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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

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FULLER, et al.,

            Plaintiffs,

      vs.

BLOOM INSTITUTE OF TECHNOLOGY, et al.,

          Defendants.

Case No. 3:23-CV-01440-AGT

DEFENDANTS BLOOM INSTITUTE OF TECHNOLOGY'S AND AUSTEN ALLRED'S AMENDED NOTICE OF REMOVAL OF CIVIL ACTION PURSUANT TO THE CLASS ACTION FAIRNESS ACT UNDER 28 U.S.C. §§ 1332(d), 1441, AND 1446

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DEFENDANTS' AMENDED NOTICE OF REMOVAL
3:23-CV-01440-AGT

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AMENDED NOTICE OF REMOVAL

TO THE CLERK OF THE ABOVE-ENTITLED COURT AND TO PLAINTIFFS JESSICA FULLER; ALEXANDER GONCLAVES; BRETT MCADAMS; AND QUINN MOLINA AND THEIR ATTORNEYS OF RECORDS:

PLEASE TAKE NOTICE that Defendants Bloom Institute of Technology, formerly d/b/a Lambda School, and Austen Allred (collectively "Defendants") file this Amended Notice of Removal. The above-entitled case is a civil action over which this Court has diversity jurisdiction pursuant to 28 U.S.C. § 1332(d) (referred to hereinafter as the Class Action Fairness Act ("CAFA")). Defendants assert the following grounds for removal under CAFA:

1.   The action involves at least one member of the putative class of Plaintiffs who is a citizen of a state different from any of the Defendants;

2.   Based on the proposed class described in the Complaint, Plaintiffs have plausibly alleged a putative class with an amount in controversy that exceeds the sum of $5,000,000, exclusive of interests and costs.

3.   Based on the proposed class described in the Complaint, Plaintiffs have plausibly alleged a putative class that includes more than 100 individuals.

4.   Based on the proposed class described in the Complaint, Plaintiffs have plausibly alleged a putative class wherein two-thirds or more of the individuals they identify are citizens of a state other than California (i.e., less than one third of the proposed putative class members Plaintiffs identify are citizens of California).

5.   This case is removable under 28 U.S.C. §§ 1332(d), 1441, and 1446. Removal to this Court is proper because it is part of the "district and division" embracing the place where the state court action is pending. *See* 28 U.S.C. § 1441(a).

NATURE OF THIS LAWSUIT

6.   On or about March 16, 2023, Plaintiffs Jessica Fuller, Alexander Gonclaves, Brett McAdams, and Quinn Molina (collectively "Plaintiffs") commenced the aforementioned action against Defendants by filing a Complaint in the Superior Court of the State of California, County of San Francisco, entitled *Jessica Fuller et al. v. Bloom Institute of Technology, et al.*, Case No. CGC-

1   23-605179 (hereinafter the "State Court Action").

2   7.   On March 27, 2023, Defendants filed an initial notice of removal to the District Court

3   for the Northern District of California. (Dkt. 1.) Defendants' earlier notice of removal indicated that

4   a separate and appropriate basis for the Court's jurisdiction was under CAFA. (*Id*.) As set forth

5   above, the requirements of CAFA are met and, thus, out of an abundance of caution, Defendants are

6   hereby filing an amended notice of removal reiterating that, and elaborating as to why, a separate

7   basis for removal exists under CAFA. Although Defendants contend that the appropriate forum for

8   this case is arbitration, as indicated by their Motion to Compel Arbitration filed on April 12, 2023

9   (Dkt. 10), and do not waive their right to challenge Plaintiffs' request for class wide relief, to the

10 extent the Court does not compel arbitration, Defendants timely removed and now timely amend

11 their notice of removal with respect to this case.

12 **THE PARTIES SATISFY MINIMUM DIVERSITY AS REQUIRED UNDER CAFA**

13   8.   Plaintiff Jessica Fuller is a Resident of the State of Washington. Plaintiff Alexander

14 Gonclaves is a Resident of the State of Pennsylvania. Plaintiff Brett McAdams is a Resident of the

15 State of Florida. Plaintiff Quinn Molina is a Resident of the State of Washington.

16   9.   Defendant BloomTech Inc., is a corporation registered in the State of Delaware with

17 its headquarters and principal place of business located in the State of California. Plaintiffs allege

18 that Defendant Austen Allred is a Resident of the State of California.

19   10.   Minimum diversity exists as between at least one class Plaintiff and any one of the

20 Defendants in the matter filed in the State Court Action. [1]

21   11.   Furthermore, based on Plaintiffs' State Court Action, they purport to represent the

22 interests of a putative class of individuals that they plead includes "All persons who enrolled at

23 Lambda and: (i) entered into an ISA, retail installment contract, deferred tuition plan, or any other

24 tuition payment plan with an arbitration clause that contains a carve-out for any proceeding

25 commenced by either party seeking an injunction or any other equitable remedy or (ii) who

26 otherwise did not sign any such agreements with an arbitration clause, or opted out of one; and (iii)

27 _____

28 [1] Defendant Austen Allred contests the claim that he is a resident of the State of California, however, under no circumstance would he be regarded as a resident of any of the states where Plaintiffs reside such that complete diversity would not exist.

1 who have not yet had their ISA, retail installment contract, deferred tuition plan, or other tuition

2 payment plan cancelled and all payments made to Lambda refunded." (Compl., ¶ 142.) Based on

3 Defendants' putative class identification, Plaintiffs have plausibly alleged a putative class that is (1)

4 sufficiently numerous in that it comprises significantly more than 100 individuals, and (2)

5 sufficiently numerous as a class of individuals residing outside of the forum in that less than one-

6 third of the members of the putative class are citizens of California.

7   **THE "AMOUNT IN CONTROVERSY" REQUIREMENT IS SATISFIED**

8   12.   Although the specific amount Plaintiffs seek to recover through the State Court

9 Action is not specifically pleaded, Defendants assert based on the allegations contained in the

10 Complaint, and the description of the proposed putative class, the amount in controversy is

11 $5,000,000 or more. Among other things, Plaintiffs allege that they were indebted to one or more

12 Defendants in amounts of "up to $30,000" (*see* Complaint, ¶¶ 3, 47, 110, 112, 119, 136, 173). With

13 respect to the putative class described in the Complaint, Plaintiffs seek to cancel or otherwise

14 prevent collection on the ISAs and an order that Defendants be required to repay all amounts paid

15 pursuant to such ISAs. (Compl., ¶¶ 9-10.) Based on Plaintiffs' allegations in the Complaint, and

16 their description of the putative class, Plaintiffs have plausibly alleged a putative class with a total

17 amount in controversy greater than $5,000,000.

18   13.   In addition, Plaintiffs and members of the putative class seek to recover attorney's

19 fees. (*See* Compl., ¶ 13.) Attorney's fees for a nation-wide class action with a substantial amount in

20 controversy will undoubtedly reach hundreds of thousands of dollars, if not well over a million

21 dollars. *Greene v. Harley-Davidson, Inc.*, 965 F.3d 767, 774,fn. 4) (9th Cir. 2020) (finding

22 attorney's fees assumption of 25 percent of the total amount in controversy if plaintiff were to

23 prevail as a reasonable in meeting the amount in controversy requirement under CAFA).

24   14.   Accordingly, the "amount in controversy" requirement is satisfied. *Dart Cherokee*

25 *Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014) ("[A] defendant's notice of removal

26 need include only a plausible allegation that the amount in controversy exceeds the jurisdictional

27 threshold.").

28 ///

-4-
DEFENDANTS' AMENDED NOTICE OF REMOVAL
3:23-CV-01440-AGT

THE PROCEDURAL REQUIREMENTS FOR REMOVAL ARE SATISFIED

15.   This amended notice of removal is timely because it is being filed within 30 days of the date of service shown on the return of service. (*See* **Exhibit A**; 28 U.S.C. § 1446.)

16.   Defendants have re-attached true and correct copies of the pleadings and other papers filed in the State Court Action hereto as **Exhibit A**.

17.   Contemporaneous with the filing of this notice, Defendants will also file a copy of this amended notice with the San Francisco County Superior Court Clerk, in accordance with 28 U.S.C. § 1446.

CONCLUSION

18.   Through this submission, Defendants respectfully amend their notice of removal.

19.   For the foregoing reasons, Defendants request that this Court proceed with the handling of this case as if it had been originally filed here and that further proceedings in San Francisco County Superior Court be terminated.

Dated: April 19, 2023   PILLSBURY WINTHROP SHAW PITTMAN LLP

                                                     /s/ Patrick Hammon
                                            By: PATRICK HAMMON
                                                  ANDREW K. PARKHURST
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EXHIBIT A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

JESSICA FULLER; ALEXANDER GONCALVES; BRETT MCADAMS; and QUINN MOLINA, Plaintiffs, v. BLOOM INSTITUTE OF TECHNOLOGY, formerly d/b/a Lambda School; AUSTEN ALLRED, in his individual capacity; and DOES 1 through 9, Defendants.	CASE NO. **VERIFIED CLASS ACTION COMPLAINT FOR EQUITABLE RELIEF BASED ON:** 1. **VIOLATIONS OF THE CONSUMER LEGAL REMEDIES ACT (Cal. Civ. Code §§ 1750, et seq.)** 2. **VIOLATIONS OF THE UNFAIR COMPETITION LAW (Cal. Bus. & Prof. Code §§ 17200, et seq.)** 3. **VIOLATIONS OF THE FALSE ADVERTISING LAW (Cal. Bus. & Prof. Code §§ 17500, et seq.)**

VERIFIED CLASS ACTION COMPLAINT

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VERIFIED CLASS ACTION COMPLAINT

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1   Plaintiffs Jessica Fuller, Alexander Goncalves, Brett McAdams, and Quinn Molina

2   ("Plaintiffs"), by and through their attorneys, allege as follows:

3   **I.   SUMMARY OF THE CASE**

4   1.   Bloom Institute of Technology, formerly known as Lambda School ("Lambda"), is a for-

5   profit, unaccredited computer coding bootcamp that opened in 2017, audaciously promising to

6   revolutionize higher education. Unlike traditional higher education, with its high debt load, uncertain

7   job prospects, and structural indifference to job outcomes, Lambda claimed its approach would be

8   different. By its telling, Lambda would not only teach students coding, but would connect students with

9   tech jobs, and require tuition payments only after students got qualifying jobs—accomplished by

10 having them sign Income Share Agreements ("ISAs") before enrolling. Lambda and its CEO, Austen

11 Allred, trumpeted ISAs as a disruptive, revolutionary approach to education financing, promising

12 students that, because they paid nothing until they found a job, Lambda was equally invested in

13 students' ultimate job market success.

14   2.   As evidence that Lambda's model worked, it promoted lofty job placement rates. For the

15 last several years, Lambda has prominently displayed job placement rates of 74 to 90 percent across its

16 website, social media pages, and online advertisements. In time, Lambda's aggressive marketing,

17 touting that the vast majority of its students get well-paying tech jobs, swelled its enrollment to

18 thousands of students.

19   3.   But Lambda's entire marketing pitch was based on a series of misrepresentations. While

20 Lambda publicly flaunted job placement rates of 74 to 90 percent, it revealed to its private investors

21 that the true rates were far lower, ranging from 27 to 50 percent. While Lambda's public marketing

22 emphasized how the school was invested in students' success, claiming that Lambda wouldn't get paid

23 unless students did, in reality Lambda sold off the rights to collect on students' future income to private

24 investors. Lambda even misrepresented that it had state approval to operate when, in fact, it did not.

25 Through these misrepresentations, Lambda ensnared thousands of students in its scheme to extract (or

26 sell off the rights to extract) up to $30,000 from each students' future earnings.

