



Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Ned Ruggeri
 Kush Patel
 App Academy – Hash Map Labs, Inc.
 1061 North Market Street #4
 San Francisco, CA 94103

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1516032
CITATION ISSUANCE/SERVICE DATE: September 29, 2015
DUE DATE: October 28, 2015
FINE AMOUNT: \$ 50,000.00
ORDER OF ABATEMENT INCLUDED: YES

Elainea Shotwell issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Enforcement Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Ned Ruggeri and Kush Patel, Owners of App Academy – Hash Map Labs, Inc. (Institution) located at 1061 North Market Street #4, San Francisco, CA 94103 pursuant to Business and Professions Code section 148; California Education Code (CEC) §94944; and Title 5 of the California Code of Regulations (5 CCR) §75020 for the violation(s) described below.

VIOLATION

#	The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the code section(s) of law you are charged with violating.
1.	<p><u>Violation:</u> CEC 94886 – Approval to Operate required <i>“Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter.”</i></p> <p>On 3/20/15, the Bureau received a complaint alleging App Academy – Hash Map Labs, Inc. (Institution) located at 1061 North Market Street #4, San Francisco, CA 94103 was operating a private postsecondary institution that did not have Bureau approval.</p>

On 1/21/14, Bureau staff mailed the "Operating Educational Institution without Proper Approval" letter to Ned Ruggeri (Ruggeri) and Kush Patel (Patel), owners of App Academy – Hash Map Labs, Inc. via certified and regular mail.

On 2/9/15, Bureau staff mailed another "Operating Educational Institution without Proper Approval" letter to Ruggeri and Patel via certified and regular mail. The letter stated that the Bureau has evidence that App Academy – Hash Map Labs, Inc. is advertising as a private postsecondary educational institution. It also stated that App Academy – Hash Map Labs, Inc. must cease operations until it is approved by the Bureau. The institution was to submit an application for approval to operate within thirty days of the date of the letter.

On 4/20/15, Bureau staff conducted an unannounced visit to the institution. Bureau staff met with owners Ruggeri and Patel. Both Ruggeri and Patel admitted to receiving the "Operating Educational Institution without Proper Approval" letters previously sent by the Bureau.

Bureau staff observed a lecture in progress, with 45-50 students in attendance as the institution was operating. Bureau staff reminded Ruggeri and Patel that the institution needed an approval to operate.

On 4/27/15, the Bureau received an Approval to Operate application from App Academy – Hash Map Labs, Inc. On 4/28/15, the Bureau mailed Ruggeri a letter confirming receipt of the Approval to Operate application and a reminder that a private postsecondary institution may not operate without obtaining an approval to operate from the Bureau.

On 4/29/15, the Bureau mailed Ruggeri a letter informing him that the application was incomplete, and listed items missing. The letter also advised that failure to provide this information would result in the denial of the application.

On 5/15/15, the City of San Francisco Planning Department issued a Notice of Enforcement (NOE) ordering to cease and desist the use of the building as a postsecondary educational institution as the institution was operating on a property permitted for business office use only, a violation of the City of San Francisco Planning Code Section 171.

The investigation and supporting evidence reveals that App Academy – Hash Map Labs, Inc. is operating without Bureau approval. App Academy – Hash Map Labs, Inc. continues to maintain a website at appacademy.io and advertise courses for a deposit of \$5000. App Academy – Hash Map Labs, Inc. has failed to comply with CEC 94886.

Order of Abatement:

The Bureau orders that the institution cease to operate immediately until such time that an approval to operate has been obtained from the Bureau. In accordance with CEC 94926, the institution must file a school closure plan with the Bureau.

Assessment of Fine

The fine for this violation is \$50,000.00

TOTAL ADMINISTRATIVE FINE DUE: \$50,000.00

ASSESSMENT OF A FINE

In accordance with CEC section 94944; and 5 CCR section 75020(b), the Bureau hereby orders this assessment of a fine in the amount of **\$50,000.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

ORDER OF ABATEMENT

In accordance with the provisions of CEC Section 94936 and 5 CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

BACKGROUND

On 3/20/15, the Bureau received a complaint alleging App Academy – Hash Map Labs, Inc. (Institution) located at 1061 North Market Street #4, San Francisco, CA 94103 was operating a private postsecondary institution that did not have Bureau approval.

On 1/21/14, Bureau staff mailed the “Operating Educational Institution without Proper Approval” letter to Ned Ruggeri (Ruggeri) and Kush Patel (Patel), owners of App Academy – Hash Map Labs, Inc. via certified and regular mail. On 2/9/15, Bureau staff mailed another “Operating Educational Institution without Proper Approval” letter to Ruggeri and Patel via certified and regular mail. The letter stated that the Bureau has evidence that App Academy – Hash Map Labs, Inc. is advertising as a private postsecondary educational institution. It also stated that App Academy – Hash Map Labs, Inc. must cease operations until it is approved by the Bureau. The institution was to submit an application for approval to operate within thirty days of the date of the letter.

On 4/20/15, Bureau staff conducted an unannounced visit to the institution. San Francisco Planning Department referred a Code Enforcement Officer, J.P., to join Bureau staff during visit. Bureau staff met with owners Ruggeri and Patel. Both Ruggeri and Patel admitted to receiving the “Operating Educational Institution without Proper Approval” letters previously sent by the Bureau.

On 4/27/15, the Bureau received an Approval to Operate application from App Academy – Hash Map Labs, Inc. On 4/28/15, the Bureau mailed Ruggeri a letter confirming receipt of the Approval to Operate application and a reminder that a private postsecondary institution may not operate without obtaining an approval to operate from the Bureau. On 4/29/15, the Bureau mailed Ruggeri a letter informing him that the application was incomplete, and listed items missing. The letter also advised that failure to provide this information would result in the denial of the application.

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App Academy – Hash Map Labs, Inc. continues to maintain a website at appacademy.io and advertise courses for a deposit of \$5000. App Academy – Hash Map Labs, Inc. has failed to comply with CEC 94886.

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by **October 28, 2015**, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **September 29, 2015**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **October 28, 2015**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

Payment of the administrative fine and/or written request for appeal must be mailed to:

Jody Wright, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this Citation, or desire further information, please contact Jody Wright, Enforcement Analyst, at 916-431-6940 or Jody.Wright@dca.ca.gov.



Elainea Shotwell
Enforcement Manager

September 29, 2015

Date

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First Class Mail