

## COSMETOLOGY SCHOOL



Phagans' Newport Academy of Cosmetology will cease operations on March 15. Phagans' will continue operating cosmetology schools in Salem, Bend, Medford, Corvallis and Grants Pass. Students at the Newport school were informed they could either transfer to one of the other Phagans' locations or unenroll. (Photo by Steve Card)

# Phagans' to close its doors

BY STEVE CARD  
Of the News-Times

Phagans' Newport Academy of Cosmetology will close its doors on March 15 after more than 20 years of operation on the coast.

In addition to its Newport location, Phagans' operates cosmetology schools in Salem, Bend, Medford, Corvallis and Grants Pass. Only the Newport location is closing.

Officials from Phagans' made the announcement on Monday, Feb. 13. Students were gathered together that morning and told of the decision to close the doors.

The students at the meeting were given a letter signed by Karen Dieckman, president/owner, and Kristie Davis, vice president/owner, who work out of Phagans' corporate office in Bend. They said it was "an incredible difficult decision for us" to close the Newport school. They claimed the federal regulatory environment over the past several years has made it "impossible to find a way for our small rural school to feasibly operate."

The Newport students were given two options. They could transfer to another Phagans' school to finish their education, or they could drop out of the program.

Brooke Bonilla has been a student at Phagans' in Newport for the past 10 months. She attended classes part time while also working a part-time job. She was on track to complete her education by this coming fall. Now, she isn't sure what she'll do.

"Yes, they said we can transfer to another school, but a lot of us are wives and

mothers. We have jobs and things like that," Bonilla said. "And we all live in different areas of the county and even out of the county, so it's difficult for some of us to make that kind of commute."

"The closest (Phagans' school) is in Corvallis, and for a lot of us, if we thought this was a possibility, we wouldn't have enrolled," added Bonilla. "For me personally, I really don't have the time to make that drive all the time."

If she opts to unenroll, Bonilla said she will be refunded any fees she has already paid for education she hasn't yet received. However, she said she has already incurred thousands of dollars of student loan debt. And the education she has received isn't really useful to her because she doesn't have the required certification to do hair design and esthetics in a salon.

"I really can't afford to have half an education and all that debt," said Bonilla. "This was really kind of out of left field. Apparently it was something that they were thinking about doing for a while, but we just found out on Monday (Feb. 13), so it was a shock."

Looking back, Bonilla said there was an indication this action might be forthcoming, but she didn't piece it together at the time. "A week or two (before the announced closure) they had us sign this paper that they were making sound like it was just a loose paper in our portfolios that we forgot to sign when we enrolled. And it was really a paper saying that we wouldn't sue them or do something like that if the school closed."

Bonilla said she is facing a tough decision. "For me, my only option is hopefully

to find a school that is more competency based, where you can just go and more like test out. So I can see if I can sort of fast-track myself to finish." If she can do that with a minimum amount of commuting, it could be a possibility, she said. "But that's the only option that I would be interested in as far as continuing my education. Otherwise, I'll probably just scrap it."

Bonilla said there were around 10 students attending the school at the time of the announced closure. Some of these have unenrolled, and some are trying to transfer. "I don't know if all have decided yet," she said. "The ones that are transferring are having to find a way to relocate. One's moving out of the state to be closer to family so she can get help with raising her son; she's a single mother. Another single mother is going to be trying to move to Salem, and she might have to leave her daughter behind for the time being with her mother."

"My future looks a little more uncertain than it did before," concluded Bonilla. "But I'm going to fight it out and do my best to get through this on top."

Merrie Peles is a former instructor at Phagans' in Newport, having worked there on and off for the past 16 years. She last taught at the school in December.

"It's just a really bad situation for the people that cannot travel to the other schools," Peles said. "And if they quit, they're going to get charged."

The students cannot get certified to work in the industry unless they've been through the entire program, added Peles, "so I just think it's a really bad deal. They

should have probably let these students finish their education out, and then closed the school down if they were going to do that, instead of making it really hard for people that can't just relocate to go do this program. I just feel horrible about the situation for them."

A call by the News-Times to Phagans' in Newport was referred to the corporate office in Bend. A phone message was left for Kristie Davis at the corporate office, but it had not been returned as of press time on Tuesday, Feb. 21. However, the News-Times was given a copy of a letter written by Dieckman and Davis, which was addressed to "the amazing citizens of Newport and the Central Oregon Coast."

The letter states, "We wanted to share our enormous gratitude with all of you, and to let each of you know how much we have appreciated being a part of this wonderful community since 1996. It is therefore, with great regret and sadness, that we must announce the closing of our Newport cosmetology school. This will be effective March 15, 2017."

The letter goes on to say, "There are many reasons we came to this conclusion. However, the primary factor was that it was simply no longer feasible to operate given the enormous federal regulatory burden placed upon small private career schools during the past few years."

Dieckman and Davis also wrote, "It has been our privilege to educate future professional cosmetologists, and an honor to participate in outreach and fundraising events. We thank you for all of the various ways you supported our students and school."

