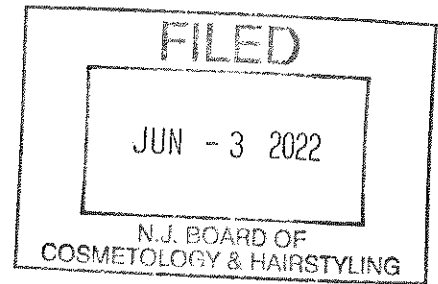


MATTHEW J. PLATKIN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, New Jersey 07101



By: David M. Puteska  
Deputy Attorney General  
Tel: 973-648-2972  
David.Puteska@law.njoag.gov  
Attorney Identification No. 301995

STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
STATE BOARD OF COSMETOLOGY AND HAIRSTYLING

IN THE MATTER OF

**CAPRI INSTITUTE OF HAIR DESIGN,  
LICENSE NOS. 18, 19, 20, 21**

Administrative Action

**VERIFIED COMPLAINT**

Matthew J. Platkin, Acting Attorney General of New Jersey, by David M. Puteska, Deputy Attorney General, with offices located at the Division of Law, 124 Halsey Street, Fifth Floor, Newark, New Jersey 07102, by way of Verified Complaint says:

**GENERAL ALLEGATIONS**

1. Complainant, Matthew J. Platkin, Acting Attorney General of New Jersey, is charged with enforcing the laws of the State of New Jersey pursuant to N.J.S.A. 52:17A-4(h), and is empowered to initiate disciplinary proceedings against persons licensed by the New Jersey State Board of Cosmetology and Hairstyling (the "Board") pursuant to N.J.S.A. 45:1-14 to 27.

2. The Board is charged with the duty and responsibility of regulating the practice of cosmetology and hairstyling, including but not limited to, issuing licenses to operate schools of cosmetology and hairstyling, in the State of New Jersey pursuant to N.J.S.A. 45:5B-1 to 41.

3. At all times relevant hereto, Capri Institute of Hair Design has been licensed by the Board to operate schools of cosmetology and hairstyling at four locations in the state of New Jersey. (See documents attached as Exhibit 1 to the Certification of David M. Puteska, Deputy Attorney General (“Puteska Cert.”) filed herewith).<sup>1</sup> These schools are licensed by the Board as follows: Capri Institute of Hair Design Paramus, 615 Winters Road, Paramus, New Jersey, License No. 18; Capri Institute of Hair Design Kenilworth, 660 North Michigan Avenue, Kenilworth, New Jersey 07033, License No. 19; Capri Institute of Hair Design Clifton, 1595 Main Avenue, Clifton, New Jersey 07011, License No. 20; and Capri Institute of Hair Design Brick, 268 Brick Boulevard, Brick, New Jersey 08724, License No. 21 and shall collectively be referred to hereafter as the “Capri Schools.” Ibid.

4. In or about December 2021, the Board began to receive complaints from students of the Capri Schools indicating that the schools had abruptly closed. The Board received a letter from Capri dated November 30, 2021, but postmarked December 21, 2021, that a “Temporary School closure” would be in effect beginning on “December 6, 2021 and reopening January 2022.” (Puteska Cert., Exhibit 2).

5. All of the Capri Schools did not reopen in January 2022. Rather, each of the schools re-opened as follows: Paramus – January 26, 2022; Clifton February 15, 2022; Kenilworth February 28, 2022. (Certification of Investigator Christine Green (“Green Cert.”) filed herewith at ¶¶2, 4, 6). To date the Brick location remains closed.

---

<sup>1</sup> “Capri Institute of Hair Design” is the entity which is currently licensed by the Board. Upon information and believe, Respondent may be operating its four schools under other legal entities including, but not limited to, Capri Corporate Management, Inc. and/or Capri Training Centers, Inc. At no point has the Board been informed of any change in corporate structure and the last renewal submitted by Respondent for the four locations was under the name Capri Institute of Hair Design.

6. The Division of Consumer Affairs, Enforcement Bureau conducted inspections of the re-opened Capri Schools to verify compliance with the Board's rules and regulations. Ibid.

7. An inspection of the Capri Schools Paramus location on February 3, 2022 revealed that the school was no longer offering a cosmetology and hairstyling clinic, only classroom-based instruction. (Green Cert. ¶3). The clinic had previously been operated at this location. Upon information and believe the clinic has not reopened at this location.

8. An inspection of the Capri Schools Clifton location on March 1, 2022 revealed that the school was no longer offering a cosmetology and hairstyling clinic, only classroom-based instruction. (Green Cert. ¶5). The clinic had previously been operated at this location. Upon information and believe the clinic has not reopened at this location.

