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

In the Matter of the Accusation Against:

B & H EDUCATION, INC., dba MARINELLO SCHOOLS OF BEAUTY; DR. RASHED ELYAS, CEO

Approval to Operate Institution Code Numbers 1904681 (6538 Greenleaf Ave., Whittier, CA 90601); 81739886 (663 North Euclid St., Anaheim, CA 92801); 12682618 (3737 Ming Ave., Bakersfield, CA 93309); (continued on attached pages)

Respondent.

Case No. 1001369

ORDER OF DECISION

DECISION

The attached Stipulated Surrender of Approval to Operate 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 JUN 1 0 2016

DATED: May 4, 2016

Deputy Director, Legal Affairs
Department of Consumer Affairs

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Approval to Operate Institution Code Numbers (continued from caption):
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1903091 (4210 East Gage Ave., Bell, CA 90201);

1902481 (200 North San Fernando Blvd., Burbank, CA 91502);

0100341 (2806 Castro Valley Blvd., Castro Valley, CA 94546);

51315880 (2848 Castro Valley Blvd., Castro Valley, CA 94546);

73116841 (2201 Pillsbury Rd., Ste. #160 and 170, Chico, CA 95926);

1904071 (1600 South Azusa Ave., Ste. #244, City of Industry, CA 91748);

55199095 (1849 Willow Pass Road, Ste. #400, Concord, CA 94520);

62178331 (841 Arnele Ave., El Cajon, CA 92020);

72482265 (3117 West Shaw Ave., Ste. #108, Fresno, CA 93711);

0100681 (22641 Main St., Hayward, CA 94541);

3302021 (2627 West Florida Ave., Ste. #100, Hemet, CA 92545);

3001361 (19022 Brookhurst St., Huntington Beach, CA 92646);

1906871 (240 South Market St., Inglewood, CA 90301);

3001231 (23635 El Toro Rd., Ste. #K, Lake Forest, CA 92630);

1905601 (2418 Lomita Blvd., Ste. #B, Lomita, CA 90717);

64417848 (2408 Lomita Blvd., Ste. #A, Lomita, CA 90717);

1906831 (1837 South La Cienega Blvd., Ste. #A, Los Angeles, CA 90035);

33436333 (1801 South La Cienega Blvd., Ste. #301, Los Angeles, CA 90035);

1906841 (1241 South Soto St., Ste. #101, Los Angeles, CA 90023);

3003171 (24741 Alessandro Blvd., Moreno Valley, CA 92553);

46614875 (24757 Alessandro Blvd., Units #1, 2, and 3, Moreno Valley, CA 92553);

99542484 (39449 Los Alamos Rd., Murrieta, CA 92563);

2800131 (2110 Main St., Napa, CA 94559);

3600541 (940 North Mountain Ave., Ontario, CA 91762);

19103599 (938 North Mountain Ave., Ontario, CA 91762);

88680704 (641 West Palmdale Blvd., Palmdale, CA 93551);

1901571 (8527 Alondra Blvd., Ste. #129, Paramount, CA 90723);

37954037 (1560 Market St., Redding, CA 96001);

1904421 (18442 Sherman Way, Reseda, CA 91335);

3404141 (5522 Garfield Ave., Sacramento, CA 95841);

3600391 (721 West 2nd St., Ste. #E, San Bernardino, CA 92410);

3701281 (7550 Miramar Rd., Ste. #400, San Diego, CA 92126-4217);

3800631 (1035 Market St., San Francisco, CA 94103);

55199051 (854 Fourth St., San Rafael, CA 94901);

4300211 (955 Monroe St., Santa Clara, CA 95050);

17872833 (1260 & 1270 Franklin Mall, Santa Clara, CA 95050);

2700921 (1760 Fremont Blvd., Ste. #F-2, Seaside, CA 93955);

1904411 (1125 East Los Angeles Ave., Simi Valley, CA 93065);

14960741 (445 West Weber Ave., Ste. #223, Stockton, CA 95203);

83940807 (14311 Bear Valley Rd., Ste. #101, Victorville, CA 92392);

75914578 (2355 South Mooney Blvd., Visalia, CA 93277); and

1904671 (166 Plaza Dr., West Covina, CA 91790).

