



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

To: Nicholas James
Coding House Institute
2995 Woodside Rd. # 400
Woodside, CA 94062

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1617026
CITATION ISSUANCE/SERVICE DATE: January 31, 2017
DUE DATE: March 2, 2017
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 Nicholas James (James), owner of Coding House Institute (CHI), located at of 2995 Woodside Road Suite 400, Woodside, CA 94602 pursuant to Business and Professions Code section 125.9 and 149; California Education Code (CEC) section 94944; and Title 5 of the California Code of Regulations (5 CCR) section 75020 for the violation(s) described below.

BACKGROUND

On April 18, 2014, the Bureau received CHI’s Application for Approval to Operate an Institution Non-Accredited signed by Nicolas James.

On June 3, 2015, the Bureau issued James, owner of CHI, a Notice of Denial of Application for Approval to Operate. The Bureau’s denial was based on CHI’s failure to submit a current financial statement completed by a licensed Certified Public Accountant (CPA), multiple deficiencies found in the school catalog and enrollment agreement, and CHI’s noncompliance with record maintenance policies. On July 17, 2015, the Bureau received an appeal for the denial of the approval to operate an institution non-accredited. On November 12, 2015, the Bureau filed a Statement of Issues (SOI) against CHI. The hearing regarding the denial of CHI’s application for approval to operate is scheduled for November 14, 2016 to November 16, 2016. The Bureau notified CHI on multiple occasions, (Operating an Educational Institution Without Proper Approval letter, Receipt of Application letter and Notice of Denial of Application for Approval to Operate letter), that CHI did not have an approval to operate and as such was subject to a citation for up to \$50,000.00. CHI

continues to operate by enrolling students into its educational programs and charging the students tuition fees that range from between \$8,000 to \$16,000 as well as a percentage of the student's first year's salary.

The Bureau has also received complaints and evidence of enrollment from students that attended or are currently in attendance at CHI. CHI has continued to mislead students into believing the institution is approved by the Bureau by charging students a Student Tuition Recovery Fund (STRF) Assessment Fee and by providing students with School Performance Fact Sheets (SPFS).

Based on the findings of the Bureau's investigation, a citation for unlicensed activity is warranted and a First Amended SOI was issued on June 23, 2016 to include the unlicensed activity violation.

The Bureau found that CHI was operating from residential locations in Fremont and Pleasanton. When it was discovered and reported that CHI was operating a school and boarding house, in violation of city ordinances, CHI would move to another location. CHI was issued zoning violations by the cities of Fremont and Pleasanton.

VIOLATION(S)

#	The California Education Code (CEC), Title 5 of the California Code of Regulations (5 CCR), and Business and Professions Code (B&P). Below you will find the code section(s) of law you are charged with violating.
1.	<p><u>Violation:</u> CEC section 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 section 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> <p>CEC section 94868 To Offer to the Public <i>"To offer to the public" means to advertise, publicize, solicit, or recruit."</i></p> <p>CEC section 94869 To Operate <i>"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."</i></p> <p>CEC section 94858 Private Postsecondary Educational Institution <i>"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.</i></p> <p>CEC section 94857 Postsecondary Education <i>"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</i></p>

beyond the compulsory age of secondary education, including programs whose purpose is academic, vocational, or continuing professional education.

On April 18, 2014, the Bureau received CHI's Application for Approval to Operate an Institution Non-Accredited.

On October 6, 2014, the Bureau commenced an investigation on CHI based on the receipt of a student complaint.

On February 9, 2015, the Bureau mailed an "Operating Educational Institution without Proper Approval" letter via regular and certified mail to James, owner of CHI. The letter stated the Bureau has evidence that CHI is advertising as a private postsecondary educational institution and offering educational programs that require Bureau approval. The Bureau ordered CHI to cease operations and submit evidence of compliance within 30 days of the date of the letter. Despite the Bureau's order, CHI continued to operate as a private postsecondary educational institution.

On June 3, 2015, the Bureau sent James a Notice of Denial of Application for Approval via regular and certified mail. The Bureau's notice informed James that CHI does not have Bureau approval and is prohibited from operating a private postsecondary institution in California.

Between April 2016 and September 2016, the Bureau received six complaints from students who were enrolled in CHI after the Bureau's denial. The contract agreements submitted by four complainants were for a Full Immersion Boot Camp program that cost between \$8,000 to \$16,000 as well as a percentage of the student's first year's salary.

In May, 2016, CHI provided the Bureau a SPFS with supporting data that indicated 54 students were enrolled at CHI between June 8, 2015 and October 26, 2015. This demonstrates that CHI continued to operate and enroll students even after they were informed to discontinue offering educational programs.

Through the investigation the Bureau found that CHI was operating from the following locations:

- 46684 Windmill Drive, Fremont, CA 94539, (property vacated February 2016)
- 349 Harvard Commons, Fremont, CA 94539 (property vacated July 2016).
- 3381 East Ruby Hill Drive, Pleasanton, CA 94566.

CHI advertises a Full Immersion Live-In Coding Boot Camp program on its website at <https://codinghouse.co/#!home>. The listed payment options for this program vary from \$18,000 if the student pays upfront to \$4,000 with 22% of the student's first year's salary. CHI also maintains a Facebook page at <https://www.facebook.com/codinghouse.co> that lists telephone number (650) 853-8000 and an address of 2995 Woodside Road Suite 400, Woodside, CA 94602.

Despite the Bureau's requests for compliance and/or to cease operations as a private postsecondary educational institution, James, the owner of CHI, has ignored the Bureau and knowingly continues to operate without approval.

Order of Abatement:

The Bureau orders that Nicolas James, owner of CHI, cease to operate as a private postsecondary educational institution. CHI must discontinue recruiting or enrolling students and cease all instructional services and advertising in any form or type of media (including Internet web sites), until such time as an approval to operate is obtained from the Bureau. CHI must disconnect all telephone service numbers until such time as an approval to operate is obtained from the Bureau. To comply with the Order of Abatement, CHI must submit a school closure plan to the Bureau pursuant to California Education Code section 94926.

The Bureau orders that CHI provide the Bureau with a roster of all students that have enrolled at Coding House Institute since January 1, 2010. The roster shall include the name, address, telephone number, email address, the name of the program in which the student was enrolled, the date the student enrolled, the date the student left or completed the program, the amount of tuition charged and collected from the student verification that the student received a refund. Make full refunds to the students. Evidence of compliance shall be submitted within 30 days of the issuance of the citation.

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 5 CCR section 75020 (b) the Bureau hereby issues the order(s) of abatement described above. In accordance with Business and Professions Code Section 149, the Bureau may disconnect any telephone service numbers used by an unapproved Institution.

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 **March 2, 2017**, 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 31, 2017**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **March 2, 2017**. 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:

Ben Graber, 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 Ben Graber, Enforcement Analyst, at 916-576-2409 or Benjamin.graber@dca.ca.gov.



Elainea Shotwell
Enforcement Manager

4/31/17
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