27   4.   Plaintiffs, four such students, bring this class action complaint, on behalf of themselves

28 and a class of similarly situated persons, against Lambda, Lambda's co-founder and CEO, Austin

VERIFIED CLASS ACTION COMPLAINT   1

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MCCARTHY, LLP

1   Allred, in his personal capacity, and John Does 1–9 for violations of the California Consumer Legal

2   Remedies Act ("CLRA"), California Civil Code § 1750, *et seq.*, Unfair Competition Law ("UCL"),

3   California Business and Professional Code §17200, *et seq.*, and False Advertising Law ("FAL"),

4   California Business and Professional Code § 17500, *et seq.*

5   5.   Plaintiffs bring this action to hold Defendants accountable for: (i) falsifying and

6   misrepresenting Lambda's job placement rates, and misrepresenting and concealing the true nature of

7   Lambda's financial interest in students' success, including by falsely representing that Lambda only got

8   paid after students found employment and got paid; (ii) misrepresenting and concealing from students

9   that, until August 17, 2020, Lambda did not have the necessary approval from the California Bureau for

10   Postsecondary Education ("BPPE") to operate as a school, and was under order by the BPPE to cease

11   operations, stop enrolling students, cease all instructional services, and submit a closure plan; (iii) in

12   violation of California law, enrolling, signing ISAs or other tuition payment plans with and providing

13   educational services to students before Lambda obtained the BPPE's approval to operate; and (iv) in

14   violation of California law, engaging in the unlawful business practice of unlicensed lending.

15   6.   Plaintiffs and members of the proposed class are current and former Lambda students

16   who either (1) entered into ISAs, retail installment contracts, deferred tuition plans, or other tuition

17   plans (hereinafter "ISAs" or "tuition payment plans") with an arbitration clause that contains a carve-

18   out for proceedings "commenced by either party seeking an injunction . . . or any other equitable

19   remedy," or (2) enrolled at Lambda without signing (or opting out of) an arbitration clause and class

20   action waiver. On information and belief, this includes students who enrolled at Lambda from on or

21   around March of 2020 to the present.[1]

22   7.   Plaintiffs and members of the proposed class enrolled at Lambda under false pretenses.

23   Plaintiffs seek declaratory and injunctive relief to cancel their ISAs and the ISAs/tuition payment plans

24   of all class-members, to declare the ISAs/tuition payment plans null and void, to require equitable

25   restitution of all payments made to Lambda, and for additional relief. They also seek public injunctive

26

27   _____

28   [1] While the ISAs and other tuition payment plans from March 2020 to the present contain arbitration
     clauses and class action waivers, neither apply to this proceeding.

VERIFIED CLASS ACTION COMPLAINT   2

relief, including enjoining Defendants from misrepresenting job placement rates, and collecting on any ISA or other tuition payment plan entered into while Defendants engaged in such misrepresentations.

II.   THE PARTIES

8.   Plaintiff Jessica Fuller is a resident of Lakewood, Pierce County, Washington. She signed her ISA on April 22, 2020. She was enrolled as a student at Lambda from June 2020 until September 2020, at which point she withdrew from her program. Plaintiff Fuller's ISA is attached as Exhibit A.

9.   Plaintiff Alexander Goncalves is a resident of Philadelphia, Philadelphia County, Pennsylvania. He signed his ISA on May 20, 2020. He was enrolled as a student at Lambda from June 2020 until January 2021, at which point he graduated from his program. Plaintiff Goncalves's ISA is attached as Exhibit B.

10.   Plaintiff Brett McAdams is a resident of Apopka, Orange County, Florida. He signed his ISA on June 15, 2020. He was enrolled as a student at Lambda from July 2020 until March 2021, at which point he graduated from his program. Plaintiff McAdams's ISA is attached as Exhibit C.

11.   Plaintiff Quinn Molina is a resident of Olympia, Thurston County, Washington. He signed his ISA on January 8, 2021. He was enrolled as a student at Lambda from January 2021 to May 2022, at which point he graduated from his program. Plaintiff Molina's ISA is attached as Exhibit D.

12.   Defendant Lambda is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 250 Montgomery Street, Floor 16, San Francisco, California 94104.

13.   Defendant Austen Allred is Lambda's founder and CEO. Upon information and belief, Mr. Allred resides in San Francisco, California.

14.   Defendants John Does 1-9 are officers and/or directors of Lambda as well as individuals, corporations, or other entities who may own all or a portion of Plaintiffs' and class members' ISAs or other tuition payment plans or another financial interest in such ISAs or tuition payment plans.

III.   JURISDICTION AND VENUE

15.   This Court has subject matter jurisdiction because each cause of action asserted herein arises under the laws of the State of California.

16.   This Court has personal jurisdiction over Defendants because Defendant Lambda's principal place of business is in the County of San Francisco, California; Defendant Allred, upon information and belief, resides in the County of San Francisco, California; and Defendants have caused injuries in the County of San Francisco and the State of California through their acts, and by their violation of the UCL, FAL, and CLRA.

17.   Venue is proper in the County of San Francisco pursuant to Cal. Civ. Proc. Code §§ 395(a) and 395.5.

IV.   FACTUAL ALLEGATIONS COMMON TO ALL CLAIMS

A.   LAMBDA BACKGROUND

18.   Lambda is a private, for-profit online coding school founded in 2017 by its current CEO, Austen Allred. Lambda provides online six and twelve-month computer science courses. It is not a degree-granting institution, and is not accredited. Students cannot take out federal student loans to attend Lambda.

19.   At all times relevant to this complaint, Lambda charged between $21,000 and $30,000 for its program, more than double the reported average price of online coding bootcamps.[2]

20.   As Lambda's CEO, Mr. Allred was the company's primary decisionmaker, in a position of control over daily operations and aware of the company's public representations and status with the BPPE.

21.   As Lambda's CEO, Mr. Allred also benefited personally from the tuition paid by Plaintiffs and members of the class.

22.   Lambda marketed itself prominently as a place where students learn the skills necessary to obtain employment in the competitive computer technology job market. In Mr. Allred's words, most students come to Lambda with "no network" and are "from either inner cities or rural areas."[3]

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[2] *See* Cecilia Clark, *How Much is Coding Boot Camp?* Nerdwallet (June 21, 2022, 10:53 AM), https://www.nerdwallet.com/article/loans/student-loans/how-much-is-coding-bootcamp.

[3] *See* Y Combinator, *A CS Education That's Free Until You Get a Job - Austen Allred of Lambda School*, YouTube (Apr. 3, 2019) at 9:10 (hereinafter "Y Combinator Interview"), https://www.youtube.com/watch?v=_yIAYZtdrfI&t=551s.

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23.   Lambda has long touted "experienced industry expert" instructors and a top-of-the-line curriculum that is "designed to get you hired." On April 3, 2019, Mr. Allred stated that Lambda's "educational experience is, I think, among the best in the world."[4]

24.   Lambda's business model is predicated on convincing prospective students to pay a large amount of tuition by promising them that they will not owe anything unless and until they find a job that pays $50,000 or more per year.

25.   Lambda carries out this model by entering into ISAs with students. As Lambda describes it: "A Lambda School ISA is a contract under which you agree to pay 17% of your post-Lambda School salary for 24 months, but only once you're making more than $50,000 per year (or the equivalent of $4,166.67 per month). The ISA is capped at a maximum repayment of $30,000, so you won't pay more than $30,000 under any circumstances."[5]

26.   Lambda ISAs are managed by third-party servicers who handle ISA origination and payment processing.[6] The ISAs at issue in this case are serviced by Meratas, a loan-servicing company headquartered in Stamford, Connecticut.

27.   By April 2019, Lambda was growing at "an insane pace." As Mr. Allred explained:

> We agreed as a team to no longer share the number of students that we have enrolled, but it is not a small number and it is growing at an insane pace. We'll soon be measuring Lambda School scale by percentage of the overall number of students learning to program every year, to give you some context. And being able to support that kind of scale effectively is what keeps me up at night. Mostly specifically hiring, mostly hiring executives right now who can build out 100, 150 person teams beneath them . . . and we need like 5 of them yesterday.[7]

28.   Although Lambda may not have wanted to share its enrollment data publicly, in a May 2019 memorandum to its investor Y Combinator, Lambda executives stated:

> When a Lambda School student is hired for $75k/yr, they pay us back approximately $25k. At 4,000 placed software engineers/year we'll hit a $100mm/yr run rate. In 2019 we'll

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[4] *Id.* at 15:05.

[5] *The Lambda School Income Share Agreement*, Lambda School Website (scroll to FAQs "What is an ISA and how does it work"), [archived by the Wayback Machine (Dec. 16, 2020), https://web.archive.org/web/20201216131833/https:/lambdaschool.com/tuition/isa].

[6] *The Lambda School Income Share Agreement*, Lambda School Website (scroll to FAQs "Who are Meratas and Leif"), [archived by the Wayback Machine (Dec. 16, 2020), https://web.archive.org/web/20201216131833/https:/lambdaschool.com/tuition/isa].

[7] Y Combinator Interview at 47:50.

VERIFIED CLASS ACTION COMPLAINT   5

enroll over 3,000 students. In May 2019 well [sic] enroll over 500. We plan on enrolling more than 10,000 students in 2020.

29.   Mr. Allred attributed Lambda's growth in part to his active personal Twitter account, stating in January 2020 that his frequent tweets have "certainly helped Lambda school grow."[8]

30.   Mr. Allred also stated: "If there's one thing I'm good at in life, it's growing something quickly, building hype for something quickly. That's kind of my superpower."[9]

B.   UNTIL AUGUST 17, 2020, LAMBDA OPERATED WITHOUT STATE APPROVAL, IN VIOLATION OF CALIFORNIA LAW

31.   As a California company with its headquarters and principal place of business in San Francisco, Lambda is subject to the laws of the state of California. One of those laws, California Education Code § 94886, bars private postsecondary educational intuitions from doing business without "approval to operate."

32.   Another, Section 94917, provides that when educational institutions violate this law, any "note, instrument, or other evidence of indebtedness relating to payment" for its programs is "not enforceable."

33.   All Lambda tuition payment plans, including ISAs, are a "note, instrument, or other evidence of indebtedness relating to payment for educational program[s]," under the California Education Code.

34.   On March 20, 2019, the BPPE issued a "Citation: Assessment of Fine and Order of Abatement" ("Citation") to Lambda. The Citation found that Lambda was "operating without Bureau approval," in violation of the California Education Code. A copy of the Citation is attached hereto as Exhibit E.

35.   In the Citation, the BPPE ordered that Lambda "cease to operate as a private postsecondary educational institution" and "submit a school closure plan." The Citation further required Lambda to "discontinue recruiting or enrolling students and cease all instructional services and advertising in any form or type of media, including the https://lambdaschool.com and any other

---

[8] Vincent Woo, *Interview with Austen Allred*, Soundcloud (Jan. 22, 2020) at 42:10 (hereinafter "Woo Interview"), https://soundcloud.com/vwoo/interview-with-austen-allred.
[9] Y Combinator Interview at 22:25.

VERIFIED CLASS ACTION COMPLAINT   6

1   websites not identified here that are associated with the Institution, until such time as an approval to

2   operate is obtained from the Bureau."

3   36. On May 14, 2019, Lambda submitted its application to the BPPE seeking approval to

4   operate.

5   37. Lambda appealed the Citation and, on July 24, 2019, the BPPE issued an "Appeal of

6   Citation Informal Conference Decision: Citation Affirmed" (the "Citation Affirmance"). The BPPE

7   affirmed the Citation because "[n]o new substantive facts were presented," and thus, Lambda was

8   required to "comply with the orders described in the 'Violation Code Sections' of this document and

9   submit evidence of compliance within 30 days from the date of this decision." Citation Affirmance at

10 1–3. A copy of the Citation Affirmance is attached hereto as Exhibit F.

