

**MINUTES**  
**BOARD OF PRIVATE OCCUPATIONAL SCHOOLS**  
**September 27, 2016 9:32A.M.**

Auraria Higher Education Campus  
Tivoli Student Center, Room 320  
900 Auraria Parkway, Denver, CO 80204

Board Members Present:

Joseph James Wolf, Acting Chair      Shelley Krovitz      Paul Garibay  
Timothy L. Brooks                      Robert E. Martin

Board Members Absent:

Arlene Rae Malay, Chair

Division Staff Present:

Lorna Candler, Director                      Mary Kanaly, Deputy Director & Compliance Officer  
Bernadette Esquibel, Program Specialist      Jessica Googins, Program Specialist  
Lisa Hill, Program Specialist                  April Cordova, Program Specialist  
Loretta Perez, Administrative Assistant III      Brad Uyemura, Compliance Officer

Board Counsel Present:

Jacquelynn Rich Fredericks, Assistant Attorney General, Office of the Colorado Attorney General

Guests Present:

Joyce Mlynarik, Midwest Dental Assistants School  
Jared Derr, Midwest Dental Assistants School  
Michael Swain, Midwest Dental Assistants School  
Ivan Nikolueff, Everest College  
Carissa Seger, Everest College  
Kris Jeffreys, New Horizons Computer Learning Center  
Frankie Feliciano, Barber University of Denver  
Brooke Smith, General Assembly  
Bret Fund, SecureSet Academy  
Dr. Reo Leslie, Colorado School for Family Therapy  
Beth B Owens, Guest  
Bruce Batky, Skill Distillery  
Monte Long, Colorado School for Guides, LLC  
Lanni Lee, American Internal Beauty College  
Eva Craig, Barber University of Denver  
Diana Pineda, Barber University of Denver

Call to Order:

The regularly scheduled meeting of the Private Occupational Schools Board was called to order by Joseph James Wolf, Acting Chair, at 9:32 A.M. The Board members, Division staff and guests were introduced. Board roll call was taken. A quorum was present.

Consideration of Approval of the August 23, 2016 Minutes:

Following review and consideration of the August 23, 2016 meeting minutes, a motion was made by Mr. Brooks to approve the minutes as written. The motion was seconded and carried.

## Additions / Changes to the Agenda:

None

## Director/ Staff Report:

First, Director Candler introduced our newest industry representative Board Member; we welcome Mr. Robert Martin, President of Colorado School of Trades. Robert has served on many boards and was present for our Interim Board Meeting held on September 8, 2016.

Secondly, Director Candler announced the infortune departure of our Board Member, Richard Semakula, who had to tender his resignation because his responsibilities with his school have become increasingly more demanding. The Division and Board were so fortunate to have Mr. Semakula serve as he was an exemplary and attentive board member who was always professional and pleasant He will be missed. We are in the process of finding a replacement Board Member. The qualifications require the applicant to be operator or owner of a Title IV school. We have several excellent candidates from our last pool of applicant; so we hope to replace the vacancy in short order.

Thirdly, Director Candler and Deputy Director Kanaly attended the NASASPS Conference in Portland, Oregon on September 15-16, 2016. The purpose of the conference, which was only open to State Regulators throughout the nation, was to discuss and better understand the cause of the most critical current issues that each of our states are facing and to compare and contrast methods for best resolving issues. The conference was very well attended and provided an opportunity to interact in discussions and interactive presentations as opposed to lectures. We received excellent information. Ms. Candler led a discussion and presentation concerning the various aspects of states' private occupational school application process. As the Conference coincided with the closing of ITT Technical Institute, we were able to discuss and learn how other states were handling the ITT closure and how the process of school closures has evolved with the onset of Department of Education actions.

We learned that Colorado was well ahead of other states in managing the most recent ITT closure. We were one of 2 or 3 states that had filed a Notice of Intent to File a Claim ("Letter of Intent") on the schools surety bond and we were one of the few state's that was and is timely collecting student records thanks to our staff who professionally handled the process while we attended the conference. We have also have posted notices on our web-site to keep students informed and the staff has obtained hardcopy records from both of the Colorado campuses so that we can complete digitalization with Parchment.

