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CIVIL CODE - CIV

DIVISION 3. OBLIGATIONS [1427 - 3273.69] (*Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14.)*

PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273.69] (*Part 4 enacted 1872.)*

TITLE 2.4. CONTRACTS FOR DANCE STUDIO LESSONS AND OTHER SERVICES [1812.50 - 1812.69] (*Heading of Title 2.4 amended by Stats. 1988, Ch. 1043, Sec. 1.)*

1812.50. (a) The Legislature finds that there exists in connection with a substantial number of contracts for dance studio lessons and other services, sales practices, and business and financing methods which have worked a fraud, deceit, imposition, and financial hardship upon the people of this state; that existing legal remedies are inadequate to correct these abuses; that the dance studio industry has a significant impact upon the economy and well-being of this state and its local communities; and that the provisions of this title relating to these contracts are necessary for the public welfare.

(b) The Legislature declares that the purpose of this title is to safeguard the public against fraud, deceit, imposition, and financial hardship, and to foster and encourage competition, fair dealing, and prosperity in the field of dance studio lessons and other services by prohibiting or restricting false or misleading advertising, onerous contract terms, harmful financial practices, and other unfair, dishonest, deceptive, destructive, unscrupulous, fraudulent, and discriminatory practices by which the public has been injured in connection with contracts for dance studio lessons and other services.

(*Amended by Stats. 1988, Ch. 1043, Sec. 2.*)

1812.51. As used in this title, "contract for dance studio lessons and other services" means a contract for instruction in ballroom or other types of dancing, and includes lessons and other services, whether given to students individually or in groups. This title does not include contracts for professional services rendered or furnished by a person licensed under Division 2 (commencing with Section 500) of the Business and Professions Code, or contracts for instruction at schools operating pursuant to the Education Code.

(*Amended by Stats. 1988, Ch. 1043, Sec. 3.*)

1812.52. Every contract for dance studio lessons and other services shall be in writing and shall be subject to this title. A copy of the written contract shall be given to the customer at the time he or she signs the contract.

(*Amended by Stats. 1988, Ch. 1043, Sec. 5.*)

1812.53. (a) No contract for dance studio lessons and other services shall require payments or financing by the buyer over a period in excess of one year from the date the contract is entered into, nor shall the term of any contract be measured by the life of the buyer. However, the lessons and other services to be rendered to the buyer under the contract may extend over a period not to exceed seven years from the date the contract is entered into.

(b) All contracts for dance studio lessons and other services that may be in effect between the same seller and the same buyer, the terms of which overlap for any period, shall be considered as one contract for the purposes of this title.

(*Amended by Stats. 1999, Ch. 1024, Sec. 1. Effective January 1, 2000.*)

1812.54. (a) Every contract for dance studio lessons and other services shall provide that performance of the agreed-upon lessons will begin within six months from the date the contract is entered into.

(b) A contract for dance studio lessons and other services may be canceled by the student at any time provided he or she gives written notice to the dance studio at the address specified in the contract. When a contract for dance studio lessons and other services is canceled the dance studio shall calculate the refund on the contract, if any, on a pro rata basis. The dance studio shall refund any moneys owed to the student within 10 days of receiving the cancellation notice, unless the student owes the dance studio money for studio lessons or other services received prior to the cancellation, in which case any moneys owed the dance studio shall

be deducted by the dance studio from the refund owed to the student and the balance, if any, shall be refunded as specified above. A dance studio shall not charge a cancellation fee, or other fee, for cancellation of the contract by the student.

(c) Every contract for dance studio lessons and other services shall contain a written statement of the hourly rate charged for each type of lesson for which the student has contracted. If the contract includes dance studio lessons that are sold at different per-hour rates, the contract shall contain separate hourly rates for each different type of lesson sold. All other services for which the student has contracted that are not capable of a per-hour charge shall be set forth in writing in specific terms. The statement shall be contained in the dance studio contract before the contract is signed by the buyer.

(d) Every dance studio subject to Sections 1812.64 and 1812.65 shall include in every contract for dance studio lessons or other services a statement that the studio is bonded and that information concerning the bond may be obtained by writing to the office of the Secretary of State.

(Amended by Stats. 1999, Ch. 1024, Sec. 2. Effective January 1, 2000.)

1812.55. No contract for dance studio lessons and other services shall require or entail the execution of any note or series of notes by the buyer which, when separately negotiated, will cut off as to third parties any right of action or defense which the buyer may have against the seller.

(Amended by Stats. 1988, Ch. 1043, Sec. 8.)

1812.56. No right of action or defense arising out of a contract for dance studio lessons and other services which the buyer has against the seller, and which would be cut off by assignment, shall be cut off by assignment of the contract to any third party whether or not he or she acquires the contract in good faith and for value unless the assignee gives notice of the assignment to the buyer as provided in this section and, within 30 days of the mailing of notice, receives no written notice of the facts giving rise to the claim or defense of the buyer. A notice of assignment shall be in writing addressed to the buyer at the address shown on the contract and shall identify the contract and inform the buyer that he or she shall, within 30 days of the date of mailing of the notice, notify the assignee in writing of any facts giving rise to a claim or defense which he or she may have. The notice of assignment shall state the name of the seller and buyer, a description of the lessons and other services, the contract balance, and the number and amount of the installments.

(Amended by Stats. 1988, Ch. 1043, Sec. 9.)

1812.57. (a) Every contract for dance studio lessons and other services shall contain a clause providing that if, by reason of death or disability, the person agreeing to receive lessons and other services is unable to receive all lessons and other services for which he or she has contracted, the person and his or her estate shall be relieved from the obligation of making payment for lessons and other services other than those received prior to death or the onset of disability, and that if the buyer has prepaid any sum for lessons and other services so much of that sum as is allocable to lessons and other services he or she has not taken shall be promptly refunded to the buyer or his or her representative.