11   38. In direct violation of California law, the Citation, and the Citation Affirmance, Lambda

12 continued to operate, advertise its educational services to the public, and enroll students.

13   39. On August 21, 2019, the BPPE denied Lambda's May 14, 2019 application, stating in a

14 letter to Lambda that it was "unable to grant approval." A copy of the August 21 order is attached

15 hereto as Exhibit G.

16   40. On November 25, 2019, the BPPE issued an order denying Lambda's updated

17 application for approval, explaining that "at this time the Bureau is unable to grant approval, based on

18 the requirements of the California Education Code." A copy of the November 25 order is attached

19 hereto as Exhibit H.

20   41. On June 22, 2020, the BPPE issued yet another order denying Lambda's further updated

21 application for approval to operate, stating that "the Bureau cannot at this time approve Lambda's

22 application." A copy of the June 22 order is attached hereto as Exhibit I.

23   42. The June 22, 2020 order also found that Lambda's ISAs constitute "an instrument or

24 evidence of indebtedness" under the California Education Code. *Id.* at 5.

25   43. On August 17, 2020, the BPPE issued an order approving Lambda's application. The

26 approval letter stated that the BPPE had completed its review of Lambda's "Application for Approval

27 to Operate," including "supplemental documentation" received on August 14, 2020. The BPPE found

28

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VERIFIED CLASS ACTION COMPLAINT   7

that "[a]pproval to operate is granted *effective August 17, 2020*." (emphasis added). A copy of the

August 17 order is attached hereto as Exhibit J.

44.   From at least May 2019 until Lambda was approved on August 17, 2020, Lambda's

course catalogs falsely stated that Lambda was approved by the BPPE. In at least three versions of the

2019 and 2020 catalogs—revised in May 2019, September 2019, and July 2020 (all prior to Lambda's

approval)—Lambda falsely stated the following:

> **<u>APPROVALS</u>**
> Lambda School is a private institution *approved to operate* by the California Bureau for
> Private Postsecondary Education. Approval to operate means the institution is compliant
> with the minimum standards contained in the California Private Postsecondary Education
> Act of 2009 (as amended) and Division 7.5 of Title 5 of the California Code of
> Regulations.

See Exhibit K (Excerpts of Three Versions of Lambda Course Catalogs for 2019 and 2020 at 5)

(emphasis added)).

45.   During the time Lambda was seeking the BPPE's approval, Mr. Allred engaged in a

public misinformation campaign about Lambda's legal status. For example, in August 2019, Mr. Allred

told Business Insider that Lambda was working with the BPPE to obtain approval and that the order had

been stayed while the application was pending. Mr. Allred stated that "[b]ecause we're talking with

BPPE, it doesn't affect students at all."[10] This was false.

46.   In truth, the Citation and Citation Affirmance were not stayed, multiple of Lambda's

applications had been denied, and Lambda's future was uncertain. In August 2020, a public information

officer with California's Department of Consumer Affairs told Business Insider "that there is no stay on

the order, and that if Lambda School is still operating while its registration is pending, it would be in

violation of state law."[11]

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[10] Rosalie Chan, *The hot Silicon Valley coding bootcamp Lambda School is paying a $75,000 fine for
not registering properly with the state of California*, Business Insider (Aug. 29, 2019, 6:32 PM),
https://www.businessinsider.com/lambda-school-coding-bootcamp-california-bppe-2019-8.
[11] Rosalie Chan, *A California official says red-hot coding bootcamp Lambda School is violating state
law if it operates without the right registration — but the company insists classes can go on*, Business
Insider (Aug. 30, 2019, 8:54 PM), https://www.businessinsider.com/lambda-school-california-state-
law-coding-bootcamp-y-combinator-2019-8.

VERIFIED CLASS ACTION COMPLAINT   8

47.   Had the plaintiffs who signed their ISAs prior to August 17, 2020, been aware that Lambda was operating without a license, and that its future legal status was uncertain, they would not have signed an ISA that indebted them for up to $30,000 of tuition at Lambda.

48.   As set forth herein, Plaintiffs seek to represent a BPPE Subclass, comprising students who entered into an ISA or other tuition payment plan prior to the BPPE's August 17, 2020, approval, whose ISAs contain an arbitration clause with a carve-out for any proceeding commenced by either party seeking an injunction or any other equitable remedy.

49.   All such tuition payment plans, including ISAs, constitute a "note, instrument, or other evidence of indebtedness relating to payment for [students'] educational program," under the California Education Code, and therefore, as a matter of law, are "not enforceable." California Education Code § 94917.

C.   LAMBDA'S FALSE AND MISLEADING JOB PLACEMENT RATES

50.   Mr. Allred describes Lambda as "entirely vocational, we're a trade school basically, and we want to help you make as much money as you can."[12]

51.   One of the most important statistics for prospective students was Lambda's purported record of successfully placing students in computer technology careers. Defendants understood that students would only enroll if Lambda would help them secure a job. As Lambda describes it, job placement is "the most critical component of Lambda's operations, not only in the School's obligation to its students, but to the prosperity of the company as a whole."

52.   Lambda prominently displays its purported record of job placement on its website, in marketing materials and outcomes reports, and on social media, including Mr. Allred's personal Twitter account.

1.   **False and misleading job placement rates on Lambda's website and outcomes reports**

53.   Throughout at least 2018 and 2019, Lambda's website advertised job placement rates of over 80%. Lambda's executive leadership, including Mr. Allred, knew that these widely disseminated rates were false and misleading.

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[12] Y Combinator Interview at 13:00.

VERIFIED CLASS ACTION COMPLAINT

54.   On August 2, 2018, Mr. Allred, Ben Nelson (co-founder and CTO), and Ryan Holdaway (VP of Outcomes), stated the following in a post on the Lambda School Blog: "[E]very single Lambda School graduate who has been on the job market for six months is either employed in a full-time role as a software engineer or has joined an early startup working for equity."[13]

55.   Yet on August 3, 2018—the very next day—Lambda's executive leadership team reprimanded Lambda's Director of Career Readiness for poor job placement rate performance, sending her an "Employee Corrective Action Form." The form stated that the employee's "performance in recent months has not met the expectations for the Career Coach/Director of Career Readiness role at Lambda School. Overall placement numbers are low and the time to placement is much higher than desired."

56.   The Corrective Action Form continued:

> Placements are the most critical component of Lambda's operations, not only in the School's obligation to its students, but to the prosperity of the company as a whole. A common discussion point in regards to Outcomes is that current placement rates are too low and time to placement is too high. Creative tactics and adjustments to current careers processes as well as follow through are needed to improve both of these measurements. . . .

> CS1 students graduated on 1/19/18. Since then we've had a new class graduate approximately every five weeks. As of 8/1/18, only 16 students of the 48 graduated students assigned to [the Lambda career placement employee] have been placed.

57.   Two months later, on October 8, 2018, Lambda continued to tout its high job placement rates, announcing on its website: "Since Lambda School's inception in April 2017, over 75 Lambda School graduates have been hired, including 83% of early cohorts, with an average salary increase of over $47,000 per hired graduate."

58.   Lambda's homepage contained the following statement across the top of the page:

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[13] Austen Allred, *Introducing Lambda Next — Our Revolutionary New Job Search and Placement Program*, Medium: Lambda School Blog (Aug. 2, 2018), https://medium.com/lambda-school-blog/introducing-lambda-next-our-revolutionary-new-job-search-and-placement-program-603ef12f7d37.

VERIFIED CLASS ACTION COMPLAINT   10

Screenshot from Lambda's website on December 13, 2018.

59. The representation of an 83% job placement rate remained on the Lambda website until on or about February 2019.

60. The disparity between Lambda's public representations and private statements would only grow. From on or about April 2019 until at least December 2019, Lambda's website advertised a job placement rate of over 85%. For example, on April 18, 2019, Lambda's homepage contained the following statement across the top of the page:

Screenshot from Lambda's website on April 18, 2019.

61. On March 5, 2019, Lambda's official Twitter account provided a link to a report touting the 85.9% job placement rate and stated: "Lambda only succeeds when our students succeed, and we're committed to a transparent, no-surprises approach to education."[14]

62. In May of 2019—at the same time Lambda was advertising an 85.9% job placement rate and touting its transparency—Lambda executives sent a private memorandum to investor Y Combinator. *See* Lambda Memorandum to Investors, *Human Capital: The Last Unoptimized Asset Class* at 10 (May 2019), attached hereto as Exhibit L. The May 2019 memo stated:

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[14] Lambda School (@LambdaSchool), Twitter (Mar. 5, 2019, 7:02 PM), https://twitter.com/bloomtech/status/1103083315945328640.

VERIFIED CLASS ACTION COMPLAINT   11

We're unable to place students at scale
- We're at roughly 50% placement for cohorts that are 6 months
  graduated
- Placement to date has been manual and one-off, which isn't
possible at scale

Ex. L at 10.

63.   After the memorandum was published in news accounts two years later, Mr. Allred tweeted from his personal account that he was the one who made the 50% placement representation to investors, stating: "The 50% came from me telling investors about what % of enrolled students get jobs that require repayment."

64.   Despite Mr. Allred's contrary statement to investors, Lambda's website continued to represent an 85.9% or 86% placement rate through the end of 2019. These rates were false and misleading.

65.   On December 14, 2019, Lambda's homepage stated:

86% of Lambda School graduates are hired within 6 months and make over $50k a year.

#hired

Erin 4:25 PM
I began here at Lambda over a year ago. I live in a rural area of southwest Michigan as a single mom. I'm thrilled to announce that I've accepted a position as a UI/UX

https://web.archive.org/web/20191214221109/https://lambdaschool.com/   6/9

Screenshot from Lambda's website on December 14, 2019.

66.   This statement was false and directly contrary to the true facts known to Lambda and Mr. Allred, which had privately been disclosed to investors, as described above.

67.   When asked in an interview to explain the discrepancy between the representations on Lambda's website and representations to its investors, Mr. Allred explained: "I mean you're literally looking at what are the risks, right? Like,we're going to pick our lowest number for that – there are cohorts that have been at 50% placed within 6 months, yes."[15]

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[15] Woo Interview at 13:00-14:30.

VERIFIED CLASS ACTION COMPLAINT   12

1   68.   When asked whether the advertised 86% job placement rate was accurate, he stated: "the

2   way that that number was measured was an average across cohorts at a specific time. I don't know what

3   it is right now, but that's directionally correct."[16]

4   69.   On February 19, 2020, New York Magazine published an article titled "Lambda

5   School's Misleading Promises," in which the writer concluded that Lambda was "selling unprepared

6   students an incomplete education, fueled by overpromising marketing and misleading, if not downright

7   fraudulent, figures."[17] The story described Lambda's job placement rate misrepresentations and also

8   recounted an interview with a former employee who "confirmed . . . that the company's own internal

9   numbers, which the interviewee was provided as part of their interview process, seem to indicate a

10   roughly 50 percent or lower placement rate."[18]

11   70.   Lambda nonetheless persisted in promoting false and misleading job placement statistics

12   on its website and elsewhere.

13   71.   In 2020, Lambda started to promote its placement rates through "outcomes reports"

14   published on its website and shared through social media. The first outcomes report, titled "H1 2019

15   Outcomes Report," was published on March 27, 2020[19], and reported a 79% placement rate.[20]

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22   [16] *Id.* at 11:13-11:26.

23   [17] Vincent Woo, *Lambda School's Misleading Promises*, New York Magazine (Feb. 19, 2020),
     https://nymag.com/intelligencer/2020/02/lambda-schools-job-placement-rate-is-lower-than-
     claimed.html.

