



Bureau for Private Postsecondary Education
 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: David J. Phillips
 Hackbright Academy
 683 Sutter Street, Suite 201
 San Francisco, CA 94102

INSTITUTION CODE: UA
CITATION NUMBER: 1415009
CITATION ISSUANCE/SERVICE DATE: May 16, 2015
DUE DATE: June 15, 2015
FINE AMOUNT: \$ 50,000.00
ORDER OF ABATEMENT INCLUDED: YES

Yvette Johnson issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Enforcement Chief of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to David J. Phillips, Owner of Hackbright Academy (Institution) located at 683 Sutter Street, Suite 201, San Francisco, CA 94102 pursuant to Business and Professions Code section 148; California Education Code (CEC) §94944; and Title 5 of the California Code of Regulations (5 CCR) §75020 for the violation(s) described below.

VIOLATION

#	The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the code section(s) of law you are charged with violating.
1.	<p><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>On 1/8/14, the Bureau received a complaint that alleged Hackbright Academy (Hackbright) was operating without the Bureau's approval. Investigation and supporting evidence confirmed the allegation that Hackbright is advertising and offering educational programs that cost between \$3,000.00 to \$15,000.00. On 1/10/14, Bureau staff mailed a letter to David J. Phillips (Phillips), CEO</p>

of Hackbright. The letter informed Phillips that the institution must cease operation until it receives approval by the Bureau. On 1/23/14, Phillips contacted Bureau staff stating that he was not aware of the Bureau or that there was an approval process. He also stated that he was in the process of seeking lawyers or consultants to figure out what he needed in order to comply.

On 1/24/14, P.Y. the attorney for Hackbright, contacted the Bureau inquiring about the timeframe for receiving an approval to operate once an application was submitted. Bureau management explained that it is a lengthy process and that Hackbright should do a "teach out" for currently enrolled students and cease enrolling any new students until such time an approval was granted. P.Y. was also informed that Hackbright was subject to a fine up to \$50,000.00 for operating unapproved. P.Y. stated Hackbright intended to apply for approval to operate or an exemption. The Bureau has not received either.

On 2/9/15, Bureau staff mailed a certified letter to Phillips that the institution must cease operation until it receives approval by the Bureau. The letter also stated that the Bureau has evidence that Hackbright is advertising as a private postsecondary educational institution. On 2/25/15, the Bureau received a certified mail receipt that was signed on 2/12/15. Despite the Bureau's request to submit evidence of compliance within 30 days of the date of the certified letter, no response has been received.

Order of Abatement:

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

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 CEC Section 94936 and 5 CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. **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.**

BACKGROUND

On 1/8/14, the Bureau received a complaint that alleged Hackbright Academy (Hackbright) was operating without the Bureau's approval. Investigation and supporting evidence confirmed the allegation that Hackbright is advertising and offering educational programs that cost between \$3,000.00 to \$15,000.00. On 1/10/14, Bureau staff mailed a letter to David J. Phillips (Phillips), CEO

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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 15, 2015, 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 16, 2015**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **June 15, 2015**. 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:

Jody Wright, 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 Jody Wright, Enforcement Analyst, at 916-431-6940 or Jody.Wright@dca.ca.gov.



Yvette Johnson
Enforcement Chief

5-16-15

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