1	KAMALA D. HARRIS	•				
2	Attorney General of California KENT D. HARRIS					
3	Supervising Deputy Attorney General					
ا "	DAVID E. BRICE Deputy Attorney General					
4	Deputy Attorney General State Bar No. 269443 1300 I Street, Suite 125					
5	P.O. Box 944255					
6	Sacramento, CA 94244-2550 Telephone: (916) 324-8010					
7	Facsimile: (916) 327-8643 E-mail: David.Brice@doj.ca.gov					
8	Attorneys for Complainant					
	BEFORE THE					
9	DEPARTMENT OF CONSUMER AFFAIRS FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION					
10		CALIFORNIA				
11						
12	In the Matter of the Statement of Issues	Case No. 999772				
13	Against:					
14	GIANNI SCHOOL OF BARBERING; JUNIOR A. WILLIAMS, OWNER	STATEMENT OF ISSUES				
15						
16	Applicant for Approval to Operate an Institution Non-Accredited	•				
17	Respondent.					
18	9 30 1 10 10 1					
19	Complainant alleges:					
20	PARTIES					
21	Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official					
22	capacity as the Chief of the Bureau for Private Postsecondary Education, Department of					
23	Consumer Affairs.					
24	2. On or about September 11, 2012, the Bureau for Private Postsecondary Education					
25	received an Application for Approval to Operate an Institution Non-Accredited from Al Jayz					
26	Baber College; Junior A. Williams, Owner (Respondent). The name of the institution was later					
27	changed to Gianni School of Barbering. On or about February 12, 2011, Junior A. Williams					
28						

certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application. The Bureau denied the application on April 14, 2014.

STATUTORY PROVISIONS

- 3. This Statement of Issues is brought before the Director of the Department of Consumer Affairs (Director) for the Bureau for Private Postsecondary Education (Bureau), under the authority of the following laws. All section references are to the Education Code unless otherwise indicated.
 - 4. Section 94875 of the Code provides, in pertinent part:

"In exercising its powers, and performing its duties, the protection of the public shall be the bureau's highest priority. If protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount."

- 5. Section 94885¹ of the Code states:
- "The bureau shall, by January 1, 2011, adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:
 - (a) The content of each educational program can achieve its stated objective.
- (b) The institution maintains specific written standards for student admissions for each educational program and those standards are related to the particular educational program.
- (c) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program's goals.
 - (d) The institution maintains a withdrawal policy and provides refunds.
 - (e) The directors, administrators, and faculty are properly qualified.
- (f) The institution is financially sound and capable of fulfilling its commitments to students.
- (g) That, upon satisfactory completion of an educational program, the institution gives students a document signifying the degree or diploma awarded.
- (h) Adequate records and standard transcripts are maintained and are available to students.

¹ This section has been revised, effective January 1, 2015. The excerpted text was in effect at the time of Respondent's application and was not materially changed by the revisions.

2

3

4

5

6

7

8

9

10

11

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

11

15

21

established by the American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual financial statements as required under generally accepted accounting principles for nonprofit organizations.

- (3) The financial statements shall establish that the institution meets the requirements for financial resources required by Section 71745.
- (4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial statements shall reflect the liability or potential liability.
- (5) Any audits shall demonstrate that the accountant obtained an understanding of the institution's internal financial control structure, assessed any risks, and has reported any material deficiencies in the internal controls.
- (c) Work papers for the financial statements shall be retained for five years from the date of the statements and shall be made available to the Bureau upon request.
- (d) "Current" with respect to financial statements means completed no sooner than 120 days prior to the time it is submitted to the Bureau, and covering no less than the most recent complete fiscal year. If more than 8 months will have elapsed between the close of the most recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than five months of that current fiscal year."

CAUSE FOR DENIAL OF APPLICATION

(Failure to Present Sufficient Evidence of Capacity to Satisfy Minimum Operating Standards)

- 33. Respondent's application is subject to denial under section 94887 of the California Education Code in that Respondent did not present sufficient evidence to the Bureau that Respondent has the capacity to satisfy the minimum operating standards.
- 34. Respondent's "Application for Approval to Operate an Institution Non-Accredited" was received on September 11, 2012, with the application fee. The Bureau issued a deficiency letter on March 22, 2013. On June 12, 2013, the Bureau received a response, and then received supplemental information from Respondent on September 6, October 18, November 8, and November 25, 2013. The Bureau issued a second deficiency letter on December 23, 2013. The Bureau received a response to the deficiency letter on January 23, 2014, and supplemental information on March 10, 2014.