24   [18] *Id.*

25   [19] *See* Austen Allred, *Announcing the Release of Our H1 2019 Student Outcomes Report*, Lambda
     School Website (Mar. 27, 2020), [archived by the Wayback Machine (Apr. 23, 2020),

26   https://web.archive.org/web/20200423031203/https:/lambdaschool.com/the-commons/announcing-the-
     release-of-our-h1-2019-student-outcomes-report].

27   [20] *See H1 2019 Report Lambda School Outcomes Report*, Lambda School Website, [archived by the
     Wayback Machine (Sept. 3, 2020),

28   https://web.archive.org/web/20200903023542/https:/lambdaschool.com/reports/2019-outcomes-report].

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72.   The 79% placement rate remained up on Lambda's website until December 3, 2020, when Lambda published its "H2 2019 Outcomes Report."[21] The H2 2019 report showed a 74% placement rate.[22]

73.   The 74% rate announced in the H2 2019 report remained up on Lambda's website until November 7, 2021, when Lambda announced its 2020 outcomes.[23] In the 2020 outcomes report, Lambda announced that the placement rate remained at 74%.

74.   Until November 1, 2022, Lambda continued to report the 74% placement rate from the 2020 outcomes report on its website:

74%

Job placement rate for BloomTech graduates

BloomTech 2020 Outcomes Report

Screenshot from Lambda's homepage on September 30, 2022.[24]

75.   On November 2, 2022, Lambda published the "BloomTech 2021 Outcomes Report," advertising a 90% placement rate. As of November 2, 2022, Lambda's website provided:

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[21] *See* Austen Allred, *Announcing the Release of Our H2 2019 Student Outcomes Report*, Lambda School Website (Dec. 3, 2020), [archived by the Wayback Machine (Dec. 14, 2020), https://web.archive.org/web/20201214214247/https:/lambdaschool.com/the-commons/announcing-lambda-school-h2-2019-student-outcomes-report].

[22] *Id. See also H2 2019 Report Lambda School Outcomes Report*, Lambda School Website [archived by the Wayback Machine (Dec. 3, 2020), https://web.archive.org/web/20201203230224/https:/lambdaschool.com/reports/h2-2019-outcomes-report].

[23] *See Bloom Institute of Technology 2020 Outcomes Report,* Bloom Institute of Technology, [archived by the Wayback Machine (Nov. 25, 2021), https://web.archive.org/web/20211125162824/https:/www.bloomtech.com/reports/outcomes-report]. It appears that Lambda only published one outcomes report in 2020. *See BloomTech Reports*, Bloom Institute of Technology Website, https://www.bloomtech.com/reports/archive (last visited Mar. 14, 2023).

[24] *See Built For Your Success*, Bloom Institute of Technology Website, [archived by the Wayback Machine (Sept. 30, 2022) https://web.archive.org/web/20220930032702/https:/www.bloomtech.com/outcomes].

VERIFIED CLASS ACTION COMPLAINT   14

90%

Job placement rate for BloomTech graduates

BloomTech 2021 Outcomes Report

Screenshot from Lambda's homepage on November 27, 2022.[25]

76.   In a "Letter from the CEO" dated November 2, 2022, Mr. Allred wrote: "In this independently examined report, you'll gain a transparent view of how our learners and graduates fared in 2021. Our biggest takeaway: A full **90% of our 2021 graduates have landed jobs**, which is the highest rate in our company's history."[26]

77.   *Lambda's website still advertises a 90% placement rate. As of March 14, 2023, Lambda's homepage touts a "90% job placement rate for 2021 job-seeking graduates.*[27]*"*

78.   Like the earlier rates from 2018 and 2019, the published rates from 2020 to the present were, and continue to be, false and misleading.

79.   Business Insider reported in October 2021 that documents from a Lambda "all-hands" meeting in January 2021 "showed that Lambda School placed only around 30% of its 2020 graduates in qualifying jobs during the first half of 2020. This figure is in stark contrast to the 74% placement rate it advertised for its 2019 graduates, the latest figure the school has made publicly available. . . ."[28]

80.   This "all hands" meeting took place one month after Lambda published the 74% placement rate in the H2 2019 Outcomes Report.

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[25] *See Built For Your Success,* Bloom Institute of Technology Website, [archived by the Wayback Machine (Nov. 27, 2022), https://web.archive.org/web/20221127122732/https://www.bloomtech.com/outcomes].

[26] *See* Austen Allred, *Letter from the CEO*, Bloom Institute of Technology Website (Nov. 2, 2022), https://www.bloomtech.com/reports/outcomes-report#letter (last visited Mar. 14, 2023) (emphasis in original, internal citation omitted).

[27] *See Built for Your Success*, Bloom Institute of Technology of Technology Website https://www.bloomtech.com/outcomes?utm_source=bloomtech (last visited Mar. 14, 2023).

[28] *See* Vincent Woo, *Lambda School promised a fast and cheap path to a lucrative tech career. Leaked documents and former students cast doubt on that claim.* Business Insider (Oct. 25, 2021, 7:30 AM), https://www.businessinsider.com/lambda-school-promised-lucrative-tech-coding-career-low-job-placement-2021-10.

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81.   A slide prepared by Lambda reveals that the H1 2020 placement rate was only 33% and the H2 2020 rate was 40%, a far cry from the 74% listed on the Lambda website until November 2, 2022. According to the same slide, Lambda's H1 2021 *goal* was 60% placement and H2 2021 *goal* was 80%:

Long-Term Student Success Goals

	H1 2020	H2 2020	H1 2021	H2 2021	Metric	Description
Admissions	1277	1450	TBD	TBD	Unit 2 Starts	# students starting Unit 2.
School	52%	56%	60%	80%	% Graduating within 11 Units	% of students who start Unit 2 complete coursework within 11 units.
Outcomes	33%	40%	60%	80%	% Qualified Placement within 180 days	% of graduates get high paying jobs within 180 days.
Repayment	72%	79%	85%	87%	% Repaying within 60 days	% of qualified placed graduates have made a first payment within 60 days.

On information and belief, a Lambda executive presented the slide at the "all-hands" meeting.

82.   Another slide, titled "Lambda H1 Company OKRs," provided that the "actual" placement rate for H1 2020 was 33% of graduates placed within 180 days, and the actual rate for H2 2020 (as of October 2020) was 27% of graduates placed within 180 days. This slide also listed the H1 2021 goal as 60%:

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Lambda H1 Company OKRs

	H1 2020	H2 2020	H1 2021	Metric	Description
Admissions Goal Admissions Actual	n/a 1277	1450 ~850	1500	Unit 2 Starts	# students starting Unit 2.
School Goal School Actual	n/a 52%	56% 52%	60%	Extended Grad Rate %	% of students who start Unit 2 complete coursework within expected time window
Outcomes Goal Outcomes Actual	n/a 33%	40% 27%	60%	% Qualified Placement within 180 days	% of graduates get high paying jobs within 180 days.
Repayment Goal Repayment Actual	n/a 41%	75% 73%	85%	% Repaying within 60 days	% of qualified placed graduates have made a first payment within 60 days.
Alumni Goal	n/a	n/a	40%	% Alumni Giving back	% of hired alumni giving back

*H2 2020 Actuals as of October 2020

83.   Another slide, reportedly used at another all-hands meeting in February 2021, broke out the 180-day placement rates by month, from February to July 2020, as follows:

Graduation Month	Qualified Placed % (days elapsed since graduation)		
Month	+90d	+180d	QP Now
Feb - 2020	20%	31%	41%
Mar - 2020	19%	30%	36%
April - 2020	17%	24%	32%
May - 2020	13%	27%	32%
Jun - 2020	15%	25%	27%
Jul - 2020	18%	24%	25%
Aug - 2020	16%		21%
Sept - 2020	13%		14%
Oct - 2020	10%		11%
Nov - 2020			11%
Jan - 2021			11%
Weighted Avg.	16%	27%	
H2 Goal		40%	

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MCCARTHY, LLP

84.   In yet another slide, reportedly also used at the "all hands" meeting on January 28, 2021, Lambda's H1 2021 "goal" was to enroll 500 students a month and place 50% to 70% in qualifying jobs. The graph also shows that, if Lambda enrolled 2,000 students per month, it could become profitable even if fewer than half of its students found jobs:
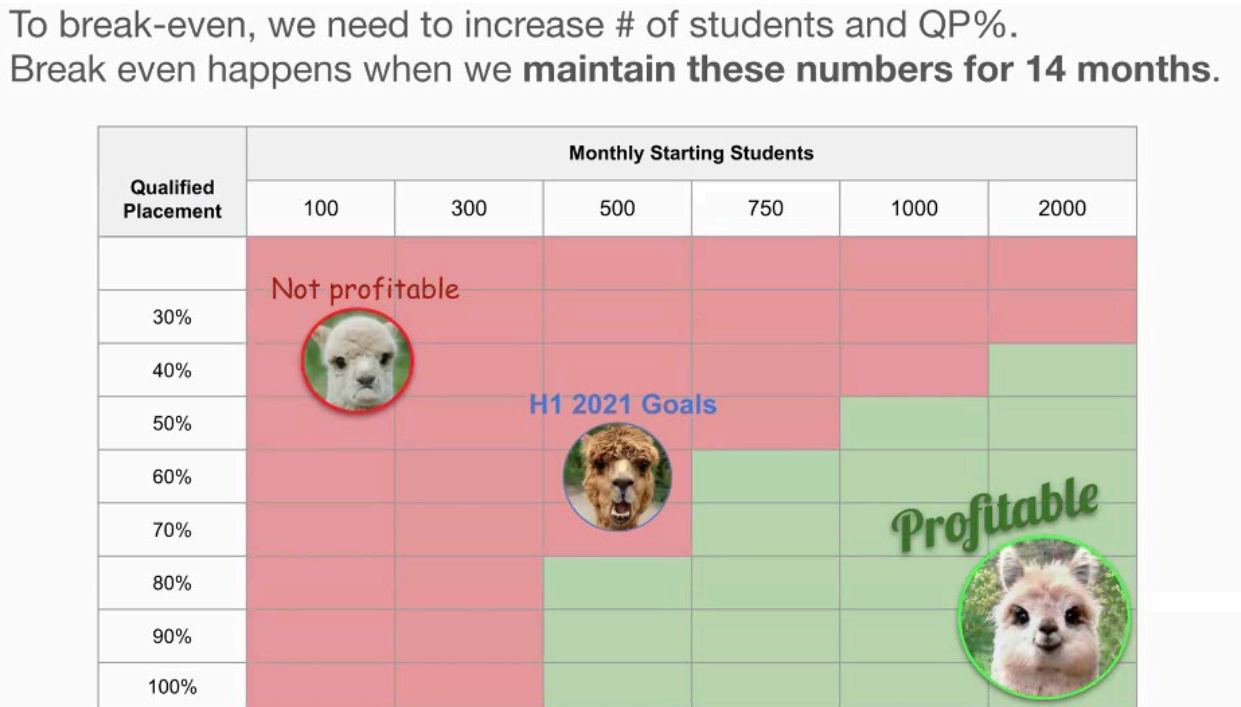
85.   Prior to signing their ISAs, Plaintiffs read Defendants' representations that Lambda's job placement rate was above 70%. Lambda's purported record of successfully placing students was critical to their decision to enroll.

