



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

June 30, 2022

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

| Date of Issuance | Citation Number | Institution Code |
|------------------|-----------------|------------------|
| June 30, 2022 | 2122132 | 56429829 |

On June 7, 2022, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 2122132 (Citation) against Stride, Inc., Owner of Galvanize, Inc. (Institution). In attendance were Ebony Santee, Licensing Chief, Linh T. Nguyen, Department of Consumer Affairs Legal Counsel, Chris Barnett, Galvanize’s Associate General Counsel, and Scott Pearson, Attorney/Partner with Manatt, Phelps & Phillips, LLP.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 2122132.

It is the decision of the Licensing Chief that on June 22, 2022, Citation No. 2122132 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

| # | 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. |
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| 1. | <p><u>Violation:</u> 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> <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</p> |

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.

Modified Order of Abatement: New substantive facts were presented at the Informal Conference. Order of Abatement has been satisfied.

Assessment of Fine

The fine for this violation is \$2,500.00

The administrative fine for this violation has been modified from \$2,500.00 to \$00.00.

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).

Modified Order of Abatement: New substantive facts were presented at the Informal Conference.

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| | <p>Order of Abatement has been satisfied.</p> <p><u>Assessment of Fine</u> The fine for this violation is <u>\$2,500.00</u></p> <p>The administrative fine for this violation has been modified from \$2,500.00 to \$00.00.</p> |
| 3. | <p><u>Violation:</u> 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>Modified Order of Abatement:</u> If the Institution offers ISA’s in the future, the Institution must include the disclosure, as written in CEC section 94916, within the documents extending credit in and provide them to the Bureau for review.</p> <p><u>Assessment of Fine</u> The fine for this violation is <u>\$2,500.00</u></p> |
| <p>TOTAL MODIFIED ADMINISTRATIVE FINE DUE: <u>\$2,500.00</u></p> | |

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

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

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. You *do*, however, have the right to appeal this affirmed or modified Citation through an Administrative Hearing. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you do not wish to appeal this modified Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **June 30, 2022**. The payment is due by **July 30, 2022**.

Failure to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Modified 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 decision 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”

“6/30/2022”

Christina Villanueva
Discipline Manager

Date

Enclosures

- Payment of Fine - Waiver of Appeal Rights
- Withdrawal- Request for Administrative Hearing
- Declaration of Service by Certified and First-Class Mail