1 2	Kamala D. Harris Attorney General of California THOMAS L. RINALDI		
3	Supervising Deputy Attorney General HEATHER VO Deputy Attorney General State Bar No. 223418		
4			
5	300 So. Spring Street, Suite 1702 Los Angeles, CA 90013		
6	Telephone: (213) 897-2574		
7	Facsimile: (213) 897-2804 Attorneys for Complainant		
8	BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS		
9	FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION STATE OF CALIFORNIA		
10			
11	In the Matter of the Accusation Against:	Case No. 1001369	
12	B & H EDUCATION, INC., dba	Case 140, 1001303	
13	MARINELLO SCHOOLS OF BEAUTY; DR. RASHED ELYAS, CEO	CONTROL A MED CURRENTED OF	
14		STIPULATED SURRENDER OF APPROVAL TO OPERATE AND	
15	Approval to Operate Institution Code Numbers 1904681 (6538 Greenleaf Ave.,	ORDER	
16	Whittier, CA 90601); 81739886 (663 North Euclid St., Anaheim, CA 92801); 12682618		
17	(3737 Ming Ave., Bakersfield, CA 93309); (continued on pages 9-10)		
18	Respondent.		
19			
20	IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-		
21	entitled proceedings that the following matters are true:		
22	<u>PARTIES</u>		
23	1. Joanne Wenzel (Complainant) is the Chief of the Bureau for Private Postsecondary		
24	Education. She brought this action solely in her official capacity and is represented in this matter		
25	by Kamala D. Harris, Attorney General of the State of California, by Heather Vo, Deputy		
26	Attorney General.		
27	2. Respondent is representing itself in this proceeding and has chosen not to exercise its		
28	right to be represented by counsel.		
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Elyas are referenced in this Accusation collectively as "Respondent." 4. Approval to Operate Institution Code Numbers and Dates of Issuance

3. The Bureau granted an approval to operate by means of accreditation to forty-five (45) Marinello Schools of Beauty, including Institution Code Numbers 1904681, 81739886, 12682618, 1903091, 1902481, 0100341, 51315880, 73116841, 1904071, 55199095, 62178331, 72482265, 0100681, 3302021, 3001361, 1906871, 3001231, 1905601, 64417848, 1906831, 33436333, 1906841, 3003171, 46614875, 99542484, 2800131, 3600541, 19103599, 88680704, 1901571, 37954037, 1904421, 3404141, 3600391, 3701281, 3800631, 55199051, 4300211, 17872833, 2700921, 1904411, 14960741, 83940807, 75914578, and 1904671. Obtaining approval by means of accreditation requires that the institutions' owner have accreditation through an accrediting agency recognized by the United States Department of Education (USDOE). The listed Marinello Schools of Beauty are owned by B&H Education, Inc. (B&H), a California Corporation. B&H is directed and managed by its CEO, Dr. Rashed Elyas. Unless otherwise stated, the Marinello Schools of Beauty listed in the caption, B&H, and Dr. Rashed The Bureau for Private Postsecondary Education issued the Approval to Operate Institution Code Numbers on the following dates. Unless stated otherwise, each Approval to Operate Institution Code Number was in full force and effect af all times relevant to the charges brought in Accusation No. 1001369 and will expire on April 10, 2019, unless renewed. 1904681 (6538 Greenleaf Ave., Whittier, CA 90601), issued on April 10, 2014; 81739886 (663 North Euclid St., Anaheim, CA 92801), issued on April 10, 2014; 12682618 (3737 Ming Ave., Bakersfield, CA 93309), issued on April 10, 2014; 1903091 (4210 East Gage Ave., Bell, CA 90201), issued on April 10, 2014; 1902481 (200 N. San Fernando Blvd., Burbank, CA 91502) issued on September 23, 2004; 0100341 (2806 Castro Valley Blvd., Castro Valley, CA 94546), issued on July 1, 1997; 51315880 (2848 Castro Valley Blvd., Castro Valley, CA 94546), issued on March 30, 2011; 73116841 (2201 Pillsbury Rd., Ste. #160 &170, Chico, CA 95926), issued on May 2, 2005; 1904071 (1600 S. Azusa Ave., Ste. #244, City of Industry, CA 91748), issued on September 23, 2004;