2.   Mr. Allred's false and misleading statements about job placement on Twitter

86.   In conjunction with these high rates, Mr. Allred has long painted a misleading picture of Lambda's success on Twitter. For example, on November 16, 2019, he tweeted: "First track just graduated. Hit 100% hired but was VERY small sample size." Subsequent reporting revealed that this small sample size consisted of a single student.[29]

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[29] *See* Zoe Schiffer & Megan Farokhmanesh, *The High Cost of a Free Coding Bootcamp*, The Verge (Feb. 11, 2020, 11:15 EST), https://www.theverge.com/2020/2/11/21131848/lambda-school-coding-bootcamp-isa-tuition-cost-free; Ryan Mac (@RMac18), Twitter (Feb. 11, 2020, 1:59 PM), https://twitter.com/RMac18/status/1227306243733295108.

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87.   Other examples of false, misleading, and exaggerated claims on Mr. Allred's Twitter account include:

a) January 24, 2021: "I think we're like 2-3 solvable problems being solved away from 100% of Lambda School grads being hired. Still a lot of unknowns, but I think it will be possible." When a commenter asked what the problems were, Mr. Allred responded: "Boring stuff."[30]

b) April 22, 2021: "When I started Lambda School early detractors gave me hell because I said that Lambda School would cause thousands of people to become millionaires who wouldn't have otherwise been. It's now pretty clear that was very conservative."[31]

c) May 4, 2021: "I get to watch a bunch of people double their income (or more) every single day. Even the worst days are punctuated by a bunch of people changing their lives and the lives of their families forever."[32]

d) May 4, 2021: "You can go from near poverty to huge future wealth in just a few months."[33]

e) November 24, 2022: "Thankful today for all those who have worked so hard for BloomTech (by current name or by Lambda School). So many people working so diligently. Thousands of lives changed, billions in increased earnings."[34]

88.   Mr. Allred and members of his executive leadership team acted willfully and knowingly to disseminate Lambda's job placement representations to the public—including applicants to their school such as Plaintiffs —with knowledge that they were, and continue to be, false and misleading.

3.   <u>While inflating its job placement rates, Lambda misrepresents that it only gets paid once students do</u>

89.   In addition to the placement rates, Lambda and Mr. Allred misled the public with the frequently repeated declaration that: "We don't get paid until you do, so we're in this together, from your first day of classes to your first day on the job."[35] For example, on June 27, 2019, Lambda's homepage stated:

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[30] Austen Allred (@Austen), Twitter (Jan. 24, 2021, 1:55 AM), https://twitter.com/austen/status/1353234915643568128.
[31] Austen Allred (@Austen), Twitter (Apr. 22, 2021, 10:24 AM), https://twitter.com/Austen/status/1385238109185396740.
[32] Austen Allred (@Austen), Twitter (May 4, 2021, 11:50 PM), https://twitter.com/Austen/status/1389789532761956352.
[33] Austen Allred (@Austen), Twitter (May 4, 2021, 11:53 PM), https://twitter.com/Austen/status/1389790386659364868.
[34] Austen Allred (@Austen), Twitter (Nov. 24, 2022, 9:51 AM), https://twitter.com/austen/status/1595822473781485568.
[35] *See, e.g.*, Apply Now Pages, Lambda School Website [archived by the Wayback Machine (June 27,

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Higher learning. Higher earning.

Lambda is designed for student success. We don't get paid until you do, so we're in this together, from your first day of classes to your first day on the job — and beyond.
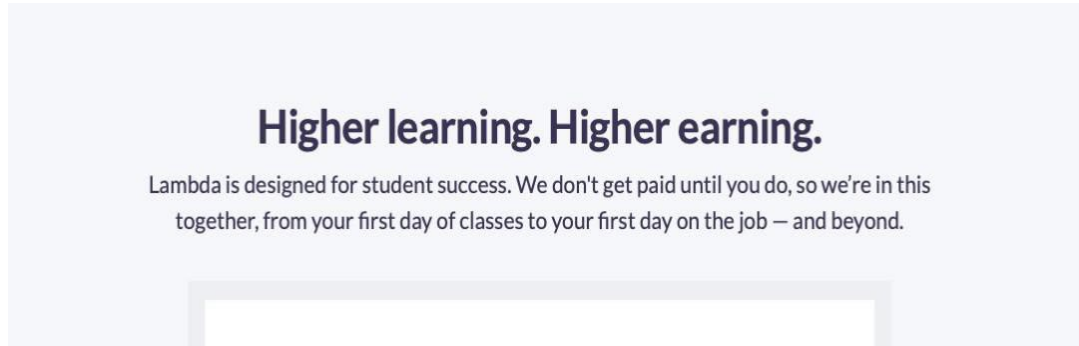
Screenshot from Lambda's homepage on June 27, 2019.

90.   In reality, Lambda packaged and sold its ISAs to investors long before students obtained employment. As early as May 2019, Lambda privately told investor Y Combinator: "Currently we sell some income share agreements to hedge funds." Ex. L at 2.

91.   To facilitate the sale of ISAs, Lambda partnered with Edly, a digital marketplace that helps schools sell ISAs to third-party investors. On December 11, 2019, Edly tweeted: "Pleased to announce our latest offering [–] a Lambda School ISA Pool. We @edlyISA are excited to work with the amazing team @LambdaSchool[], one of the most impactful ISA programs in the country."[36] To learn how to participate, Edly invited interested investors to join a webinar that night with Mr. Allred.[37]

92.   Lambda did not disclose this fact to students until public reporting exposed it, and for many months Mr. Allred flatly denied it, stating in October 2019 on Twitter that "We never, ever get paid up front for ISAs."[38]

D.   LAMBDA ENGAGED—AND STILL ENGAGES—IN THE UNLAWFUL BUSINESS PRACTICE OF UNLICENSED LENDING

93.   The California Financing Law "shall be liberally construed and applied to promote its underlying purposes and policies," which include "protect[ing] borrowers against unfair practices by some lenders, having due regard for the interests of legitimate and scrupulous lenders." Cal. Fin. Code § 22001(a)(4).

2019), https://web.archive.org/web/20190627024024/https:/lambdaschool.com/].
[36] @edlyISA, Twitter (Dec. 11, 2019, 3:01 PM),
https://twitter.com/edlyISA/status/1204853625459216385 (on file with Plaintiffs' counsel).
[37] @edlyISA, Twitter (Dec. 11, 2019, 3:02 PM),
https://twitter.com/edlyISA/status/1204853900177743872 (on file with Plaintiffs' counsel).
[38] Woo Interview at 6:30 (wherein Mr. Allred confirms that this tweet was "totally correct").

94.   Pursuant to the California Financing Law: "No person shall engage in the business of a finance lender or broker without obtaining a license from the commissioner." Cal. Fin. Code § 22100(a).

95.   Lambda is not and never has been registered in California as a finance lender or broker under the Financing Law.

96.   Since its inception, Lambda has operated as a "finance lender" because both its ISAs and other tuition payment plans qualify as either consumer or commercial loans under the Financing Law. *See generally* Cal. Fin. Code § 22203-04 (defining consumer loans); Cal. Fin. Code § 22502 (defining commercial loans).

97.   Lambda's Meratas ISA provides:

> THIS IS NOT A LOAN
> In making monthly payments to Lambda School, you will not be repaying a student loan. In the case of a student loan, a student borrows a set amount and repays the principal amount of the loan plus interest or a finance charge, or both. Under this agreement, you will instead pay a fixed percentage of your income each month for up to a maximum number of payments.

98.   Contrary to this representation, ISAs are a form of student loan.

99.   According to the United States Consumer Financial Protection Bureau ("CFPB"), a representation that an ISA is "not a loan" is deceptive and misleading under the Consumer Financial Protection Act because "ISAs are loans and do create debt."[39]

100.   The California Department of Financial Protection and Innovation ("DFPI") agrees, holding that ISAs are student loans: "ISAs made solely for use to finance a postsecondary education are 'student loans' for the purposes of the SLSA [California Student Loan Servicing Act]."[40]

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[39] *See* Better Future Forward, Inc., et al., CFPB No. 2021-CFPB-0005, Consent Order at ¶ 23 (Sept. 7, 2021) (finding *available at:* https://files.consumerfinance.gov/f/documents/cfpb_better-future-forward-inc_consent-order_2021-09.pdf).

[40] *See In the Matter of Student Loan Servicing Act License Application of Meratas Inc.* NMLS No. 2120180, Consent Order at ¶ M (Ca. Dep't of Fin. Prot. and Innovation Aug. 5, 2021), *available at:* https://dfpi.ca.gov/wp-content/uploads/sites/337/2021/08/Meratas-Consent-Order.pdf; *see also* Press Release, California Dep't of Fin. Prot. and Innovation, "California DFPI Enters Groundbreaking Consent Order with NY-Based Income Share Agreements Servicer" (Aug. 5, 2020), https://dfpi.ca.gov/2021/08/05/california-dfpi-enters-groundbreaking-consent-order-with-ny-based-income-share-agreements-servicer/.

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101.   The United States Department of Education concurs, finding that ISAs "used to finance expenses for postsecondary education are private education loans under 34 C.F.R. 601.2(b)."[41]

102.   The BPPE also found in its June 22, 2020, order denying Lambda approval to operate that Lambda's ISA is "an instrument or evidence of indebtedness" under the California Education Code. *See* June 22, 2020 Letter from BPPE to Lambda at 5, attached hereto as <u>Exhibit I</u>.

103.   Because Lambda is in the business of making ISAs and other tuition payment plans, it is operating as a finance lender under the California Financing Law.

104.   Lambda's failure to register as a finance lender deprived Plaintiffs and the class of the borrower protections provided by the California Financing Law.

105.   Lambda has therefore engaged in the unlawful business practice of making a loan without a license in violation of California Financial Code § 22100, and, in turn, in violation of the unlawful prong of the UCL.

E.   PLAINTIFFS ATTEND LAMBDA, ATTRACTED BY HIGH JOB PLACEMENT RATES

1.   <u>Plaintiff Jessica Fuller</u>

106.   Ms. Fuller has long been interested in coding, back to when she learned website design as a hobby as a kid. She aspired to eventually turn her hobby into a career, but the time commitment and expense of college curricula made them a nonstarter.

107.   Once Ms. Fuller experienced a lull in her work as a fitness trainer during the onset of the COVID-19 pandemic, she thought she had an opportunity to revisit a tech career. Lambda was immediately appealing, with a slew of Facebook ads promising a career without college. After seeing the ads, she visited Lambda's website and watched YouTube videos about the program to learn more. She was immediately drawn to the job placement rate of approximately 80% featured prominently on the Lambda website.

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[41] *See* FSA Announcement, General-22-12, *Income Share Agreements and Private Education Loan Requirements* (Mar. 2, 2022), https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2022-03-02/income-share-agreements-and-private-education-loan-requirements. *See also* 87 Fed. Reg. 65,453 ("[T]he Department clarifies that ISAs and other alternative financing products should be treated like institutional loans.").

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108.   This record of successfully placing students was critical to her decision to enroll, and led her to believe that her enrollment would result in being hired for a tech position.

109.   Swayed by Defendants' advertised job placement rates and representations, Ms. Fuller signed an ISA with Lambda on April 22, 2020. A copy of Ms. Fuller's ISA is attached hereto as Exhibit A.

110.   Had Defendants truthfully represented their job placement rates, Ms. Fuller would not have signed an ISA that indebted her up to $30,000 of tuition to Lambda.

111.   Ms. Fuller began attending Lambda part-time in June 2020 and immediately found the instruction confusing. Recognizing that she could not rely on Lambda exclusively, she resorted to buying supplemental YouTube courses.

112.   Soon thereafter, in early September 2020, Lambda made a surprise announcement that it was restructuring Ms. Fuller's program. Lambda would no longer take attendance, provide grading, or offer one-on-one team leads. Feeling like Lambda was eliminating the program she originally enrolled in, and with her ISA tuition amount of $30,000 still partially refundable, Ms. Fuller took a hiatus for the rest of 2020. With no sign that Lambda would improve its program, she permanently withdrew in January 2021.

