

Students Defrauded by Marinello Schools of Beauty Obtain Belated Discharges After Filing Suit Against the Department of Education

FOR IMMEDIATE RELEASE: APRIL 10, 2018 || **CONTACTS:** Legal Aid Foundation of Los Angeles: Robyn Smith (rsmith@lafla.org) or (213) 640-3906; National Consumer Law Center: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Following a federal lawsuit filed by the Legal Aid Foundation of Los Angeles and the National Consumer Law Center against the U.S. Department of Education and Secretary Betsy DeVos (*Lizette Menendez, et al. v. Betsy DeVos and U.S. Department of Education*, U.S. District Court, Central District of Cal., Case No. 2:18-CV01061), three former students of the now defunct Marinello Schools of Beauty have finally received a full discharge of their federal student loans. At the time of its closure, Marinello had 39 campuses in California and 17 other campuses in Kansas, Massachusetts, Nevada and Utah.

In 2013, Plaintiffs Lizette Menendez, Lydia Luna, and Leonard Valdez inquired about enrolling in Marinello's cosmetology program to improve their job and income prospects. Although the Plaintiffs were ineligible for federal financial aid because they had not completed high school, Marinello promised that they could earn valid high school diplomas from Parkridge Private School. Based on Marinello's representations, the three Plaintiffs received Parkridge high school diplomas and obtained federal loans to attend Marinello. After graduating, none of the Plaintiffs were able to find employment as cosmetologists with their Marinello diplomas.

In 2016, after an extensive investigation, the Department determined that Marinello partnered with Parkridge to scam students and obtain fake high school diplomas in order to falsely certify their eligibility for financial aid. Despite this, the Department refused to grant loan discharges to the Plaintiffs in violation of the Higher Education Act. Only after LAFLA and NCLC filed a lawsuit challenging this denial did the Department discharge the Plaintiffs' loans. The lawsuit also challenged the Department's delay of an updated federal regulation which would have clarified students' rights to loan discharges where a school provides fake high school diplomas.

Robyn Smith, Senior Attorney at LAFLA stated: "It is outrageous that the Department waited to comply with the law until these borrowers were fortunate enough to find attorneys and file lawsuits."

"The Higher Education Act provides critical protections for students lured to illegitimate institutions by deceptive practices and false promises," **said Joanna Darcus, an attorney at the National Consumer Law Center.** "The Department of Education's ill-conceived delay in granting Plaintiffs' discharge applications only after they filed a lawsuit is part of an alarming trend of letting institutional bad actors off the hook-while denying students the debt relief they are entitled to by law."

If you attended Marinello Schools of Beauty and believe you may have been similarly defrauded through the Parkridge high school diploma program, **please call Legal Aid Foundation of Los**

Angeles at 800-399-4529.

About Legal Aid Foundation of Los Angeles. Legal Aid Foundation of Los Angeles seeks to achieve equal justice for low-income people in Los Angeles County. LAFLA changes lives through direct representation, systems change and community empowerment. It has five offices in the Greater Los Angeles areas, along with four Self-Help Legal Access Centers at area courthouses and three domestic violence clinics to aid survivors.

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org