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55199095 (1849 Willow Pass Rd, Ste. #400, Concord, CA 94520), issued on October 11, 2006;
  1
      62178331 (841 Arnele Ave., El Cajon, CA 92020), issued on April 7, 2010;
  2
      72482265 (3117 West Shaw Ave., Ste. #108, Fresno, CA 93711), issued on October 18, 2011;
  3
      0100681 (22641 Main St., Hayward, CA 94541), issued on May 23, 2005;
  4
      3302021 (2627 West Florida Ave., Ste. #100, Hemet, CA 92545), issued on July 19, 2005;
  5
      3001361 (19022 Brookhurst St., Huntington Beach, CA 92646), issued on January 12, 2006;
  6
      1906871 (240 South Market St., Inglewood, CA 90301), issued on June 1, 1981;
  7
      3001231 (23635 El Toro Rd., Ste. #K, Lake Forest, CA 92630), issued on September 23, 2004;
  8
      1905601 (2418 Lomita Blvd., Ste. #B, Lomita, CA 90717), issued on May 16, 2005;
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      64417848 (2408 Lomita Blvd., Ste. #A, Lomita, CA 90717), issued on March 30, 2011;
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      1906831 (1837 S. La Cienega Blvd., Ste. #A, Los Angeles, CA 90035), issued on November 1,
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                                                                                           1997;
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      33436333 (1801 S. La Cienega Blvd., Ste. #301, Los Angeles, CA 90035), issued on March 30,
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                                                                                           2011;
      1906841 (1241 South Soto St., Ste. #101, Los Angeles, CA 90023), issued on June 1, 1997;
 15
      3003171 (24741 Alessandro Blvd., Moreno Valley, CA 92553), issued on September 23, 2004;
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      46614875 (24757 Alessandro Blvd., Units #1, 2, and 3, Moreno Valley, CA 92553), issued on
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                                                                                 March 30, 2011;
      99542484 (39449 Los Alamos Rd., Murrieta, CA 92563), issued on April 11, 2011;
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      2800131 (2110 Main St., Napa, CA 94559), issued on August 11, 2014;
      3600541 (940 North Mountain Ave., Ontario, CA 91762), issued on October 1, 1997;
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      19103599 (938 North Mountain Ave., Ontario, CA 91762), issued on March 30, 2011;
      88680704 (641 West Palmdale Blvd., Palmdale, CA 93551), issued on April 8, 2010;
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      1901571 (8527 Alondra Blvd., Ste. #129, Paramount, CA 90723), issued on August 24, 2010;
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      37954037 (1560 Market St., Redding, CA 96001), issued on October 31, 2006;
      1904421 (18442 Sherman Way, Reseda, CA 91335), issued on October 1, 1997;
 26
      3404141 (5522 Garfield Ave., Sacramento, CA 95841), issued on July 13, 2004;
27
      3600391 (721 West 2<sup>nd</sup> St., Ste. #E, San Bernardino, CA 92410), issued on June 1, 1997;
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Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

- Respondent admits the truth of each and every charge and allegation in Accusation No. 1001369, agrees that cause exists for discipline and hereby surrenders its Approvals to Operate Marinello Schools of Beauty, Institution Code Numbers 1904681, 81739886, 12682618, 1903091, 1902481, 0100341, 51315880, 73116841, 1904071, 55199095, 62178331, 72482265, 0100681, 3302021, 3001361, 1906871, 3001231, 1905601, 64417848, 1906831, 33436333, 1906841, 3003171, 46614875, 99542484, 2800131, 3600541, 19103599, 88680704, 1901571, 37954037, 1904421, 3404141, 3600391, 3701281, 3800631, 55199051, 4300211, 17872833, 2700921, 1904411, 14960741, 83940807, 75914578, and 1904671 for the Bureau's formal acceptance.
- 10. Respondent understands that by signing this stipulation it enables the Director to issue the order accepting the surrender of its Approvals to Operate without further process.

CONTINGENCY

- This stipulation shall be subject to approval by the Director or the Director's designee. 11. Respondent understands and agrees that counsel for Complainant and the staff of the Bureau for Private Postsecondary Education may communicate directly with the Director and staff regarding this stipulation and surrender, without notice to or participation by Respondent. By signing the stipulation, Respondent understands and agrees that it may not withdraw its agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon it. If the Director fails to adopt this stipulation as the Decision and Order, the Stipulated Surrender and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Director shall not be disqualified from further action by having considered this matter.
- The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Surrender of Approval to Operate and Order, including Portable

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Document Format (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.