113.   Following her withdrawal, Ms. Fuller researched other avenues for obtaining a job in the tech field. She eventually found a free coding bootcamp called #100Devs, designed for students without degrees or coding experience. She felt like the program was the right fit for her, and could provide her with the skills, experience, and opportunities Lambda did not.

114.   Indeed, the #100Devs program taught Ms. Fuller what she needed to ultimately get a job. Her new coding skills enabled her to apply for and accept a position as Director of Software Development with ThriveDX.

115.   Lambda played no role in her success in the #100Devs program, finding out about ThriveDX, or ultimately getting hired there.

116.   Ms. Fuller is interested in increasing her hours, but worries that doing so could cause Lambda or Meratas to pursue ISA payments, even though Lambda did not have approval to operate

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1   when she signed her ISA, she would not have signed her ISA had Lambda truthfully represented its job

2   placement rates, and Lambda played no role in her employment with ThriveDX.

3   **2.   Plaintiff Alexander Goncalves**

4   117.   Mr. Goncalves has long had an interest in working in the tech field. During college he

5   completed coding coursework, on top of additional self-taught software development skills. After he

6   was let go from his sales job at a tech startup during the onset of the COVID-19 pandemic in the spring

7   of 2020, Mr. Goncalves began researching Lambda based on a friend's recommendation. The friend

8   was optimistic about Lambda landing students jobs, based on Lambda's marketed job placement rates

9   and job readiness curriculum. (The friend later became disillusioned with Lambda after learning the job

10   placement rates were inflated.)

11   118.   When Mr. Goncalves reviewed Lambda's website and promotional materials for

12   himself, he was likewise attracted by Lambda's impressive—and prominently displayed—job

13   placement rate, as well as the ability to enroll without putting any money down. He corresponded and

14   talked on the phone with Lambda representative Tommy Collison who further touted high job

15   placement figures. Based on these representations, Mr. Goncalves felt confident Lambda would get him

16   a tech job. He signed an ISA with Lambda on May 20, 2020. A copy of Mr. Goncalves's ISA is

17   attached hereto as Exhibit B.

18   119.   Had Defendants truthfully represented their job placement rates, Mr. Goncalves would

19   not have signed an ISA that indebted him for up to $30,000 of tuition to Lambda.

20   120.   Mr. Goncalves began attending Lambda full-time in June 2020. As with Ms. Fuller,

21   Lambda soon restructured Mr. Goncalves's program in September 2020, shortening it from a total of

22   nine months to six months and eliminating team lead support. The loss of team leads was demoralizing.

23   They were the primary means of communicating with Lambda, asking questions, and getting essential

24   debugging help. Still, he persevered and completed his coursework in December and received a

25   certificate of completion in January 2021.

26   121.   Mr. Goncalves immediately went to work trying to find a job. He used Lambda's job

27   portal, but its postings were either stale or for impractical positions. He ultimately found work through

28   a friend unassociated with Lambda. He first worked as a limited-term front-end developer during the

VERIFIED CLASS ACTION COMPLAINT   24

spring of 2021. The same friend then invited him to a different position with the organization Code Ninjas in Boston. During his time with Code Ninjas, between June and December 2021, Mr. Goncalves taught basic coding to kids and ran summer camps and day courses. Lambda played no role in Mr. Goncalves finding either his front-end developer or Code Ninjas positions.

122.   Mr. Goncalves then accepted a job as a software engineer for Virtually, an edtech company, and worked there until June 2022. After Virtually let him go to look for a more senior engineer, Mr. Goncalves found a tech position with design company MODerati. As with his prior jobs, Lambda played no role in Mr. Goncalves finding either of these positions.

123.   Mr. Goncalves started making payments on his ISA while working for Code Ninjas and continued during his time with Virtually. In all, he has paid nearly $10,000 towards his ISA, even though Lambda did not have approval to operate when he signed his ISA, Mr. Goncalves would not have signed his ISA had Lambda truthfully represented its job placement rates, and Lambda played no role in him finding any of his post-Lambda employment.

3.   Plaintiff Brett McAdams

124.   Mr. McAdams's interest in coding was pragmatic, believing that people who learn to code get good-paying jobs. He first heard of Lambda while looking into coding programs in 2019. Soon after starting his research, he received targeted ads on Google, YouTube, and social media from Lambda. The ads touted a high job placement rate, how quickly students could get their certificate and a high-paying job, and the lack of an up-front cost or any repayment obligation unless students ultimately got a job. By the ads' telling, Lambda was a revolutionary alternative to college.

125.   When Mr. McAdams was laid off from his job in the spring of 2020 at the onset of the COVID-19 pandemic, he decided to consider attending a coding program to start a career in tech. He researched Lambda's website, which prominently displayed a job placement rate approaching 80%, convincing him that Lambda was the best path forward. After a call with a Lambda representative, he signed an ISA on June 15, 2020. A copy of Mr. McAdams's ISA is attached hereto as Exhibit C.

126.   Had Defendants truthfully represented their job placement rates, Mr. McAdams would not have signed an ISA that indebted him up to $30,000 of tuition to Lambda.

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127.   Mr. McAdams began attending Lambda full-time in early July 2020. But as with Ms. Fuller and Mr. Goncalves, Lambda quickly restructured Mr. McAdams's program in September 2020 by shortening it from nine to six months, removing the existing support structure for reviewing work, and eliminating team lead support. Since the team leads had been an essential component of Lambda's education up to that point, Mr. McAdams thought their elimination seemed troubling. He decided to take a hiatus for the fall of 2020, picking up full-time hours as a bartender.

128.   Mr. McAdams returned in late 2020 with ambivalence. While there was no sign Lambda had improved its program, he had already invested significant time and expense. Already on the hook, he resolved to learn as much as he could through Lambda.

129.   To his surprise, immediately upon returning, Lambda assigned Mr. McAdams as an unpaid team lead to fill the void left by their elimination. The assignment was not optional, Lambda provided no support on how to serve as a team lead, and Mr. McAdams did not find any educational value in the experience. After returning, he spent roughly a third of his Lambda education time mentoring *other* students.

130.   He finished the Lambda program in February 2021 and received his certificate of completion.

131.   Mr. McAdams immediately got to work trying to find a tech job, but Lambda's resources were unhelpful—a job portal lacking useful leads, and resume reviewers with no useful feedback. He continued bartending while looking for tech work and studying on his own what Lambda failed to teach him.

132.   After several months, Mr. McAdams was hired as a backend systems engineer contracting with Florida Blue in August 2021. He eventually moved up the ranks to become senior engineer. Lambda played no role in him finding out about the position, and played no role in ultimately getting hired. As most of the skills and material discussed in Mr. McAdams's interview was self-taught *after* he had finished with Lambda, it was his own studying that landed him the job.

133.   Mr. McAdams made an ISA payment of approximately $1,000 in 2021, even though Lambda did not have approval to operate when he signed his ISA, and even though he would not have signed his ISA had Lambda truthfully represented its job placement rates.

VERIFIED CLASS ACTION COMPLAINT   26

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4.   **Plaintiff Quinn Molina**

2   134.   Mr. Molina became interested in transitioning to programming work in 2020 while

3   working for a company doing wholesale shipping. To get his feet wet, he enrolled in short-term, free

4   coding camps while continuing his day job. As he searched for additional coding education

5   opportunities in November 2020, he noticed numerous ads on Google and social media touting

6   Lambda.

7   135.   After some research, Mr. Molina was attracted to Lambda's program based on promising

8   job placement rates of approximately 80%, and the ISA model that didn't require him to put any money

9   down. He consulted with his brother, a self-taught coder and web developer, who was likewise

10   impressed by the high job placement rate. After significant research and consultation, and ultimately

11   swayed by the high placement rates, Mr. Molina signed an ISA on January 8, 2021. A copy of Mr.

12   Molina's ISA is attached hereto as Exhibit D.

13   136.   Had Defendants truthfully represented their job placements rates, Mr. Molina would not

14   have signed an ISA that indebted him up to $30,000 of tuition to Lambda.

15   137.   Mr. Molina began attending Lambda part-time in January 2021. Lambda diluted the

16   program and made it far less rigorous soon after the refund period for Mr. Molina's ISA had passed.

17   Lambda dropped the part-time program option, along with multiple project requirements, assessments,

18   and support staff. Mr. Molina had expected Lambda to help him build a portfolio of projects to show

19   off to prospective employers. Instead, with fewer projects and support staff, students were left with a

20   small number of incomplete, buggy projects that were not job market-ready. He also later learned that

21   the assessments Lambda dropped were important to prospective employers.

22   138.   Many students dropped out in response to Lambda providing only a shell of the program

23   it originally promised. Mr. Molina considered following suit, but knowing he was on the hook for his

24   ISA, he resorted to grinding out the remainder of the coursework.

25   139.   The Lambda education further deteriorated as Mr. Molina approached completion.

26   Instead of the world-class instructors Mr. Allred had promised, most were recent Lambda graduates

27   themselves. And instructors from earlier units were unexpectedly brought back as stopgaps later in the

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VERIFIED CLASS ACTION COMPLAINT   27

1 program, with apparently no prior experience or planned curriculum from which to teach. By the time

2 Mr. Molina reached the final labs unit, his cohort had dwindled from dozens of peers to a handful.

3   140.   Mr. Molina received his certificate of completion in May 2022. As he transitioned to

4 searching for a job, Lambda's only contribution was connecting him with a resume and LinkedIn

5 profile reviewer. They failed to provide him with any legitimate job leads.

6   141.   Instead of moving onto a coding position, Mr. Molina continued working in wholesale

7 shipping, just as he had before attending Lambda, until he recently transitioned to the IT department at

8 his company.

9 **V.   CLASS ACTION ALLEGATIONS**

10   142.   Plaintiffs bring this action on behalf of themselves and as a class action on behalf of the

11 following Class:

12   *All persons who enrolled at Lambda and:(i) entered into an ISA, retail installment contract,*
deferred tuition plan, or any other tuition payment plan with an arbitration clause that contains
13   *a carve-out for any proceeding commenced by either party seeking an injunction or any other*
equitable remedy; or (ii) who otherwise did not sign any such agreements with an arbitration
14   *clause, or opted out of one; and (iii) who have not yet had their ISA, retail installment contract,*
deferred tuition plan, or other tuition payment plan cancelled and all payments made to Lambda
15   *refunded.*

16   143.   In addition, Plaintiffs Fuller, Goncalves, and McAdams seek to certify the following

17 subclass (hereinafter the "BPPE Subclass") within the Class:

18   *All persons within the Class who enrolled at Lambda prior to August 17, 2020, the date that*
Lambda obtained the BPPE's approval to operate.
19

20   144.   Plaintiffs reserve the right to amend or modify the Class and BPPE Subclass

21 descriptions, or further divide them into subclasses or limitations as to particular issues.

22   145.   This action has been brought and may properly be maintained as a class action under

23 California Code of Civil Procedure § 382 because there is a well-defined community of interest in the

24 litigation and the proposed class and subclass is easily ascertainable.

25   146.   On information and belief, there are thousands of former Lambda students who are

26 members of the Class, and at least hundreds who are members of the BPPE Subclass. The potential

27 number of class members are therefore so numerous that joinder would be impracticable. The precise

28 number of class members, known only to Defendants, can easily be determined through discovery.

VERIFIED CLASS ACTION COMPLAINT 28

147.   Plaintiffs' claims are typical of the claims of the Class and BPPE Subclass. Plaintiffs were subjected to the same violations of California law, and seek the same types of injunctive relief, restitution, and other equitable relief on the same theories and legal grounds as the members of the class they seek to represent.