## RAIN

# Entrepreneurs take part in speed pitch

BY GLORIA TUCKER  
Of the News-Times

NEWPORT — A holistic emergency care book and lead-free fishing lure may not seem to have much in common.

But both are the ideas of two Lincoln County residents with dreams of starting their own companies.

Eight such entrepreneurs practiced selling their ideas in less than a minute during the Regional Accelerator and Innovation Network's (RAIN) first speed pitch event in Newport.

Landwaves Inc., the developer of the Wilder residential community, hosted the event in its unfinished corner building on Wednesday, Feb. 15.

"This speed pitch event is designed to bring together folks interested in entrepreneurship, startups and companies that want to grow," said David Youngentob, coastal venture catalyst for RAIN.

"The goal is community. Everyone is going to describe what help they need, and you may be able to help them with that or you may know someone who can. It's about people being able to share with their community members what they are doing. That's really the point."

To pitch, entrepreneurs were required to show the business plans to be headquartered in Lincoln County, plans to sell nationally or internationally and plans to scale rapidly, grow and create jobs.

Audience members voted to determine the best pitch, and the winner received \$250 in cash and a meeting with a RAIN Angel Investor.

The event was the first of several Youngentob plans to bring to the area. Through a Ford Family Foundation Grant and donations from cities and the county, he offers free support to all entrepreneurs in the

county and Florence.

RAIN's next event will be a 12-week coastal pre-accelerator course beginning March 22.

"This is a 12-week boot camp," said Youngentob. "The outcome will be a vision for what your company can become, (identification) of what needs you have and objectives for moving forward. The course is for anyone who has an idea, anyone who started a company and hit a wall and any regional business that has an idea for a spinout product."

He said the companies enrolled will work on topics including leadership, customer validation, start up marketing, sale plan development, market research, business models, financials, pitching and recruiting.

For the other side of the coin, investing, RAIN will host an information session for accredited investors, people who have a million dollar net worth or make \$200,000 annually as an individual. The session will be held March 21 at the Overleaf Lodge in Yachats.

"Our mission is to see Oregon become a place where entrepreneurs can found companies, where they can stay headquartered and serve national and international markets," Youngentob said. "We connect entrepreneurs to the right resource at the right time. That could mean investors, partners, talent, mentors or advisors. I serve Lincoln County and Florence. It's my job to learn what founders are out there, what help they need and connect them to support."

To learn more about RAIN visit oregonrain.org or email david@oregonrain.org.

Contact reporter Gloria Tucker at 541-265-8571, ext. 217 or gtucker@newportnewstimes.com

## LINCOLN CITY

# Mayor to give state of the city address

Lincoln City Mayor Don Williams will give a state of the city address during the Tuesday, Feb. 28, Lincoln City Chamber of Commerce lunch forum at the Lincoln City Cultural Center, 540 NE Highway 101.

The chamber luncheon will begin at 11:45 a.m., and the cost is \$12. The public is

invited to attend and should RSVP by calling or emailing the chamber no later than 5 p.m. on Wednesday, Feb. 22.

For additional information, contact the Lincoln City Chamber of Commerce by calling 541-994-3070 emailing info@lccchamber.com or going online at www.LC-chamber.com.

## OREGON LOTTERY

# US Market receives \$10,000 bonus check

BY STEVE CARD  
Of the News-Times

NEWPORT — The US Market in Newport, located at 1445 N Coast Highway, was presented with a \$10,000 bonus check on Wednesday, Feb. 15, by the Oregon Lottery for selling a \$1 million Mega Millions ticket.

That \$1 lottery ticket was purchased by Joemel Panisa about a year ago. Panisa happened to find his winning ticket while he was cleaning his office during one of the January snowstorms. Fortunately for Panisa, he found it just eight days before the ticket was set to expire. He told lottery officials that last year when he purchased the ticket, he put it in an envelope and then promptly forgot about it. As the business that sold

the ticket to Panisa, US Market was awarded the 1 percent bonus check. Octavio Tamayo, manager of the store, said they had enjoyed some large Scratch-It wins of \$100,000, but nothing this big. He wasn't sure what the company would do with the selling bonus.

While lottery officials were at the store on Feb. 15 to present the bonus check, they handed out free Scratch-It tickets to anyone who entered the store.

Since the Oregon Lottery began selling tickets on April 25, 1985, it has earned nearly \$11 billion for economic development, public education, state parks and watershed enhancements. For more information on the Oregon Lottery, go online at www.oregonlottery.org



The US Market in Newport was presented with a \$10,000 bonus check from the Oregon Lottery on Wednesday, Feb. 15. Pictured are Octavio Tamayo, left, store manager, Nancy Velazquez, Rosa Octavio and Patrick Johnson, promotions and winners specialist with the Oregon Lottery. (Photo by Steve Card)

NEWS TIMES

Classified saves time and money.

call 541-265-6080 to place a classified ad in the News-Times