Another issue that we discussed at the Portland conference was the surety bond and its various uses. While Colorado is not among them, there are a number of states that are authorized to use the bond finance for the cost of maintaining and storing student records. As we have experienced several times recently, the precipitous closure of large national schools who have been in business for years creates an incredible amount of responsibilities in gathering and maintaining the records and managing the students who are displaced in the process. It is costly and difficult to manage such a large volume of records with little or no notice and is incredibly challenging to manage the chaos and discord caused by student's education and lives being disrupted. We have several ideas (including statutory changes) that would better enable our Divisions to manage these precipitous closure that are becoming more common place under the present national administration.

Director Candler gave the Board an update on the minutes:

### 1. Modern Institute of Reflexology – Wheat Ridge

During the August Board Meeting, the Board had decided to lapse the school's certificate of approval because the school owner had failed to demonstrate that he had rectified several critical noncompliance matters the Board had identified in prior public meetings and in correspondences. However, immediately following the meeting, the Division found a packet of information demonstrating that the school owner had complied with the critical information that was requested. In order to ensure ongoing compliance with each and every minimum standard, Ms. Googins will continue to work with the school owner, and will be monitoring the school. Mr. Brinkerhoff will be on a month to month approval until he is able to be present that he has all the necessary information requested by the Board.

## 2. Arts and Education Hairdressing Academy – Superior

This is another noncompliance matter that the Division was able to resolve collaboratively in lieu of formal legal action. The Division proposed and the school accepted a resolution that would redress the student complainant and protect future complainant should legitimate complaints requiring redress arise within the statute of limitations. First, this informal settlement mandated that the school provide a full refund in the amount of \$6,500.00 to the student complainant. The Division has ensured the student complainant is satisfied and the refund check issued by the school has cleared. Secondly, the agreement ensures that the school has a bond in place for two years in the amount of \$25,000.00 so that the Division has a means to redress complaints should we receive outstanding complaints within the statutory timeframe. After one or two years, the bond will be released. Accordingly, the school has notified us that they will be closing with these Settlement terms in place and the Division will collect the records and monitor the bond per Mr. Wolf's request to ensure the bond does not lapse.

## 3. CollegeAmerica – All Locations

During last month's Board meeting, Mr. Juhlin of CollegeAmerica requested the school's letter of credit be lowered and the Board granted this request based on its review of documentations substantiating the grounds to do so. The Board also held a discussion regarding the purpose of the Division's "Letter of Intent", which has been revised to ensure that the Letter of Intent makes clear that there is no pending claim upon the bond, merely a letter of Intent to secure access to the bond in light of impending expiry of the current bond. Director Candler has corresponded with CollegeAmerica's financial institute per the Board's directive and has also been in contact with Mr. Juhlin to confirm that the matter has been resolved.

The Division reported that it is currently managing two subpoenas concerning CollegeAmerica's case with the Colorado Attorney General's office; one from the attorney for CollegeAmerica which pertains to advertisements for thirteen of the schools we regulate and a separate subpoena from the Consumer Protection Unit who initiated litigation with CollegeAmerica over two years ago.

## 4. RN Medispa Academy of Cosmetology – Greeley

The Board Directed the Division to draft an Affidavit for the Weld County District Attorney's Office and we have finalized the Affidavit. Our understanding is that it will be reviewed by the Weld County District Attorney. Secondly, the Board requested that we forward everything to the Department of Regulatory Agencies (DORA) including the Colorado Medical Board, the Board of Nursing, and the Office of Barber and Cosmetology. We are still in the process of refining our memorandum to clarify the issues we have identified and addressed within our jurisdiction and to communicate the issues we believe may fall under DORA's jurisdiction as we have agreed to work collaboratively to manage joint issues of noncompliance and public concern. The Division reported that the C&D ordered by the

board was served but not posted on door of the school. The Board confirmed that it wants it posted to the door sometime this week.

We also have a lot to discuss under "Other Business".

Monthly stats were reviewed and as you can see our schools are decreasing.

