



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Flatiron Holdings, Inc., Owner
 Flatiron School
 1019 E 4th Pl, 3rd Floor
 Los Angeles, CA 90013

Flatiron School (Branch)
 1460 Mission Street
 San Francisco, CA 94103

INSTITUTION CODE: 99580694
BRANCH CODE: 83940884
CITATION NUMBER: 2223024
CITATION ISSUANCE/SERVICE DATE: January 4, 2023
DUE DATE: February 3, 2023
FINE AMOUNT: \$ 5,000.00

ORDER OF ABATEMENT INCLUDED: Yes

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

CITATION

A Citation is hereby issued to Flatiron Holdings, Inc., Owner of Flatiron School (Institution) located at (Main location) 1019 E 4th Pl, 3rd Floor, Los Angeles, CA 90013 and (Branch location) 1460 Mission Street, San Francisco, CA 94103, 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 September 13, 2021, the Bureau received a complaint regarding concerns about the Institution’s tuition method offered to their students, as well as the enrollment agreement not containing the required disclosure per CEC Section 94916. 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.	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>

"NOTICE"

"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."

On July 1, 2020, the Bureau received a complaint from a former student of the Institution. During the investigation, it was found that the Institution offers students ISAs (Income Share Agreements). The former student provided a copy of the ISA, and Enrollment Agreement (EA), to the Bureau for review.

Bureau staff reviewed the Institution's ISA and EA and found that the Institution failed to include the required disclosure as stated in CEC section 94916.

Order of Abatement:

The Bureau orders the Institution to include the required disclosure if the Institution extends credit or lends money to students. The disclosure is to be included in any documents extending credit and shall be written as stated in CEC section 94916. The disclosure shall be submitted to the Bureau for review and approval prior to providing it to students.

Assessment of Fine

The fine for this violation is \$5,000.00

TOTAL ADMINISTRATIVE FINE DUE: \$5,000.00

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 **\$5,000.00** for the violations described above.

Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.

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 **February 3, 2023**, 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 **January 4, 2023**. Payment of the administrative fine shall be due by **February 3, 2023**. 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”

“1/4/2023”

Elizabeth Elias
Enforcement Chief

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