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

To: Make School, Inc.
Make School
1547 Mission Street
San Francisco, CA 94103

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1718011
CITATION ISSUANCE/SERVICE DATE: May 2, 2018
DUE DATE: June 2, 2018
FINE AMOUNT: $ 100,000.00
ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva, issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager for the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Make School Inc, Owner of Make School (Institution) located at 1547 Mission Street, San Francisco, CA 94103 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 March 29, 2016, the Bureau for Private Postsecondary Education (Bureau) received a tip from the Bureau's Complaint Investigations Unit (Enforcement). The tip alleges that the Institution is operating an unapproved institution at 1547 Mission Street, San Francisco, CA 94103 and advertising online via their school website at www.makeschool.com. The Institution charges up to $90,000.00 in tuition based on the program and method of payment used. The Institution does not hold an approval to operate, and is not operating within a category of exemption. Despite the Bureau's efforts to bring the Institution into compliance, the institution has continued to operate. Institution is found to be in violation of CEC section 94886.

On December 30, 2016, the Bureau received an Application for an Approval to Operate an Institution Non-Accredited number 29866 from the Institution. On January 03, 2017, the Bureau mailed an Acknowledgement of receipt of Institution's application to the Institution. The letter also informed the school that per section 94886, "... 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." Make School is operating without approval and is in violation of CEC section

94886. However, the Institution has not received an approval from the Bureau to operate and continues to operate in violation of CEC section 94886.

VIOLATION(S)

#	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.	**Violation:** **CEC Section 94886. Approval to Operate Required** *"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."* **CEC Section 94817.5. Approved to Operate or Approved** *"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 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:* *(1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement.* *(2) At the time of the execution of the enrollment agreement, the institution held a valid approval to operate.* *(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student.* *(c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the student.* On March 29, 2016, the Bureau received a tip from Enforcement alleging that the Institution is operating as an unapproved institution at 1547 Mission Street, San Francisco, CA 94103 and advertising online via their school website at www.makeschool.com. On April 13, 2016, Bureau staff verified that Make School (Institution) is advertising Information Technology related programs at 1547 Mission Street, San Francisco, CA 94103 from www.makeschool.com. The Institution's website advertises three programs which include a Product Academy, Summer Academy, and an Online Academy for up to $30,000.00 per year, upon enrollment, based on the program and/or an Income Based Repayment Program (IBR). For students

on an IBR, a percentage of a student's internship salary and first two years' salary after graduation is charged up to a 45% fee, dependent on how much money a student paid to the Institution upon enrollment.

On April 15, 2016, the Bureau sent a letter to the Institution for operating unapproved and notified the Institution that it must cease operating until such time that an Approval to Operate has been obtained.

On January 3, 2017, the Bureau received an application for Approval to Operate an Institution Non-Accredited number 29866. Make School has not received an approval to operate from the Bureau and continues to operate and advertises from the website as an unapproved institution in violation of CEC section 94886.

As of February 22, 2018, Make School is still advertising and accepting applications for September 2018, via their website at www.makeschool.com. According to their academic calendar, early admissions decisions were made in November 20, 2017 and the classes are scheduled to begin September 4, 2018. The 2018 tuition costs for courses vary based on an Income Share Agreement (ISA) where students will share 25% of their pre-tax income after graduation, in order to pay for tuition. The more tuition a student pays initially, the fewer months of repayment will be shared with Make School after graduation. The Institution charges up to $90,000.00 in tuition based on the program and method of payment used.

Order of Abatement

The Bureau orders that the Institution ceases to operate as a private postsecondary educational institution in California. The Institution must discontinue recruiting or enrolling students and cease all instructional services and advertising in any forms or type of media, including Internet web site https://www.makeschool.com/ and any other websites not identified here that are associated with Make school, until such time as an approval to operate is obtained from the Bureau. The Institution must disconnect all telephone service for (415) 814-0980 and any other telephone numbers not identified here that are associated with Make School, until such time that 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 student 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 section 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 are 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

TOTAL ADMINISTRATIVE FINE DUE: $100,000.00

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 **$100,000.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH 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 **June 2, 2018,** 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 **May 2, 2018.** Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **June 2, 2018**. 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:

Gurinder Sandhu, 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 Gurinder Sandhu, Citation Analyst, at 916-431-6940 or Gurinder.Sandhu@dca.ca.gov.

Christina Villanueva
Discipline Manager

5/2/18
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
- Declaration of Service by Certified and First-Class Mail