- 35. On April 14, 2014, the Bureau sent Respondent a "Notice of Denial" letter informing him that the application is subject to denial for the following reasons:
 - a. The institution failed to describe the education, experience, and qualifications of the Chief Academic Officer; failed to include an organizational chart that shows the governance and administrative structure of the institution and relationship between faculty and administrative positions; and failed to employ administrative personnel who have the expertise to ensure the achievement of the institution's mission and objectives and the operation of the educational programs all in violation of 5 CCR §§ 71140 and 71730.
 - b. The institution failed to describe in detail its mission and objectives in violation of 5 CCR §§ 70000(q) and (r), 71170 and 71705.
 - c. The institution failed to provide information on how they provide the enrollment agreement, disclosures, and statement to students for whom English is not the primary language and whether recruitment was conducted in a language other than English, in violation of Code Section 94906.
 - d. The institution failed to provide a comprehensible schedule of charges, in violation of Code section 94911(b).
 - e. The institution failed to provide a consistent "Student's Right to Cancel" policy in both the enrollment agreement and the catalog, including the refund policy, in violation of Code sections 94909(a)(8)(B), 94911(e), and 94920(d) and 5 CCR § 71750(b).
 - f. The institution failed to include the transferability disclosure that is required to be included in the school catalog, in violation of Code sections 94909(a)(15) and 94911(h).
 - g. The institution failed to provide information regarding the Ability-to-Benefit examination, in violation of Code section 94904(a) and 5 CCR § 71770(a)(1).
 - h. The institution failed to include a description of the number and qualifications of the faculty needed to teach the education program; and the institution did not include an approval or an intent to approve, from the appropriate licensing agency, all in violation of 5 CCR §§ 71220(c), (f) and 5 CCR § 71720(b)(1).

i. The financial statements submitted by the institution do not demonstrate that
the institution has the ability to maintain sufficient assets and the financial responsibilities
needed to provide the necessary resources for each educational program, ensure that all
students admitted to its educational programs have the reasonable opportunity to complete
the program and obtain their certificates, maintain minimum standards, pay timely
refunds, and pay all operating expenses within 30 days, all in violation of 5 CCR
§§71240, 71745, and 74115.

- j. The institution failed to demonstrate that the instructors 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, in violation of 5 CCR §§ 71250 and 71720(b)(1).
- k. The institution failed to provide an adequate description and acceptable copy of any use, lease, or rental agreement for the facility, in violation of 5 CCR §§ 71260(b) and 71735(a).
- l. The institution failed to provide an adequate description of the facilities that will be used for instruction, in violation of Code section 94909(a)(4) and 5 CCR §§ 71260 and 71735(a).
- m. The institution failed to enter the information required in the statement regarding transferability of credits and used the title "degrees" when the institution does not award degrees, in violation of Code sections 94897(i)(3) and 94909(a)(15).
- n. The institution failed to disclose the policies and procedures for the award of credit for prior experiential learning, in violation of 5 CCR § 71770(c).
- o. The institution failed to provide language proficiency information and whether English language services are provided, and their cost, in violation of 5 CCR § 71810(b)(4).
- p. The institution failed to provide a complete description of the requirements for completion of each program, in violation of Code section 94909(a)(5).

- q. The institution failed to identify that certain fees would be paid to other entities, in violation of 5 CCR § 71800(f).
- r. The institution failed to provide a clear description of charges for a period of attendance, total charges for the entire educational program, and other listed fees, in violation of Code section 94909(a)(9).
- s. The institution failed to provide an adequate description of its instructors' qualifications, in violation of Code section 94909(a)(7) and 5 CCR § 71250.
- t. The institution failed to provide a statement specifying students' obligations with regard to various loans and financial aid funds, in violation of Code sections 94909(a)(11) and 94920(d).
- u. The institution failed to provide a clear attendance policy, in violation of Code section 94909(a)(8)(D).
- v. The institution failed to provide a sufficient probation and dismissal policy, in violation of Code section 94909(a)(8)(C).
- w. The institution failed to provide a comprehensible Leave of Absence policy, in violation of Code section 94909(a)(8)(E).
- x. The institution failed to provide a comprehensible policy on student rights, including the procedure for addressing student grievances, in violation of 5 CCR § 71810(b)(14).
- y. The institution failed to remove information regarding financial aid from their catalog after multiple requests, in violation of Code section 94897(j) and 5 CCR § 71810(b)(6).
- z. The institution listed financial aid information in the catalog when the institution does not offer financial aid, in violation of Code section 94897(j)(2)-(3).
- aa. The institution failed to provide a compliant School Performance Fact Sheet, in violation of Code section 94910 and 5 CCR § 74112.

///

///

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

- 1. Denying the application of Gianni School of Barbering; Junior A. Williams, Owner for a Approval to Operate an Institution Non-Accredited;
 - 2. Taking such other and further action as deemed necessary and proper.

DATED:	 241	15

JOANNE WENZEL

Chief

Bureau for Private Postsecondary Education

Department of Consumer Affairs

State of California Complainant

SA2014116992 11628023.docx