- 13. This Stipulated Surrender of Approval to Operate and Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Surrender of Approval to Operate and Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.
- 14. In consideration of the foregoing admissions and stipulations, the parties agree that the Director may, without further notice or formal proceeding, issue and enter the following Order:

ORDER.

IT IS HEREBY ORDERED that Approval to Operate Marinello Schools of Beauty, Institution Code Numbers 1904681, 81739886, 12682618, 1903091, 1902481, 0100341, 51315880, 73116841, 1904071, 55199095, 62178331, 72482265, 0100681, 3302021, 3001361, 1906871, 3001231, 1905601, 64417848, 1906831, 33436333, 1906841, 3003171, 46614875, 99542484, 2800131, 3600541, 19103599, 88680704, 1901571, 37954037, 1904421, 3404141, 3600391, 3701281, 3800631, 55199051, 4300211, 17872833, 2700921, 1904411, 14960741, 83940807, 75914578, and 1904671, issued to Respondent B & H Education, Inc., dba Marinello Schools of Beauty; Dr. Rashed Elyas, CEO, is surrendered and accepted by the Director of the Department of Consumer Affairs.

1. The surrender of Respondent's Approvals to Operate and the acceptance of the surrendered approval by the Bureau shall constitute the imposition of discipline against Respondent. This stipulation constitutes a record of the discipline and shall become a part of Respondent's license history with the Bureau for Private Postsecondary Education and subsequent private postsecondary approving authorities.

- 2. Respondent shall lose all rights and privileges as an Approved Institution in California as of the effective date of the Director's Decision and Order.
- If Respondent ever applies for licensure or petitions for reinstatement in the State of California, the Bureau shall treat it as a new application for Approval to Operate. Respondent must comply with all the laws, regulations and procedures for licensure in effect at the time the application or petition is filed, and all of the charges and allegations contained in Accusation No. 1001369 shall be deemed to be true, correct and admitted by Respondent when the Director determines whether to grant or deny the application or petition.
- Respondent shall comply with California Education Code section 94927.5, including 4. providing the Bureau with all records in a readable electronic format.
- Respondent shall pay the agency its costs of investigation and enforcement in the amount of three thousand six hundred sixty-dollars (\$3,660.00) prior to issuance of a new or reinstated approval to operate.

ACCEPTANCE

I have carefully read the Stipulated Surrender of Approval to Operate and Order. I understand the stipulation and the effect it will have on the Approvals to Operate. I enter into this Stipulated Surrender of Approval to Operate and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Director of the Department of Consumer Affairs.

DATED:	signature page attached
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DR. RASHED ELYAS, CEO B & H EDUCATION, INC., dba MARINELLO SCHOOLS OF BEAUTY Respondent

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- 3. If Respondent ever applies for licensure or petitions for reinstatement in the State of California, the Bureau shall treat it as a new application for Approval to Operate. Respondent must comply with all the laws, regulations and procedures for licensure in effect at the time the application or petition is filed, and all of the charges and allegations contained in Accusation No. 1001369 shall be deemed to be true, correct and admitted by Respondent when the Director determines whether to grant or deny the application or petition.
- 4. Respondent shall comply with California Education Code section 94927.5, including providing the Bureau with all records in a readable electronic format.
- 5. Respondent shall pay the agency its costs of investigation and enforcement in the amount of three thousand six hundred sixty-dollars (\$3,660.00) prior to issuance of a new or reinstated approval to operate.

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I have carefully read the Stipulated Surrender of Approval to Operate and Order. I understand the stipulation and the effect it will have on the Approvals to Operate. I enter into this Stipulated Surrender of Approval to Operate and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Director of the Department of Consumer Affairs.

DATED: 3/10/2016

DR. RASHED BLYAS, CEO

B & H EDUCATION, INC., dba MARINELLO

SCHOOLS OF BEAUTY

Respondent

ENDORSEMENT

The foregoing Stipulated Surrender of Approval to Operate and Order is hereby respectfully submitted for consideration by the Director of the Department of Consumer Affairs.

Dated: Meuch 14, 2016

Respectfully submitted,

KAMALA D. HARRIS Attorney General of California THOMAS L. RINALDI Supervising Deputy Attorney General

Softe Vo

HEATHER VO
Deputy Attorney General
Attorneys for Complainant

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Approval to Operate Institution Code Numbers (continued from caption):
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      1902481 (200 North San Fernando Blvd., Burbank, CA 91502);
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