9. An inspection of the Capri Schools Kenilworth location on March 23, 2022 revealed that the school was no longer offering a cosmetology and hairstyling clinic, only classroom-based instruction. (Green Cert. ¶7). The clinic had previously been operated at this location. Upon information and believe the clinic has not reopened at this location.

10. Pursuant to N.J.S.A. 45:1-18, the Board is authorized to investigate any person who may have engaged in conduct declared unlawful by applicable statutes and regulations. Specifically, the Board is empowered to “[e]xamine under oath any person in connection with any act or practice subject to an act or regulation administered by the board.” N.J.S.A. 45:1-18(b). Moreover, “[i]n order to accomplish the objectives of [N.J.S.A. 45:1-18] or any act or regulation administered by a board, the Attorney General may hold such investigative hearings as may be necessary and the board . . . or Attorney General may issue subpoenas to compel the attendance of any person.” Id.

11. As a condition of licensure, all cosmetology schools have a duty to cooperate with

Board investigations. N.J.A.C. 13:45C-1.2 states that “a licensee shall cooperate in any inquiry, inspection or investigation conducted by, or on behalf of, a board” and that “a licensee’s failure to cooperate, absent good cause or bona fide claim of a privilege not identified in N.J.A.C. 13:45C-1.5 as unavailable, may be deemed by the board . . . to constitute professional or occupational misconduct within the meaning of N.J.S.A. 45:1-21(e).”

12. As part of an investigation which began in late 2021, on April 12, 2022, the Attorney General, on behalf of the Board, issued a subpoena ad testificandum to the Capri Schools and their principal, Lorelei K. Muenster, to appear before the Board for an investigative inquiry (“I.I.”). (Puteska Cert. at Exhibit 3). The subpoena specifically stated that the appearance of Ms. Muenster shall be via “video conferencing platform.” Ibid. The subpoena directed Ms. Muenster to appear before the full Board on May 10, 2022 at 11:00 a.m. Counsel for the Capri Schools, Jeffrey Smith, Esq., accepted service of the subpoena on their behalf. (Puteska Cert. ¶3).

13. At the request of counsel for the Capri Schools the Board agreed to reschedule the appearance to May 11, 2022 at 2:00 p.m. (Puteska Cert. ¶5).

14. On May 3, 2022, counsel for the Capri Schools contacted DAG Puteska and his co-counsel, DAG Raquel Bristol, to request that Ms. Muenster’s appearance be via telephone only. (Puteska Cert. ¶6). The rationale for this extraordinary request was vaguely relayed as Ms. Muenster’s being uncomfortable with appearing on video. Ibid.

15. DASG Puteska and Bristol informed counsel that the Board required that Ms. Muenster appear via video conference as set forth in the subpoena and under no circumstances could she appear via telephone only. Ibid.

16. The Board commenced the I.I. at 2:00 p.m. on May 11, 2022. (Transcript of I.I. attached to Puteska Cert. as Exhibit 4.) Counsel for Ms. Muenster informed the Board that due

to a “covid outbreak” Ms. Muenster was quarantining in her office at the school. (T. 3:9 - 24).<sup>2</sup> As such, Ms. Muenster did not have the ability to participate via a video link as directed in the subpoena. Ibid.

17. Counsel for the Board informed Ms. Muenster and her attorney that an appearance via telephone was in violation of the terms of the subpoena and that counsel had been explicitly informed of such on May 3, 2022. (T. 3:25 – 4:11).

18. Despite Ms. Muenster’s violation of the express terms of the subpoena, in light of the fact that all parties were in attendance at significant inconvenience to the Board members, the Board reluctantly agreed to allow the Capri Schools to appear telephonically. (T. 11:24 to 12:4).

19. The Board was then informed by the court reporter that since the witness was not appearing via video conference she could not swear her in as the reporter could not appropriately identify the witness. (T. 14:5 - 22).

20. The Board had no choice but to adjourn the appearance following the Capri Schools’ failure to make Ms. Muenster available via video conference. (T. 15:3 – 15).

### COUNT I

21. The Attorney General repeats and re-alleges the General as if fully set forth herein.

22. The Board’s regulations set forth specific requirements regarding the operation of schools of cosmetology and hairstyling in the State of New Jersey. N.J.A.C. 13:28-6.1 et. seq.

23. In addition to other requirements, the regulations applicable to cosmetology and hairstyling schools sets forth the curriculum required to be offered by a licensed school. N.J.A.C.

