



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

June 15, 2015

Karl Knight
Duncan Logan
Rocket Space, Inc.
225 Bush Street
San Francisco, CA 94104

Table with 3 columns: Date of Issuance (May 6, 2015), Citation Number (1415053), Institution Code (Unapproved)

On May 20, 201, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1415053 (Citation) against Karl Knight and Duncan Logan, owners of Rocket Space, Inc. In attendance were Alyson Cooney, Deputy Bureau Chief; Mina Hamilton, DCA Legal; and Karl Knight, owner.

Pursuant to Business and Professions Code, §148; California Education Code (CEC), §94944; and Title 5 of California Code of Regulations (5 CCR), §75020 and §75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1415053.

It is the decision of the Deputy Bureau Chief that on June 15, 2015, Citation No. 1415053 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

Table with 2 columns: #, The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the section(s) you are charged with violating. Row 1: MODIFIED, Violation: CEC 94886 - Approval to Operate required

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."

On 1/31/14, the Bureau received a complaint alleging Rocket Space, Inc. located at 225 Bush Street, San Francisco, CA 94104 and 180 Sansome Street, San Francisco, CA 94104 was operating a private postsecondary institution that did not have Bureau approval.

On 2/4/14, Bureau staff mailed the "Operating Educational Institution without Proper Approval" letter to Duncan Logan and Karl Knight, owners of Rocket Space, Inc.

On 2/11/14, 4/9/14, 4/11/14 and 6/10/14, telephone conversations and emails were exchanged between Bureau staff and Karl Knight regarding the completion of an application for approval to operate.

On 2/11/14 Bureau staff notified Karl Knight that Rocket Space had until 3/12/14 to submit an application.

On 4/11/14 Karl Knight informed Bureau staff that Rocket Space's application was being finalized and would be submitted by employee N.A.

On 6/10/14, Karl Knight informed Bureau staff, via email that the application was still in progress.

On 2/9/15, Bureau staff mailed another "Operating Educational Institution without Proper Approval" letter to Karl Knight via certified and regular mail. The letter stated that the Bureau has evidence that Rocket Space, Inc. is advertising as a private postsecondary educational institution. It also stated that Rocket Space, Inc. must cease operations until it is approved by the Bureau. The institution was to submit an application for approval to operate within thirty days of the date of the letter.

On 2/20/15, Bureau staff received an email and certified letter from Duncan Logan, informing the Bureau that he is awaiting the outcome of the Bureau's task force to determine if he needed to comply by filing an application. On 3/12/15, Mr. Logan was informed that the Bureau's task force had no bearing on the law.

On 3/18/15, Bureau staff received a letter from Karl Knight stating that the institution has begun the application for approval to operate and that he will have it submitted by the end of April 2015.

On 4/16/15, Bureau staff researched the institution's website and found Rocket Space Inc. is offering Python Developer Bootcamp registration for three month programs for \$12,500.00.

The investigation and supporting evidence reveals that Rocket Space, Inc. is operating without Bureau approval. Rocket Space, Inc. continues to maintain a website at rocketspace.com and advertise courses for \$12,500. Rocket Space, Inc. has failed to comply with letters sent by the Bureau on 2/4/14 and 2/9/15 that requested the institution submit an application for approval to operate. To date the institution has failed to submit an application for approval to operate.

Order of Abatement:

The Bureau orders that the institution cease to operate immediately until such time that an

	<p>approval to operate has been obtained from the Bureau. In accordance with CEC 94926, the institution must file a school closure plan with the Bureau.</p> <p>Reason for modification: The institution submitted an application for approval to operate in April 2015.</p> <p>The administrative fine for this violation has been modified from \$50,000.00 to <u>\$5,000.00</u>.</p>
<p>TOTAL MODIFIED ADMINISTRATIVE FINE DUE: <u>\$5,000.00</u></p>	

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:

Jody Wright, 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.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on June 15, 2015. The order of abatement and payment are due by **July 14, 2015**.

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 Jody Wright, Citation Analyst, at (916) 431-6940 or at Jody.Wright@dca.ca.gov.


Alyson Cooney
Deputy Bureau Chief

June 15, 2015

Enclosures

- Payment of Fine