less than five years, at its principal place of business in this state, complete and accurate records of all of the following information:*

*(b) The names and addresses of the members of the institution's faculty and records of the educational qualifications of each member of the faculty."*

The institution's faculty files did not contain any proof of completed continuing education courses as required by 5, CCR 71720 (b)(2) and CEC 94900.5(b).

**Order of Abatement:**

The Bureau orders that the institution provide the Bureau with a detailed description of how the institution will maintain proof of completed instructor continuing education courses according to 5, CCR 71720 (b)(2) and CEC 94900.5 (b). Submit written evidence of compliance to the Bureau.

**Assessment of Fine**

The fine for this violation is \$1,500.00

6. **Violation:**

5, CCR 71810(b)(1) - Catalog

*"(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following: (1) The specific beginning and ending dates defining the time period covered by the catalog;"*

The School Catalog lists 2013-2014 but does not list specific beginning and end dates defining the time period covered by the catalog as required by 5, CCR 71810 (b)(1).

**Order of Abatement:**

The Bureau orders that the institution provide an updated School Catalog in compliance with 5, CCR 71810 (b)(1). Submit written evidence of compliance to the Bureau.

**Assessment of Fine**

The fine for this violation is \$50.00

7. **Violation:**

5, CCR 71930 (d) - Maintenance of Records

*"(d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets."*

On 6/11/14, Bureau staff visited The Real Barbers College located at 528 West Lincoln Avenue Anaheim, CA and met with Financial Aid Officer, T.M. Bureau staff observed student files in multiple cardboard boxes on the floor of the financial aid office in violation of 5, CCR 71930 (d).

**Order of Abatement:**

The Bureau orders that the institution store records in an acceptable manner secure from damage or loss in compliance with 5, CCR 71930 (d). Submit written evidence of compliance to the Bureau.

	<p><b><u>Assessment of Fine</u></b>  The fine for this violation is <b>\$501.00</b></p>
<p><b>TOTAL ADMINISTRATIVE FINE DUE: \$7,651.00</b></p>	

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR Sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$7,651.00** for the violations described above.

**Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

ORDER OF ABATEMENT

In accordance with the provisions of CEC Section 94936 and 5, CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

BACKGROUND

On 6/11/14, Bureau staff visited The Real Barbers College located at 528 West Lincoln Avenue Anaheim, CA and found that the Enrollment Agreement does not contain the institution's refund policy and a statement that "if the student has received federal student financial aid funds, the student is entitled to a refund of moneys not paid from federal student financial aid program funds." The Enrollment Agreement does not list the time period covered and does not itemize institutional charges for equipment, lab supplies or kits and text books.

On 3/3/14, the Bureau mailed invoice #900300698 for the Annual Institutional Fee with a payment due date of 4/1/14 to the institution

On 5/19/14, the Bureau mailed a delinquency notice to the institution stating that the Annual Institutional Fee has not been received and is now subject to the late fee.

The Institution failed to pay their 2014 Annual Institution Fee on or before the 90<sup>th</sup> calendar day after the due date of payment and the 35% late payment fee.

The institution employs two instructors, E.H. and R.M., who both received their original licenses in 2013. They do not meet the minimum three years' experience required. Additionally, the institution's faculty files did not contain any proof of completed continuing education courses.

The School Catalog lists 2013-2014 but does not list specific beginning and end dates defining the time period covered by the catalog.

Bureau met with Financial Aid Officer, T.M. and observed student files in multiple cardboard boxes on the floor of the financial aid office.

### APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by **December 5, 2015**, you will be deemed to have waived or forfeited your right to appeal this matter.

### EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **November 6, 2015**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **December 5, 2015**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

### **Payment of the administrative fine and/or written request for appeal must be mailed to:**

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

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this 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 Citation, or desire further information, please contact Jody Wright, Enforcement Analyst, at 916-431-6940 or [Jody.Wright@dca.ca.gov](mailto:Jody.Wright@dca.ca.gov).



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**Elainea Shotwell**  
**Enforcement Manager**

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**November 6, 2015**  
**Date**

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First Class Mail