#### New Business/Action Items:

##### A. Consideration of Approval Programs / Stand Alone Courses

###### 1. Everest College – Colorado Springs

Program Specialist Esquibel presented to the Board for review and consideration three new programs: 1. Computer Information Technology – (AAS); 2. Computer Information Technology – Diploma; and 3. Medical Billing and Coding – Diploma. School representatives were present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new programs, Mr. Brooks motioned to approve the above-referenced programs effective September 27, 2016. The motion was seconded and carried.

###### 2. Everest College – Thornton

Program Specialist Esquibel presented to the Board for review and consideration one new program: Medical Billing and Coding – Diploma. School representatives were present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new program, Mr. Brooks motioned to approve the above-referenced program effective September 27, 2016. The motion was seconded and carried.

Director Candler mentioned that Everest College is on the list to be monitored by ACICS and are up next for Review. They are aware of the situation and they are in the process of transferring to ACCSC.

###### 3. New Horizons Computer Learning Center – Colorado Springs

Program Specialist Esquibel presented to the Board for review and consideration two new programs: 1. SecureSet CORE Program; and 2. SecureSet CORE Evening Program. School representatives were present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new programs, Mr. Brooks motioned to approve the above-referenced programs effective September 27, 2016. The motion was seconded and carried.

###### 4. New Horizons Computer Learning Center – Englewood (DTC)

Program Specialist Esquibel presented to the Board for review and consideration two new programs: 1. SecureSet CORE Program; and 2. SecureSet CORE Evening Program. School representatives were present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new programs, Mr. Brooks motioned to approve the above-referenced programs effective September 27, 2016. The motion was seconded and carried.

###### 5. The Colorado School for Family Therapy - Aurora

Program Specialist Googins presented to the Board for review and consideration three new programs: 1. Certificate in the Treatment of Human Trafficking Survivors; 2. Certificate in Sex Offender Treatment; and 3. Lesbian, Gay, Bisexual and Transgender Psychotherapy. A school representative was present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new programs, Mr. Garibay motioned to approve the above-referenced programs effective September 27, 2016. The motion was seconded and carried.

#### 6. General Assembly - Denver

Program Specialist Googins presented to the Board for review and consideration two new programs: 1. Data Science Immersive; and 2. Visual Design. School representatives were present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new programs, Mr. Brooks motioned to approve the above-referenced programs effective September 27, 2016. The motion was seconded and carried.

#### 7. Paragon Culinary School, Inc. – Colorado Springs

Program Specialist Hill presented to the Board for review and consideration two new programs: 1. PCS 501: Culinary Missions II; and 2. PCS 502: Cajun-Creole Master Class. A school representative was not present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new programs, Mr. Brooks motioned to approve the above-referenced programs effective September 27, 2016. The motion was seconded and carried.

#### 8. Skill Distillery – Greenwood Village

Program Specialist Cordova presented to the Board for review and consideration two new programs: 1. Full Stack Development with Java and MEAN; and 2. Full Stack Development with Java and JavaScript Libraries. A School representative was present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new programs, Mr. Martin motioned to approve the above-referenced programs contingent on corrections being made effective September 27, 2016. The motion was seconded and carried.

### B. Consideration of Change of Ownership

#### 1. Midwest Dental Assistants School - Colorado Springs and Denver

Program Specialist Esquibel presented to the Board for review and consideration a change of ownership with a new course: Expanded Duties Dental Assistant. School representatives were present. The Board determined that the school has adequate surety coverage and can be reasonably maintained in compliance with the minimum standards as prescribed by the Private Occupational Education Act of 1981, as amended.

Following review and consideration of the change of ownership and new course, Mr. Brooks motioned to approve the Change of Ownership Certificate of Approval and new course effective September 27, 2016. The motion was seconded and carried.

### C. Notification of School Closings / Change of Status (No action required)

#### 1. Zuri Hair Institute – Denver

The Board was notified of the closing. No action taken.

#### Other Business:

#### 1. ITT Technical Institute – Aurora & Westminster

The Division has communicated the concerns and issues through various correspondences. Because the action was initiated and driven by and through the Department of Education, the State had no forwarding and has no control over the precipitous closing and has limited ability and resources to assist the students since all assets are now tied up in bankruptcy court. Director Candler has obtained a report of all students with a field highlighting whether students were Title IV funded or self-paying. At this time, it appears that no students were self-funded. While we have also had contact with other schools that are willing to help students which have Title IV funding, it is unclear as to whether and when their Title IV funding would be transferred to another eligible institution.

