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1 International Apprenticeship Program will be deregistered unless the program can
2 complete corrective action within thirty (30) days.

3 3. Dream International never responded to the notice, did not take any
4 corrective action, and did not otherwise show good cause for why its program should
5 not be deregistered.

6 4. On September 6, 2024, the Division sent Dream International a Notice
7 of Recommendation to Deregister pursuant to California Code of Regulations, title 8,
8 (hereafter Regulation) section 212.4, subdivision (b)(4) via certified mail with return
9 receipt requested. The Notice explained to Dream International that the Chief will be
10 recommending that the Administrator of Apprenticeship deregister its program, unless
11 Dream International requested a hearing within fifteen (15) days of the Notice. Dream
12 International failed to respond to the Notice of Recommendation to Deregister. In fact,
13 this Notice was returned by the United States Postal Service as undeliverable and
14 unable to forward.

15 5. Having received no communications from Dream International, the
16 Chief prepared a Report and Recommendation on the Deregistration of the Dream
17 International Apprenticeship Program (Report and Recommendation) and delivered
18 the Report and Recommendation to the Administrator of Apprenticeship on October
19 10, 2024, as required by Regulation section 212.4, subdivision (b)(5).

20 6. The Report and Recommendation reported the following violations,
21 which were also detailed in the notices previously sent to Dream International:

22 a. Loss of Approval with the Board of Barbering and Cosmetology.

23 (Cal. Code Regs., tit. 19, §§ 913-913.1)

24 b. Failure to Establish Apprentice Advisory Panel. (Regulation § 212,
25 subd. (b)(17)(B); Dream International's Apprenticeship Standards,
26 Article VI, § 18.)

27 7. The Report and Recommendation also specified the actions needed to
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1 correct the identified violations, actions which Dream International failed to take.

2 8. The Report and Recommendation included the record of notices sent to
3 Dream International and the manner of service of those notices. Also included was
4 evidence from the Division's records that the Dream International Apprenticeship
5 Program was not operated in accordance with relevant laws and its own approved
6 apprenticeship standards.

7 9. In his Report and Recommendation, the Chief recommended that the
8 Administrator of Apprenticeship deregister the Dream International Apprenticeship
9 Program for the specified violations, failure to correct such violations, and failure to
10 respond to the Division's notices.

11 **DISCUSSION**

12 **A. The Division's Power to Deregister Programs.**

13 The Chief and the Division "shall foster, promote, and develop the welfare of
14 the apprentice and industry, improve the working conditions of apprentices, and
15 advance their opportunities for profitable employment." (Lab. Code, § 3073, subd.
16 (a).)¹ In fulfilling this statutory mandate, the Division has been granted broad
17 authority to oversee apprenticeship programs and monitor whether they comply with
18 relevant laws and standards. For instance, the Division is responsible for evaluating
19 apprenticeship programs to "ensure that the program evaluated is complying with its
20 standards." (§ 3073.1, subd. (a).) The Division may also obtain a civil injunction
21 against any violation of apprenticeship laws. (§ 3084.5.)

22 As the state agency that grants approval of apprenticeship programs (§ 3075),
23 the Division may also withdraw state approval through what are known as
24 "deregistration" proceedings. (See Regulation § 212.4.) Among other grounds, if an
25 apprenticeship program has willfully violated any relevant laws, regulations, or orders,
26 the Division "may initiate the deregistration process to withdraw state approval of the
27 program." (§ 3073.1, subd. (b).) Inactive programs that have essentially ceased

28 ¹ Unless otherwise provided, all further references are to the Labor Code.

1 operations may also be deregistered, as inactive programs no longer serve the
2 apprenticeship community: "Where the Chief has information that a program has had
3 no active apprentices for a period of two (2) years, that shall be considered grounds
4 for deregistration." (Regulation § 212.4, subd. (b)(1).)

5 **B. The Deregistration Process.**

6 To initiate the deregistration process for programs that have violated relevant
7 laws, regulations, orders, or its own approved apprenticeship standards, the Chief
8 first sends a notice of deregistration (i.e. 30-Day Notice of Deregistration) by certified
9 mail with return receipt requested to identify the violations and the action needed to
10 correct the violations. "The notice shall state that the program will be deregistered
11 unless corrective action is completed within thirty days. Upon a showing of good
12 cause, the Chief may grant the sponsor a reasonable extension of time to achieve
13 corrective action." (Regulation § 212.4, subd. (b)(1).)