148.   Plaintiffs are adequate representatives of the classes because: (a) their interests do not conflict with the interests of the individual class members they seek to represent; (b) they have retained counsel who are competent and experienced in complex class action litigation; and (c) they intend to prosecute this action vigorously. Plaintiffs and their counsel will fairly and adequately protect the interests of the Class and BPPE Subclass.

149.   Common questions of law and fact exist as to all members of the Class and the BPPE Subclass, and predominate over any questions solely affecting individual members of the two classes.

150.   Among the questions of law and fact common to the Class are the following:

a)   Whether Lambda's widely disseminated job placement rates were false and misleading, in violation of the UCL, FAL, and CLRA;

b)   Whether Lambda's false and misleading job placement rates are material to a reasonable consumer's decision whether to enroll;

c)   Whether members of the public were likely to be deceived by Lambda's job placement misrepresentations under the UCL;

d)   Whether Plaintiffs and the Class are "consumers" engaging in "transactions" under the CLRA;

e)   Whether Mr. Allred directly and actively participated in the unlawful conduct at issue;

f)   Whether Mr. Allred, members of his executive leadership team, and other Lambda employees or agents acted willfully and knowingly to disseminate Lambda's job placement representations to the public with knowledge that they were—and continue to be—false and misleading;

g)   Whether Lambda qualifies as a "finance lender" under the California Financing Law, Cal. Fin. Code § 22100(a); and

VERIFIED CLASS ACTION COMPLAINT   29

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     h)   Whether Lambda's ISAs and other tuition payment plans qualify as "consumer loans"

2

         or "commercial loans" under the California Financing Law.

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   151.   Among the questions of law and fact common to the BPPE Subclass are the following:

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     a)   Whether Lambda had approval to operate prior to August 17, 2020;

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     b)   Whether Lambda misrepresented whether it had approval to operate prior to August 17,

6

         2020; and

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     c)   Whether ISAs or other tuition payment plans entered into by Lambda prior to August

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         17, 2020, are enforceable.

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   152.   Class action treatment is superior to any alternative to ensure the fair and efficient

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adjudication of this controversy. Such treatment will permit a large number of similarly situated persons

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to prosecute their common claims in a single forum simultaneously, efficiently, and without duplication

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of effort and expense that numerous individual actions would entail.

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   153.   No difficulties are likely to be encountered in the management of this class action that

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would preclude its maintenance as a class action, and no superior alternative exists for the fair and

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efficient adjudication of this controversy.

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   154.   Plaintiffs and each class member have been harmed by Defendants' wrongful conduct.

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   155.   The Class and BPPE Subclass are ascertainable because their members can be

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determined from Lambda's business records. On information and belief, the last-known residence

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address and email address of each of the proposed class members is contained in Lambda's books and

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records.

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   156.   Concentrating all the potential litigation concerning the claims of the proposed class

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members in this Court will avoid a multiplicity of suits, will conserve judicial resources and the

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resources of the parties, and is the most efficient means of resolving the claims of all the proposed class

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members.

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   157.   Absent a class action, Plaintiffs and the proposed class members likely will not obtain

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redress of their injuries and Defendants will retain the proceeds of the violations of the California laws

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cited herein.

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/ / /

VERIFIED CLASS ACTION COMPLAINT   30

1   **VI.   CAUSES OF ACTION**

2   **FIRST CAUSE OF ACTION**
                    Violations of California's Consumer Legal Remedies Act
3   **Cal. Civ. Code §§ 1750, *et seq.***
                                  (All Defendants)
4

5   158.   Plaintiffs hereby reincorporate the allegations in the foregoing paragraphs as though fully

6   set forth herein.

7   159.   The CLRA makes unlawful "unfair methods of competition and unfair or deceptive acts

8   or practices undertaken by any person in a transaction intended to result or that results in the sale or

9   lease of goods or services to any consumer." Cal. Civ. Code § 1770(a).

10   160.   The CLRA covers transactions involving the sale of services—such as education—to

11 consumers.

12   161.   Plaintiffs are "consumers" within the meaning of Section 1761(d) of the CLRA, and they

13 engaged in "transactions" within the meaning of sections 1761(e)and 1770 of the CLRA.

14   162.   The CLRA enumerates numerous unlawful acts or practices, including:

15   a) "Misrepresenting the source, sponsorship, approval, or certification of goods or

16   services." Cal. Civ. Code § 1770(a)(2).

17   b) "Representing that goods or services have sponsorship, approval, characteristics,

18   ingredients, uses, benefits, or quantities that they do not have or that a person has a

19   sponsorship, approval, status, affiliation, or connection that the person does not have."

20   *Id.* § 1770(a)(5).

21   c) "Representing that goods or services are of a particular standard, quality, or grade"

22   when they are not. *Id.* § 1770(a)(7).

23   d) "Advertising goods or services with intent not to sell them as advertised." *Id.* §

24   1770(a)(9).

25   163.   In violation of these provisions, Lambda misrepresented to the public, prospective

26 students, and current students, including Plaintiffs, at least the following: (i) its job placement rates; and

27 (ii) to the Subclass, that it had approval to operate and enroll students.

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VERIFIED CLASS ACTION COMPLAINT   31

1   164.   Plaintiffs bring their claim under the CLRA for injunctive relief, namely to cancel their

2   ISAs and for restitution of payments made.

3   **SECOND CAUSE OF ACTION**
                  Violations of California's Unfair Competition Law
4   **Cal. Bus. & Prof. Code §§ 17200, *et seq.***
                              (All Defendants)
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6   165.   Plaintiffs hereby reincorporate the allegations in the foregoing paragraphs as though fully

7   set forth herein.

8   166.   Lambda has engaged in business acts or practices that constitute unfair competition as

9   defined in the UCL, in that such business acts and practices are unlawful, unfair, and fraudulent within

10   the meaning of that statute.

11   167.   The business acts and practices include:

12   a) publishing and/or providing the public, prospective students, and current students,

13   including Plaintiffs, with false, misleading, unreliable, and/or inaccurate job placement

14   rate information;

15   b) omitting material facts from statements to the public, prospective students, and current

16   students, including Plaintiffs, related to job placement rates;

17   c) to the Subclass, conducting business without BPPE approval and in violation of

18   multiple BPPE orders requiring it to cease operations;

19   d) to the Subclass, knowingly operating a private postsecondary institution without

20   approval to do so;

21   e) to the Subclass, concealing from the public, prospective students, and current students

22   that in March and July of 2019, the BPPE ordered Lambda to cease operations, stop

23   enrolling students, cease all instructional services, and submit a closure plan, and

24   misrepresenting,concealing, and omitting material facts related to those BPPE orders,

25   including representing that they were stayed when they were not.

26   / / /

27   / / /

28   / / /

Unlawful Prong

168.   The UCL bars business practices that are forbidden by law. If a business practice violates any law, it is *per se* a UCL violation.

169.   The business acts and practices described above are unlawful because they violate numerous state and federal laws, including but not limited to:

a) The Federal Trade Commission Act ("FTC Act"), which prohibits "unfair or deceptive acts or practices."[42]

b) Cal Educ. Code § 94897(b), which provides that institutions shall not "[p]romise or guarantee employment, or otherwise overstate the availability of jobs upon graduation."

c) The CLRA, *see supra* ¶¶ 158–164;

d) The FAL, *see infra* ¶¶ 174–176;

e) Cal. Educ. Code § 94886, which provides in relevant part that "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." Lambda violated this provision, and therefore the UCL's unlawful prong, when it enrolled Plaintiffs and members of the Subclass without obtaining approval to operate.

f) Cal. Educ. Code § 94943, which provides that it is a crime to "[k]nowingly operat[e] a private postsecondary institution without an approval to operate." Lambda violated this provision, and therefore the UCL's unlawful prong, when it knowingly enrolled Plaintiffs without approval by the BPPE to operate.

g) Cal. Educ. Code § 94917, which provides that "[a] note, instrument, or other evidence of indebtedness relating to payment for an educational program is not enforceable by an institution unless, at the time of execution of the note, instrument, or other evidence of indebtedness, the institution held an approval to operate."

h) Cal. Educ. Code § 94902(b)(2), which provides that an enrollment agreement is enforceable only if "[a]t the time of the execution of the enrollment agreement, the institution held a valid approval to operate.

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[42] *See* U.S.C.§ 45(a)(I); 15 U.S.C. § 52(a).

VERIFIED CLASS ACTION COMPLAINT   33

i)   The California Financing Law, which provides that "[n]o person shall engage in the business of a finance lender or broker without obtaining a license from the commissioner." Cal. Fin. Code § 22100(a).

j)   The Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B), which prohibits covered persons from engaging in unfair, deceptive, or abusive acts or practices.

170.   By violating these and other state and federal laws, Lambda violated the unlawful prong of the UCL.

Fraud Prong

171.   To show that a business practice is fraudulent, it is necessary only to show that members of the public are likely to be deceived.

172.   Lambda's business acts and practices—including its false job placement rate representations and false representations to the Subclass about BPPE approval—are fraudulent in that they are likely to deceive the public.

173.   Each of these false and misleading representations, all of which were material, were substantial factors influencing Plaintiffs and members of the Class to attend Lambda and take out an ISA or other tuition payment plan that indebted them to up to $30,000 of tuition at Lambda.

THIRD CAUSE OF ACTION
Violations of California's False Advertising Law
Cal. Bus. & Prof. Code §§ 17500, *et seq.*
(All Defendants)

174.   Plaintiffs hereby reincorporate the allegations in the foregoing paragraphs as though fully set forth herein.

175.   Lambda has also engaged in acts or practices that constitute violations of the FAL, Business and Professions Code section 17500, *et seq.*, by making or causing to be made untrue or misleading statements with the intent to induce members of the public to purchase Lambda's services. Lambda's untrue or misleading representations include, but are not limited to, the following:

a)   Lambda's statements regarding job placement rates, including but not limited to the published job placement rates prominently displayed on its website; and

VERIFIED CLASS ACTION COMPLAINT   34

b) Failing to inform the public, prospective students, and current students, including the Subclass, that it lacked approval from BPPE to operate, that its operations were therefore unlawful, that BPPE ordered Lambda to cease advertising and instructional activities, and that it could not lawfully enroll students. Instead, Lambda's advertisements implicitly and explicitly misrepresented the lawfulness of its operations by encouraging the public and prospective students to apply for enrollment.

176.   At the time these representations were made, Lambda knew or by the exercise of reasonable care should have known that the representations were untrue or misleading.

VII.   PRAYER FOR RELIEF

WHEREFORE, in accordance with the above claims, Plaintiffs request judgment in their and the Class's favor against Defendants as follows:

1.   An Order certifying that Plaintiffs and the Class constitute a single class, that the BPPE Subclass constitutes a single subclass, and designating the action as a Class Action pursuant to California Code of Civil Procedure § 382.

2.   Appointment of the attorneys below as Class counsel.

3.   Appointment of Plaintiffs as class representatives and payment of compensation as representatives if the Court deems appropriate.

4.   Declare that the ISAs or other tuition payment plans entered into by Plaintiffs, the Class, and the BPPE Subclass are unlawful and unenforceable pursuant to Cal. Educ. Code §§ 94886, 94917, and 94943.

5.   Declare that Defendants conducted business as a private postsecondary educational institution in California without obtaining approval to operate, in violation of Cal. Educ. Code § 94886 and the UCL.

6.   Declare that Defendants knowingly operated a private postsecondary institution without approval to operate, in violation of Cal. Educ. Code § 94943 and the UCL.

7.   Declare that Defendants' job placement rate representations at all times relevant to this Complaint were fraudulent and misleading, in violation of the UCL, FAL, and CLRA.

