



MODIFIED CITATION:
ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Phillip North, Owner
 Code District
 22519 Hawthorne Blvd.
 Torrance, CA 90505

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1718035
MODIFIED CITATION ISSUANCE/SERVICE DATE: September 16, 2019
MODIFIED DUE DATE: November 15, 2019
FINE AMOUNT: \$ 5,000.00
ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Modified 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 Modified Citation is hereby issued to Phillip North, Owner of Code District (Institution) located at 22519 Hawthorne Blvd., Torrance, CA 90505, 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

The Bureau previously issued Citation: Assessment of Fine and Order of Abatement No. 1718035 to the Owner of the Institution on May 10, 2018, which was appealed by the Institution and subsequently withdrawn without prejudice on August 28, 2019.

Your payment of any monies related to this Citation shall not constitute an admission of the violation(s) charged.

VIOLATION

#	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><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</p>

“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.”

CEC Section 94868. To Offer to the Public

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

CEC Section 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 Section 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 Section 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.

CEC Section 94902. General Enrollment Requirements

(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.

(b) An enrollment agreement is not enforceable unless all of the following requirements are met:

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, 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, unless the Institution qualifies for an exemption under CEC section 94874. 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 the Institution, 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 the Institution. 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.

Assessment of Fine

The fine for this violation is \$100,000.00

The modified administrative fine for this violation is \$5,000.00

TOTAL MODIFIED 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, by November 15, 2019.

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. The Institution shall not operate as a private postsecondary educational institution at all locations throughout the State of California and agree to discontinue recruiting or enrolling students and cease all instructional services and

advertising in any form or type of media (including Internet sites), until such time as approval to operate is obtained from the Bureau.

PAYMENT OF ADMINISTRATIVE FINE

The Institution shall pay the civil penalty in the amount of \$5,000.00 by way of cashiers' check or money order. The payment shall be mailed to:

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

The civil penalty must be paid to the Bureau by November 15, 2019. Payment of an administrative citation is not an admission of guilt or liability.

The Institution gives up the right to an administrative hearing and all other rights accorded by the California Administrative Procedure Act and other applicable laws. The Institution's failure to pay the modified citation civil penalty pursuant to the terms of this settlement will result in this matter being referred to collection and will result in the full original penalty being imposed and due in full. The Bureau for Private Postsecondary Education may file an Amended Modified Citation for the failure of conditions required of the Institution.

CONTACT INFORMATION

If you have any questions regarding this Modified Citation, or desire further information, please contact Cheryl Lardizabal, Citation Analyst, at (916) 621-2591 or Cheryl.Lardizabal@dca.ca.gov.

Signature on file

Christina Villanueva
Discipline Manager

Date

Enclosure

- Payment of Fine
- Declaration of Service by Certified and First-Class Mail