14 If the program fails to complete the corrective action and fails to show good
15 cause within 30 days of the notice, the Chief must then send to the program a notice
16 of intent to recommend deregistration via certified mail with return receipt requested.
17 (Regulation § 212.4, subd. (b)(4).) This notice must explain to the program that the
18 Chief will recommend that the program be deregistered unless the program requests
19 a hearing within 15 days of the notice. (*Ibid.*)

20 Whether or not a hearing is requested, the Chief must "transmit to the
21 Administrator a report containing all pertinent facts and circumstances concerning the
22 violation, including the findings and recommendation for deregistration, and copies of
23 all relevant documents and records." (Regulation § 212.4, subd. (b)(5).) If no hearing
24 is requested, the Administrator issues a decision on the record. (*Ibid.*) If a hearing is
25 requested, the Administrator will hold a hearing and issue a decision thereafter on the
26 basis of the record. (Regulation § 212.2, subd. (b)(6).)

27 **C. The Program Has Failed to Correct Identified Violations.**

28 As detailed above, the Dream International Apprenticeship Program lost its

1 approval with the Board of Barbering and Cosmetology (BBC) due to the fact that
2 Dream International has no written agreement with a local educational agency to
3 provide related and supplemental instruction (RSI), an integral part of an
4 apprenticeship program. (See Lab. Code, §§ 3074, 3078, subd. (d); Regulation §
5 212, subd. (a)(7).) Withdrawal of BBC approval effectively means that none of Dream
6 International's apprentices would be eligible to obtain an apprentice license to
7 undergo on-the-job training. (Bus. & Prof. Code, §§ 7332, 7336.) On-the-job training,
8 like RSI, is a key to an apprenticeship program. (See Lab. Code, § 3078, subd. (e);
9 Regulation § 212, subd. (a)(1).) These are major violations, which, left unaddressed
10 as in this case, unequivocally merit deregistration.

11 Dream International also failed to establish an advisory panel that ensures
12 meaningful representation of the interests of apprentices in the management of the
13 program. (Regulation § 212, subd. (b)(17)(B); Dream International Apprenticeship
14 Standards, Article VI, § 18.) For programs administered by a unilateral apprenticeship
15 committee like Dream International, the California Code of Regulations requires that
16 the unilateral apprenticeship committee responsible for the operation of the program
17 establish an advisory panel. The advisory panel must be "at least equally
18 represented" by apprentices participating in the program, and such representation is
19 effected by "at least three representatives of the apprentices' choice who shall have
20 full voice and vote on the panel except as to financial matters or matters that relate to
21 the administration or structure of an employee benefit plan or the administration or
22 operation of a trust fund. The representatives of the apprentices shall be selected by
23 way of a secret ballot election among the apprentices conducted by the
24 apprenticeship program not less than once every two (2) years. This advisory panel
25 shall meet not less than once every quarter to address issues and concerns raised by
26 and affecting the apprentices in the program." (Regulation § 212, subd. (b)(17)(B).)
27 Dream International has never submitted any documentation showing that such an
28 advisory panel has been established. Failing to establish this advisory panel and

1 select apprentices to serve on the panel is a violation that merits deregistration.

2 All notices were served on Dream International properly via certified mail with
3 return receipt requested. Dream International was provided with several opportunities
4 to correct the identified violations or otherwise show cause why its program should
5 not be deregistered. Dream International failed to respond. There being no reason
6 why the program should not be deregistered, my decision is to deregister and
7 withdraw state approval of the Dream International Apprenticeship Program.

8 **CONCLUSION AND DECISION**

9 Having duly considered the Chief's Report and Recommendation on the
10 Deregistration of the Dream International Apprenticeship Program, I find the Chief's
11 recommendation meritorious. In this Decision, I adopt the recommendation to
12 deregister and withdraw state approval of the Dream International Apprenticeship
13 Program. The deregistration of the Dream International Apprenticeship Program
14 cancels the approval of the program to operate.

15 As required by regulation, within 15 days of service of this Decision, the
16 sponsor shall notify each apprentice of the Decision to deregister the program. Along
17 with the notification, the sponsor shall inform each apprentice that the Decision
18 automatically terminates the apprentice's individual registration. The sponsor shall
19 also provide each apprentice with the names and addresses of other programs in the
20 area. Finally, the sponsor shall provide the Chief with proof of mailing of these
21 notices. (Regulation § 212.4, subd. (b)(9).)

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24 Date: October 14, 2024


Katrina S. Hagen
Director of Industrial Relations
Administrator of Apprenticeship