

96-108-ST  
97-19-ST  
DSW



THE SECRETARY OF EDUCATION  
WASHINGTON, D.C. 20202

In the Matter of

JON LOUIS SCHOOL OF  
BEAUTY,

Docket No. 96-108-ST & 97-19-ST  
Student Financial  
Assistance Proceeding

Respondent.

ORDER

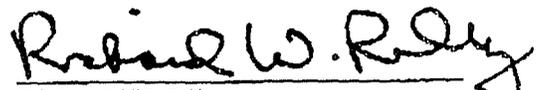
On November 17, 1999, I issued a decision affirming Judge Krueger's rulings regarding serious and widespread refund, credit balances and excess cash violations committed by Respondent, Jon Louis. In affirming the Initial Decision, I recognized Respondent's breach of its fiduciary duty and its misrepresentations to the Department regarding the school's Title IV violations. In addition, I remanded the case for further review limited to the violation concerning the cohort default rates of the North Bablyon/Bronx locations.

On December 6, 1999, the U.S. Department of Education, Office of Student Financial Assistance Programs (SFAP), filed a Notice of Withdrawal of Charge and Request for Immediate Entry of Remedy. Specifically, SFAP withdrew the charge outlined in the February 5, 1997, notice regarding the excessive cohort default rates of the North Bablyon/Bronx locations. Arguing that Respondent's serious refund violations, credit balance violations and excess cash violations are sufficient to warrant Jon Louis' termination from participation in the Title IV programs, SFAP requested that the remedy imposed below be affirmed.

Complete and accurate review of all cohort default rate violations remains important to the administration of due process. However, the severe and numerous violations found in this case support the remedy imposed by the Initial Decision even without a finding on the excessive default rate. Accordingly, SFAP's request for an immediate entry of remedy is hereby granted. Therefore, Jon Louis' participation in the Title IV programs is terminated and a fine of \$219,500 is imposed.

So ordered this 3<sup>rd</sup> day of March, 2000.

Washington, D.C.

  
Richard W. Riley

SERVICE

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Frank K. Krueger  
Administrative Judge  
Office of Hearings and Appeals