---

<sup>2</sup> The I.I. transcript in this matter will be referenced as “T.” followed by page and line number.

13:28-6.28 to 13:28-6.36. This mandatory curriculum is broken down further to set forth the specific hours of classroom and practical instruction. Ibid.

24. By way of example, the Board's regulations for the 1,200-hour cosmetology and hairstyling course require licensed schools to provide a total of 351 hours of classroom education and 849 hours of practical instruction to complete the program. N.J.A.C. 13:28-6.29.

25. As detailed above, the three reopened Capri Schools locations do not offer a clinical program and thus cannot provide the practical instruction required for licensure as a school of cosmetology and licensing by the Board.

26. The Capri Schools failure to offer a clinical education component constitutes a violation of the curriculum requirements of N.J.A.C. 13:28-6.28 to 13:28-6.36 and therefore constitutes professional or occupational misconduct within the meaning of N.J.S.A. 45:1-21(e) as well as the failure to comply with the provisions of an act or regulation administered by the Board within the meaning of N.J.S.A. 45:1-21(h).

## COUNT II

27. The Attorney General repeats and re-alleges the General Allegations and the allegations of the previous count as if fully set forth herein.

28. The Board's regulations require as a condition of licensure that every cosmetology and hairstyling school post a bond in favor of the State in an amount related to its number of students. N.J.A.C. 13:28-6.37. At all times relevant hereto each of the Capri Schools was required to, and did, post a bond in favor of the State in the amount of \$40,000 per campus. (Ibid., Puteska Cert. Exhibit 4.)

29. On March 25, 2022, the Board received notice from the current bond holder for the Capri Schools that its bonds were canceled with an effective date of June 30, 2022. (Puteska Cert.

Exhibit 4.)

30. As detailed above, the cancellation of the Capri Schools' bonds is a violation of the Board's regulations and thus upon the effective date will result in professional or occupational misconduct within the meaning of N.J.S.A. 45:1-21(e).

**COUNT III**

31. The Attorney General repeats and re-alleges the General Allegations and the allegations of the previous counts as if fully set forth herein.

32. As detailed above, the Capri Schools' failure to appear via video conference at the I.I as instructed by the duly issued subpoena is a violation of their duty to cooperate with the Board pursuant to N.J.A.C. 13:45C-1.2 and 1.3(a)(3) and therefore constitutes professional or occupational misconduct within the meaning of N.J.S.A. 45:1-21(e).

WHEREFORE, Complainant the Attorney General of New Jersey demands the entry of an Order:

1. Temporarily suspending Respondent's licenses to operate schools of cosmetology and hairstyling in the State of New Jersey pending the conclusion of a plenary hearing in this matter, pursuant to N.J.S.A. 45:1-22;

2. Requiring that (a) Respondent shall, within ten (10) days of the return date of the order to show cause, provide a written list with all known contact information of any current or prospective student. This list shall include the specific amount paid to Capri and the manner in which those funds were paid (i.e. direct payment from student or via government or private grant). For all current students, Respondent shall also provide to the Board an updated transcript reflecting

all completed credit hours; (b) that Board staff, with the assistance of additional staff from the Division of Consumer Affairs as necessary, shall contact each current or prospective student identified by Respondent to inform him/her of the Board's order of temporary suspension and provide assistance with the transition to another cosmetology and hairstyling school; (c) Requiring that Respondent shall provide, without cost, an updated transcript reflecting all completed credit hours to any former student within five (5) days of any request; and (d) that the Board relax or waive as permitted by law any Board rule or regulation applicable to student transfers so as to minimize any harm visited upon students by Respondent's conduct.

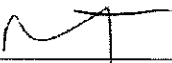
3. Revoking or suspending Respondent's license to operate schools of cosmetology and hairstyling in the State of New Jersey in the State of New Jersey following a plenary hearing;

4. Assessing civil penalties against Respondent for each and every separate unlawful act as set forth in the individual counts above, pursuant to N.J.S.A. 45:1-22.

5. Requiring Respondent to pay costs, including investigative costs, attorney's fees and costs, expert and fact witness fees and costs, costs of trial, and transcript costs, pursuant to N.J.S.A. 45:1-25(d); and

6. Ordering such other and further relief as the Board of Cosmetology and Hairstyling shall deem just and appropriate under the circumstances.

MATTHEW J. PLATKIN  
ACTING ATTORNEY GENERAL OF NEW JERSEY

By:   
\_\_\_\_\_  
David M. Puteska  
Deputy Attorney General

Dated: June 2, 2022