While we have made a claim on the bond and have received acknowledgement from the bond company they are willing to make claim according to our statute; we will not be permitted to utilize the bond for purposes of defraying the cost of retrieving, storing and managing records. Since the majority if not all student are Title IV funded, it appears that any refunds due would be managed through the Department of Education and not the state.

#### 2. Colorado School for Guides, LLC. – Montrose

Director Candler informed the Board that the school's invoice that purported that the bond verification was current was actually fraudulent. After contacting the school's bond company, we confirmed that the school's bond had lapsed and the riders were indeed fraudulent. Upon learning of this fraud on September 1, 2016, Director Candler contacted the school owner, Monte Long, to discuss this violation but Mr. Long was conducting guide classes. When Mr. Long returned the Director's call, he asserted that he was unaware that his bond had not been timely paid. Apparently, Mr. Long trusted his bookkeeper with cash to pay his bond that the school had with J.W Security and was unaware that she had taken the cash for her own personal use. He was never notified that his bond had lapsed. As he presented the board with his explanation, he also provided the Board with the original bond and verified that he had renewed the bond since learning of the lapse.

Following review and consideration Mr. Brooks motioned to reinstate the school's Certificate of Approval effective September 27, 2016. The motion was seconded and carried.

#### 3. Barber University of Denver – Denver

Director Candler reminded the Board that this noncompliance matter was identified through complaints issued to the Division and to DORA, and that the Division had presented the Board with a Memorandum outlining those complaints, and the findings of the subsequent investigation prior to the Interim Meeting on September 8, 2016. As each of the board members attended the meeting telephonically, Ms. Candler reminded the Board members that during the Interim Board Meeting the room was packed with students. Mr. Feliciano and Ms. Craig were also present. Director Candler also reminded the Board that during the Interim meeting, when it considered its legal options, it decided to pursue a stipulation in lieu of legal actions for several reasons, namely because Mr. Feliciano agreed to cease instructing or enrolling students until the Agreement had been executed and ratified.

Accordingly, the Board directed their attorney to prepare a Stipulated Agreement with the School and its owner, Efrain Feliciano that would address each of the violations of statute and rule identified through the Division's investigation including. The Agreement afforded Mr. Feliciano a period of time to correct the violations; the terms and conditions requires the school to do the following: secured a licensed and qualified instructor to teach each portion of the curriculum; demonstrate that the curriculum, syllabus and course schedule were adequate; ensure delivery of the theory portion would be in the classroom as previously approved by the Board; establish that practical skills would only be delivered after 20% or more of the skills had been delivered though theory and only under supervision of a qualified and approved instructor at the school, and that all other minimum standards were established The Stipulation was to include that Mr. Feliciano would discontinue enrollment, and discontinue classes until and unless the Agreement had been executed. Director Candler informed the Board that the Stipulated Agreement had been prepared as requested, and presented to the School's owner, Efrain Feliciano, who was present and indicated that he had already signed the agreement. Director Candler provided each of the Board members with a copy of the Agreement for their review.

After consideration and discussion, Mr. Wolf motioned to convene in executive session to review the Stipulated Agreement that was prepared as requested by counsel, and to confer with the Board's attorney and to seek legal advice pursuant to §24-6-402(3)(a)(II), C.R.S, concerning Barber University of Denver, (AIBC) American International Beauty College and (IIC) International Institute of Cosmetics and to discuss with the minimum standards specified in the Private Occupational School Act, C.R.S. §12-59-101 et seq. and the Rules and Regulations, 8 CCR 1504-1. The motion was seconded and carried.

The Board of Private Occupational Schools convened in executive session with its attorney of record, the Division Director, and division staff as deemed necessary.

Members of the public left the room during executive session.

The public session tape was turned off at 10:58 A.M.

The public session recorder was turned on and the general public was welcomed back.

Mr. Wolf reconvened the public session meeting at 11:43 A.M.

Assistant Attorney General Rich Fredericks affirmed for the record that this Executive Session was for the sole purpose of providing legal advice to the Board and to otherwise engage in what in good faith is believed to be attorney-client privileged matters required to be kept confidential.