(b) Notwithstanding the provisions of any contract to the contrary, whenever the contract price is payable in installments and the buyer is relieved from making further payments or entitled to a refund under this section, the buyer shall be entitled to receive a refund or refund credit of so much of the cash price as is allocable to the lessons or other services not actually received by the buyer. The refund of the finance charge shall be computed according to the "sum of the balances method," also known as the "Rule of 78".

(Amended by Stats. 1988, Ch. 1043, Sec. 10.)

1812.58. The provisions of this title are not exclusive and do not relieve the parties or the contracts subject thereto from compliance with all other applicable provisions of law.

(Added by Stats. 1969, Ch. 1571.)

1812.59. Any contract for dance studio lessons and other services which does not comply with the applicable provisions of this title shall be void and unenforceable as contrary to public policy.

(Amended by Stats. 1988, Ch. 1043, Sec. 11.)

1812.60. Any contract for dance studio lessons and other services entered into in reliance upon any willful and false, fraudulent, or misleading information, representation, notice, or advertisement of the seller shall be void and unenforceable.

(Amended by Stats. 1988, Ch. 1043, Sec. 12.)

1812.61. Any waiver of the buyer of the provisions of this title shall be deemed contrary to public policy and shall be void and unenforceable.

(Added by Stats. 1969, Ch. 1571.)

1812.62. (a) Any buyer injured by a violation of this title may bring an action for the recovery of damages. Judgment may be entered for three times the amount at which the actual damages are assessed plus reasonable attorney fees.

(b) Notwithstanding the provisions of this title, any failure to comply with any provision of this title may be corrected within 30 days after the execution of the contract by the buyer, and, if so corrected, neither the seller nor the holder shall be subject to any penalty under this title, provided that any correction which increases any monthly payment, the number of payments, or the total amount due, must be concurred in, in writing, by the buyer. "Holder" includes the seller who acquires the contract, or, if the contract is purchased by a financing agency or other assignee, the financing agency or other assignee.

(Added by Stats. 1969, Ch. 1571.)

1812.63. Any person who violates any provision of this title relating to dance studio contracts is guilty of a misdemeanor. Any superior court of this state has jurisdiction in equity to restrain and enjoin the violation of any of the provisions of this title relating to dance studio contracts.

The duty to institute actions for violation of those provisions of this title, including equity proceedings to restrain and enjoin violations, is hereby vested in the Attorney General, district attorneys, and city attorneys. The Attorney General, any district attorney, or any city attorney may prosecute misdemeanor actions or institute equity proceedings, or both.

This section shall not be deemed to prohibit the enforcement by any person of any right provided by this or any other law.

(Amended by Stats. 1988, Ch. 1043, Sec. 13.)

1812.64. Every dance studio shall maintain a bond issued by a surety company admitted to do business in this state. The principal sum of the bond shall be 25 percent of the dance studio's gross income from the studio business in this state during the studio's last fiscal year, except that the principal sum of the bond shall not be less than twenty-five thousand dollars (\$25,000) in the first or any subsequent year of operation.

A copy of the bond shall be filed with the Secretary of State, together with a declaration under penalty of perjury signed by the owner of the studio stating the dance studio's gross income from the dance studio business in this state during the last fiscal year. The information contained in the declaration shall not be subject to public inspection. If the person in whose name the bond is issued severs his or her relationship with the bonded dance studio, the new owner shall, as a condition of doing business, notify the Secretary of State of the change of ownership and of proof of compliance with Sections 1812.64 and 1812.65.

(Amended by Stats. 1999, Ch. 1024, Sec. 3. Effective January 1, 2000.)

1812.65. The bond required by Section 1812.64 shall be in favor of the State of California for the benefit of any person who, after entering into a contract for dance studio lessons and other services with the dance studio, is damaged by fraud or dishonesty or failure to provide the services of the studio in performance of the contract.

(Amended by Stats. 1988, Ch. 1043, Sec. 15.)

1812.67. (a) Sections 1812.64 and 1812.65 do not apply to any dance studio which requires or receives less than fifty dollars (\$50) in advance payments from or on behalf of each student for dance studio lessons or other services which are to be rendered by the studio in the future and such advance payments are not required or received by the studio from each student more frequently than once every 30 days.

(b) Sections 1812.53, 1812.54, 1812.64, and 1812.65 do not apply to a dance studio which only offers instruction in ballet, modern, jazz, tap dance, or any combination thereof, to persons under 21 years of age pursuant to a contract for dance studio lessons that provides all of the following: (1) a total payment of less than five hundred dollars (\$500), (2) that all agreed-upon lessons will be offered within four months from the date the contract is entered, and (3) that the contract may be canceled and all money paid for instruction not yet received will be refunded within 10 days of cancellation, if the dance student cancels within three days after receiving the first lesson, or if the dance student cancels at any time after moving his or her residence to a location more than 15 miles from the location of the dance studio.

(c) Sections 1812.53, 1812.54, 1812.64, and 1812.65 do not apply to any organization that has qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code and which receives a direct grant of funds from the California Arts Council.

(Amended by Stats. 1988, Ch. 1043, Sec. 16.)

1812.68. If any provision of this title or the application thereof to any person or circumstances is held unconstitutional, the remainder of the title and the application of such provision to other persons and circumstances shall not be affected thereby.

(Added by Stats. 1969, Ch. 1571.)

1812.69. (a) The Secretary of State shall enforce the provisions of this title that govern the filing and maintenance of bonds.

(b) The Secretary of State shall charge a filing fee not to exceed the cost of filing the bond.

(Amended by Stats. 1999, Ch. 1024, Sec. 5. Effective January 1, 2000.)