



Bureau for Private Postsecondary Education
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APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

September 14, 2018

Phillip North, Owner
 Code District
 22519 Hawthorne Blvd.
 Torrance, California 90505

Date of Issuance	Citation Number	Institution Code
September 14, 2018	1718035	Unapproved

On July 25, 2018, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1718035 (Citation) against Phillip North, Owner of Code District. In attendance were Yvette Johnson, Enforcement Chief; and Phillip North, Owner.

Pursuant to Business and Professions Code, §148; California Education Code (CEC), section 94944; and Title 5 of California Code of Regulations (5, CCR), section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1718035.

It is the decision of the Enforcement Chief that on September 12, 2018, Citation No. 1718035 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.
1.	<p>MODIFIED <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>CEC 94817.5. Approved to Operate or Approved <i>“Approved to operate” or “approved” means that an institution has received authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs.”</i></p>

CEC 94868. To Offer to the Public

"To offer to the public" means to advertise, publicize, solicit, or recruit."

CEC 94869. To Operate

"To operate" means to establish, keep, or maintain any facility or location in this state where, or from which, or through which, postsecondary educational programs are provided."

CEC 94857. Postsecondary Education

"Postsecondary education" means a formal institutional educational program whose curriculum is designed primarily for students who have completed or terminated their secondary education or are beyond the compulsory age of secondary education, including programs whose purpose is academic, vocational, or continuing professional education.

CEC 94858. Private Postsecondary Educational Institution

"Private postsecondary educational institution" means a private entity with a physical presence in this state that offers postsecondary education to the public for an institutional charge.

During the Bureau staff's field investigation on October 19, 2017, the Bureau staff discovered that the Institution is in operation. Staff obtained a copy of students sign in sheets dated June 19, 2017 through October 16, 2017. A total of 74 students were listed on the sign in sheet. The Institution is operating out of Cowork Southbay and an employee of Cowork Southbay, confirmed the Institution has several boot camp events at various locations.

The Institution advertises programs on its website at www.codedistrict.io, on Meetup.com, [https://www.meetup.com/code-district/? cookie-check=yM75tyIM4S7_v3L4](https://www.meetup.com/code-district/?cookie-check=yM75tyIM4S7_v3L4), on Facebook.com, <https://www.facebook.com/codedistrict>, on Switchup.org, <https://www.switchup.org/bootcamps/code-district>. The Institution has a Yelp page at <https://www.yelp.com/biz/code-district-torrance-3> that lists an address of 22519 Hawthorne Blvd., Torrance, CA 90505 and a phone number of (310) 974-1975.

Bureau searched the Institution website and discovered two courses being offered:

- Front-End Web Developer \$4500 for 12 weeks starting January 8, 2018.
- Web Development for \$13,500 for 24 weeks starting January 8, 2018.

Based on the Bureau's investigation, the Institution is conducting business as a private postsecondary educational institution at 22519 Hawthorne Blvd., Torrance, CA 90505 and is not exempt from the provisions of the California Private Postsecondary Act. The Institution advertises at least two programs costing \$4,500.00 and \$13,500.00. The Institution falls under the definition of a private postsecondary educational institution under CEC section 94858. The Institution submitted an Application for Verification of Exempt Status to the Bureau and the Bureau denied the Verification of Exempt Status on November 17, 2017, as the Institution did not demonstrate they met the exemption of CEC 94874(f), "... An institution that does not award degrees and that solely provides educational programs for total charges of two thousand five hundred dollars (\$2,500) or less when no part of the total charges is paid form state or federal student financial aid programs."

The Institution continues to operate as a private postsecondary educational institution without Bureau approval and is in violation of CEC section 94886.

Order of Abatement:

The Bureau Orders that the Institution cease to operate as a private postsecondary educational institution. The Institution must discontinue recruiting or enrolling students and cease all instructional services and advertising in any form or type of media (including internet website, www.codedistrict.io) and any other websites not listed that are associated with Code District, until such time as an approval to operate is obtained from the Bureau. The Institution must disconnect all telephone service for (310) 974-1975 and any other telephone numbers not identified here that are associated with institution until such time as an approval to operate is obtained from the Bureau. The Institution must provide a refund to all students enrolled at the school prior to receiving an approval to operate from the Bureau as the enrollment agreements signed by the students are not enforceable since the school does not have a valid approval to operate. To comply with the Order of Abatement the Institution must submit a school closure plan to the Bureau pursuant to California Education Code 94926 and 94927.5. The Institution must provide a roster of each student currently enrolled at Code District. The roster must include the name of the student, their contact information (including phone number, email address, and physical address), the program in which they were enrolled, the date of enrollment, the amount paid for the program, and the amount the student was refunded.

Reason for modification: The Institution is no longer advertising programs costing over \$2,500.00

The administrative fine for this violation has been modified from \$100,000.00 to \$25,000.00.

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$25,000.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

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:

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

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 modified Citation through an Administrative Hearing,

only if you initially requested one within 30 days from the issuance date of the original citation. 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 did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

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 **September 14, 2018**. The order of abatement and payment are due by **October 14, 2018**.

Failure to abate the violation or 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 Gurinder Sandhu, Citation Analyst, at (916) 431-6940 or at Gurinder.Sandhu@dca.ca.gov.



Christina Villanueva
Discipline Manager



Date

Enclosures

- Payment of Fine - Waiver of Appeal Rights
- Copy of Modified Citation
- Withdrawal- Request for Administrative Hearing