



Bureau for Private Postsecondary Education
1747 N. Market Blvd. Ste 225 Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 574-8900 F (916) 263-1897 www.bppe.ca.gov



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Stride, Inc., Owner
Galvanize, Inc
44 Tehama Street
San Francisco, CA 94105

INSTITUTION CODE: 56429829
CITATION NUMBER: 2122132
CITATION ISSUANCE/SERVICE DATE: March 8, 2022
DUE DATE: April 7, 2022
FINE AMOUNT: \$ 7,500.00

ORDER OF ABATEMENT INCLUDED: Yes

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

CITATION

A Citation is hereby issued to Stride, Inc., Owner of Galvanize, Inc (Institution) located at 44 Tehama Street, San Francisco, CA 94105, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

On May 12, 2021, the Bureau received a complaint alleging the Institution is practicing irregular admission processes by offering Income Share Agreements (ISA). Through the course of the investigation and evidence obtained, it was determined that the Institution was in violation of Bureau laws and regulations.

VIOLATION(S)

| | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| # | Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating. |
| 1. | <p>Violation: 5, CCR Section 71930 (e) – Maintenance Records <i>“(e) All records that the institution is required to maintain by the Act, or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.”</i></p> <p>On September 17, 2021, Bureau staff conducted an onsite visit at the Institution and was greeted by the Campus Operations Manager. Bureau staff inquired if the Institution’s Associate General Counsel was present or available. The Campus Operations Manager stated that he was not and would try to contact and inform him that Bureau staff was on the premises.</p> |

During the onsite visit, Bureau staff received a phone call from the Institution's Associate General Counsel and Bureau staff informed him that they were there to acquire records and evaluate some items as part of the investigation. The Institution's Associate General Counsel stated that he had informed the Bureau that he would be without employees or students on his campuses.

Bureau Staff informed the Associate General Counsel that California Code of Regulations Section 71930, Maintenance of Records, specifies that records that the Institution maintains shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations. The Institution's Associate General Counsel stated, via telephone, that he could provide rosters and student files electronically upon request, therefore Bureau staff left the premises without being able to view the requested documents.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, to include the hours of the personnel available during normal business hours, how the Institution will have staff present, and how future compliance will be maintained per 5, CCR Section 71930.

Assessment of Fine

The fine for this violation is \$2,500.00

2.

Violation:

5, CCR Section 71920 (b)(9) – Student Records

“(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;

Between September 30, 2021 – October 1, 2021, the Bureau received an email from the Institution's Legal Counsel and provided a secured zip file containing 19 current student and graduate files.

Bureau staff reviewed the current student files and graduate student files and found that the files did not contain a document showing the total amount of money received from or on behalf of the student, as well as the date or days when it was received.

Order of Abatement:

The Bureau orders the Institution to submit all accurate and updated records for the 19 current student and graduate files that were submitted to the Bureau between September 30, 2021 – October 1, 2021. The Institution shall also submit a declaration from the Institution stating that all student files (including the records mentioned above) have been updated to include all missing information.

In addition, the Bureau orders the Institution to submit to the Bureau a policy or procedure, of how the Institution will track the money received from or on behalf of students, and how future compliance will be maintained with Student Record keeping requirements, pursuant to 5, CCR section 71920(b)(9).

Assessment of Fine

The fine for this violation is \$2,500.00

| | |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | <p>CEC Section 94916 – Statement on Loans to Students <i>“An institution extending credit or lending money to an individual for institutional and noninstitutional charges for an educational program shall cause any note, instrument, or other evidence of indebtedness taken in connection with that extension of credit or loan to be conspicuously marked on its face in at least 12-point type with the following notice:”</i></p> <p><i>“NOTICE”</i></p> <p><i>“You may assert against the holder of the promissory note you signed in order to finance the cost of the educational program all of the claims and defenses that you could assert against this institution, up to the amount you have already paid under the promissory note.”</i></p> <p>Between September 30, 2021 – October 1, 2021, the Bureau received an email from the Institution’s Legal Counsel and provided a secured zip file containing 19 current student and graduate files.</p> <p>Between October 5, 2021 – October 11, 2021, Bureau staff reviewed the files and found that the Institution failed to include the required disclosure in its documents extending credit.</p> <p><u>Order of Abatement:</u> The Bureau orders the Institution to include the required disclosure, exactly as written in CEC section 94916, within the documents extending credit and submit the updated documents to the Bureau for review.</p> <p><u>Assessment of Fine</u> The fine for this violation is <u>\$2,500.00</u></p> |
| TOTAL ADMINISTRATIVE FINE DUE: \$7,500.00 | |

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$7,500.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH 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.**

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 **April 7, 2022**, 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 **March 8, 2022**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **April 7, 2022**. 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:

Cheryl Lardizabal, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

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 Cheryl Lardizabal, Citation Analyst, at (916) 574-7427 or at Cheryl.Lardizabal@dca.ca.gov.

“Original Signature on File”

“3/8/2022”

Christina Villanueva
Discipline Manager

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