#### 4. Barber University of Denver – Denver

Upon returning to the regular meeting, the Board briefly discussed the concerns addressed in the Settlement Agreement which was prepared by counsel, and discussed during the executive session. The members identified corrections it required; Mr. Brooks motioned to direct counsel to amend the Agreement to correct typographical and paragraph numbering errors, the signature discrepancy and requested that staff provide the Board Chair, Arlene Ray Malay with a copy of the agreement for her review of the content of the agreement. Thereafter, the Board voted to approve the Stipulated Agreement, contingent upon the Division's confirmation that necessary elements of compliance had been sufficiently demonstrated and contingent upon the Board Chair's review and approval of the Stipulation. Acting Board Chair, Joseph Wolf further stated that in addition the school's instructors were in full compliance with the rules and regulations, the school also needed to demonstrate that its newly submitted curriculum and bonding information was compliant. The Board again reiterated that

the agreement specified that the school was to discontinue classes and enrollments until the Agreement received approval and was fully executed (by the Chair).

Mr. Feliciano stated that he understood the terms of the agreement. He provided staff with documents which he stated were the new curriculum and instructor files, and asked if he would need to provide anything further, Director Candler told him that there probably would be, but that staff would get back to him once their review was complete.

The above motion was approved unanimously by the Board and seconded. Mr. Feliciano was reminded that he should begin working with the Division staff to ensure that the instructor and bond, curriculum and other essential elements are in place.

#### 5. Living Arts Massage and Bodywork School (LAMBS) – Westminster

This is another case of noncompliance concerning LAMBS, which was one of our top schools at one time. As a result of irresolvable difference, the owners were unable to continue operating together and the students were left without a functional school and classroom instructor to continue delivering the education. The Division stepped in to try to manage the situation in order to gather appropriate documentation and records to help assess which students had earned records of completions with underlying completed transcripts and which students would merely receive a partial transcript for the purposes of continuing their education elsewhere. Three students have completed the 620 program and have finally received their transcripts. There are two other students that have 525 hours, which meets the states minimum requirements for certification. The remaining student's best option is to receive an incomplete transcript. Students who transfer to another school are subject to the receiving institute's approval or denial of credits earned at their original school.

The Division further reported that former owner and instructor, Mr. Bell, was one of the school owners who pulled the bond and left the school without a bond which was part of the convoluted problem that caused the dissolution. As the Division has been informed that he wishes to open another school, it is important that the Board understand this bond violation.

#### 6. International Institute of Cosmetics (IIC) - Denver

The Board previously directed our AG to file Notice of Charges and the hearing is now set and scheduled with the Office of Administrative Courts in November. At the end of October, IIC must file a response to the Notice of Charges. The school has retained an attorney and has been in contact with the Assistant Attorney General. The school is interested in obtaining a non-litigation settlement agreement.

#### 7. American International Beauty College (AIBC) - Denver

A school representative, Ms. Le, was present. The Division requested a representative to be present because the school's bond had expired; as of this morning, the bond was reinstated. Ms. Kanaly requested that the school send a letter to her students specifying that legal action is pending. Ms. Le agreed to do so and advised the Board that students will not show up for school and they are requesting a refund. Mr. Wolf asked our legal counsel to give an update on where we are with (AIBC). Several months ago the Board issued the school a notice of noncompliance, the owner submitted a responses and it was evaluated by the Division. The Division and Board deemed that the response did not meet the minimum requirements or standards. The Division reminded the Board that DORA in conjunction with its testing agency, PSI, has flagged students from this school as ineligible to test and therefore to obtain licensure. The Board directed the AG to file Notice of Charges with the



Office of administrative courts and move forward with the filing, once that is filed, the school will receive a copy of the notice.

This Board does not have the jurisdiction concerning whether your students can test or not test, that is with DORA and PSI.

Adjournment:

Mr. Brooks motioned to adjourn the meeting at 12:16 P.M. The motion was seconded and carried.

The next regularly scheduled meeting of the Board is Tuesday October 25, 2016, at 9:30 a.m. and will be held at:

Auraria Higher Education Campus  
Tivoli Student Center, Room 320  
900 Auraria Parkway, Denver, CO 80204  
Telephone (303) 862-3001