8.   Declare that Lambda "engage[d] in the business of a finance lender or broker without obtaining a license from the commissioner," in violation of the California Financing Law, Cal. Fin. Code § 22100(a).

9.   Order Defendants—including Lambda and any other owner of all or part of the ISAs or other tuition payment plans—to cancel the ISAs and other tuition payment plans for Plaintiffs and the Class and enjoin any effort to collect upon or otherwise enforce them.

10.   Order Defendants to pay restitution in the form of refunds for all payments made.

11.   Order prejudgment and post-judgment interest on any refunds for ISA and other tuition payment plan payments for the maximum extent allowed by law.

12.   Order public injunctive relief, including enjoining Defendants from misrepresenting job placement rates, and collecting on any ISA or other tuition payment plan entered into while Defendants maintained such misrepresentations.

13.   Order Defendants to pay reasonable attorneys' fees and costs.

14.   Order all such further relief as the Court deems just and proper.

Dated: March 16, 2023   **COTCHETT, PITRE & McCARTHY, LLP**

By: _____
          JUSTIN T. BERGER

NATIONAL STUDENT LEGAL DEFENSE NETWORK
          ALEXANDER S. ELSON
          (*Pro Hac Vice* Application forthcoming)

MINER, BARNHILL & GALLAND, P.C.
          DAVID BALTMANIS
          (*Pro Hac Vice* Application forthcoming)

MINER, BARNHILL & GALLAND, P.C.
          RYAN MILLER
          (*Pro Hac Vice* Application forthcoming)

Attorneys for Plaintiffs and the Proposed Class
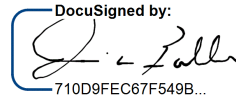
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VERIFICATION

I have read the foregoing Class Action Complaint and know its contents. I am the plaintiff, a party to this action. The matters stated in the foregoing Class Action Complaint are true to my own knowledge, except as to the matters which are therein stated upon information or belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: March ___15___, 2023   By: _____

                                                                                          710D9FEC67F549B...
                                                                                          Jessica Fuller
                                                                                          Named Plaintiff

COMPLAINT

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VERIFICATION

I have read the foregoing Class Action Complaint and know its contents. I am the plaintiff, a party to this action. The matters stated in the foregoing Class Action Complaint are true to my own knowledge, except as to the matters which are therein stated upon information or belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: March ___16___, 2023   By: _____
                                                                 Alexander Goncalves
                                                                 Named Plaintiff

COMPLAINT

LAW OFFICES
COTCHETT, PITRE &
MCCARTHY, LLP

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VERIFICATION

I have read the foregoing Class Action Complaint and know its contents. I am the plaintiff, a party to this action. The matters stated in the foregoing Class Action Complaint are true to my own knowledge, except as to the matters which are therein stated upon information or belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: March ___16___, 2023   By: _____
                                                            Brett McAdams
                                                            Named Plaintiff

COMPLAINT

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VERIFICATION

I have read the foregoing Class Action Complaint and know its contents. I am the plaintiff, a party to this action. The matters stated in the foregoing Class Action Complaint are true to my own knowledge, except as to the matters which are therein stated upon information or belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: March ___16___ , 2023   By: _____

                                              DocuSigned by:

                                              Quinn Molina
                                              3144C58896FF40D...
                                              Quinn Molina
                                              Named Plaintiff

COMPLAINT

EXHIBIT A

Student: Jessica Fuller
Address: ████████████████,
Email Address: ████████████████████
APL_12014

INCOME SHARE AGREEMENT

This income share agreement is between Lambda Inc. ("Lambda School") and a student ("you"). You have previously completed an application to become a Lambda School student. Prior to or concurrently with signing this agreement, you and Lambda School are signing an enrollment agreement in which Lambda School accepts you as a student. Your entering into the enrollment agreement is a condition to Lambda School admitting you to the program of educational services outlined in your enrollment agreement. If you sign this agreement before signing an enrollment agreement, you are agreeing to Lambda School's standard enrollment agreement currently in effect until such time as you sign an enrollment agreement.

Lambda School charges tuition, but instead of paying tuition directly, a student may elect to have Lambda School provide tuition funding on behalf of that student. That student commits to paying Lambda School a fixed percentage of their income each month toward the cost of attending Lambda School, up to a maximum number of payments and a maximum amount, on condition that the student's income is above the monthly equivalent of $50,000.00 annually.

In this agreement, you commit to reporting your income and to making a number of monthly payments in return for Lambda School providing tuition funding on your behalf.

IF YOU CANCEL

If you terminate this agreement during the allowable full cancellation period specified in your enrollment agreement, you will not owe Lambda School anything under this agreement.

YOUR PAYMENTS	
Here's a summary of the key details of your monthly payments under this agreement. More information is provided elsewhere in this agreement.	
Tuition funding provided to Lambda School on your behalf	$30,000.00
Percentage of your monthly earned income you must pay Lambda School	17%
Minimum monthly earned income required for monthly payments	$4,166.67
Equivalent annual earned income	$50,000.00
Maximum number of monthly payments	24
Maximum term of this agreement	60 months
Maximum total amount you are required to pay (excluding fees for late or failed payments)	$30,000.00
FEES FOR LATE OR FAILED PAYMENTS	
Here are the fees you might have to pay.	
if Lambda School doesn't receive a monthly payment by the 15th of the month it is due	$50.00
if Lambda School receives a monthly payment but that payment fails because you don't have enough money in your account, or for any other reason	$35.00

THIS IS NOT A LOAN

In making monthly payments to Lambda School, you will not be repaying a student loan. In the case of a student loan, a student borrows a set amount and repays the principal amount of the loan plus interest or a finance charge, or both. Under this agreement, you will instead pay a fixed percentage of your income each month for up to a maximum number of payments.

You acknowledge that the income-tax consequences of this agreement are uncertain and that Lambda School has not provided you with any tax advice and has not assured you of specific tax consequences. You acknowledge that you have had an opportunity to consult with your own advisors about the tax implications of entering into this agreement.

EXAMPLES OF WHAT YOU MIGHT HAVE TO PAY

This table shows some examples of monthly and total payments under this agreement at different income levels.

Monthly Income	Equivalent Annual Income	Monthly Payment	Total Amount Paid	Number of Payments
Less than $4,166.67	Less than $50,000	Not applicable	$0	None
$4,166.67	$50,000	$708.33	$17,000	24
$5,000.00	$60,000	$850.00	$20,400	24
$5,833.33	$70,000	$991.67	$23,800	24
$6,666.67	$80,000	$1,133.33	$27,200	24
$7,500.00	$90,000	$1,275.00	$30,000	24
$8,333.33	$100,000	$1,416.67	$30,000	22
$10,000.00	$120,000	$1,700.00	$30,000	18

DETERMINING YOUR MONTHLY PAYMENTS

The amount of each of your monthly payments is equal to 17% of your earned income in the previous month from all your qualified positions, plus any fees you owe under this agreement. You are not required to make a monthly payment if your earned income for the previous month is less than $4,166.67.

What "Earned Income" Means

For purposes of this agreement, "earned income" means all you are paid or that you earn in all your qualified positions. Earned income is your gross income—your income before taxes or any other withholdings (including contributions to retirement plans and savings plans). For example, the US Internal Revenue Service for the 2019 reporting year defines income to include on an annual basis (a) the sum of Line 1 (Wages, salaries, tips, etc.), Line 7a (Other income), and Line 8a (Business income or loss) of IRS Form 1040, as reported or required to be reported on U.S. federal income Tax returns. All of those are examples of "earned income."

Earned Income does not include (1) income earned by your children or spouse (if any), (2) any money you inherit, (3) any amounts paid to you under the Social Security disability insurance program (title II of the Social Security Act) or the Supplemental Security Income program (title XVI of the Social Security Act), or (4) any amounts paid to you under the Child Nutrition Act of 1966.

For purposes of this agreement, "qualified position" means work as an employee, independent contractor, or business owner in a field related to, or position requiring knowledge of, one or more of software, data science, full-stack web, iOS/Android development, cybersecurity, information technology, UX, and web and app development and design and any other field or position for which you would not have been qualified, or not have been considered or promoted into, but for your participation in your Lambda School program or the job placement efforts of Lambda School.

If a position would otherwise be a qualified position, it will not be relevant that your Lambda School program was in a discipline not directly related to that position.

Examples of titles for positions that would qualify include software engineer, data scientist, web developer, and app developer. Positions in quality assurance, sales, product management, or other fields that may seem unrelated to your Lambda School program might nevertheless qualify if your work actually calls on skills related to your Lambda School program. A position at a company that doesn't sell technology products or offer technology services might also qualify—for example, a web-developer position for any kind of company.

It will be up to Lambda School to decide whether income you earned can be attributed to a qualified position. You must provide Lambda School any information it asks for to allow it to decide whether income you earned should be attributed to a qualified position.

Establishing Your Earned Income

You must inform Lambda School no later than five days after starting work in a qualified position paying you at least the minimum amount required for you to be required to make monthly payments under this agreement. Every three months or as requested by Lambda School thereafter you must inform Lambda School of the name of your employer, your job title, and your earned income.

You must submit to Lambda School via Lambda School's online portal the following documentation evidencing your earned income:

- before your first monthly payment and every time your earned income increases or decreases, a pay stub, letter from your employer, independent-contractor agreement, or other evidence of your monthly income

- by 30 April each year, a year-end pay stub, form W-2, form 1099, schedule K-1, or other official documentation showing your sources of earned income and the dates of your employment for the previous calendar year

- if Lambda School requests, it, a completed and signed IRS form 4506-T (or any successor form) designating Lambda School as the recipient of your tax return information for returns covering any months for which you are required to make a monthly payment, dated no earlier than 30 days before the date you provide it Lambda School

You authorize Lambda School to verify your earned income and your credit history by checking with your employer (for example through the employer's verification line), credit reporting agencies, payroll providers, or other services. You acknowledge that Lambda School may adjust your monthly payments to reflect any information so discovered. And Lambda School might review public information about your employment and income, such as your profile on social media or job sites. Lambda School will act reasonably in verifying your earned income but ultimately it will be up to Lambda School to decide whether your documentation or other materials sufficiently prove your earned income.

You must notify Lambda School no later than 30 days if you change your tax filing status from single filing to joint filing (or vice-versa), so Lambda School knows whether to exclude earnings of your spouse when calculating your earned income.

Setting Your Monthly Payments

Based on the information you provide, Lambda School will determine the amount of your monthly payments.

Lambda School may estimate one or more of your monthly payments for any period during which you fail to submit to Lambda School documentation evidencing your earned income as required under this agreement. In making such an estimate, Lambda school may assume that your earned income is equivalent to the average full-time income for occupations related to your Lambda School program.

At any time you may ask Lambda School to confirm the amount of your next monthly payment.

You may not pay more than your monthly payment without Lambda School's consent.

WHEN YOU MUST START MAKING MONTHLY PAYMENTS

After you have completed, withdraw from, or are withdrawn from (for any reason) your Lambda School program, you are required to begin making payments. You will have a one-month grace period before your first

payment is due. The first month for which you are required to make a monthly payment is the second full month in which your earned income exceeds the minimum. Here are two examples:

- if you graduate from Lambda School on 15 May and on 5 June you start a job for which you are paid monthly $4,166.67 or more and in June you are paid $4,166.67 or more, the first month for which you must make a monthly payment is August

- if you graduate from Lambda School on 15 May and on 20 June you start a job for which you are paid monthly at least $4,166.67 but in June you are paid less than $4,166.67, the first month for which you must make a monthly payment is August

For purposes of this agreement only, you have completed your Lambda School program upon the earlier of (1) the date for completing your program specified in your enrollment agreement and (2) your accepting a qualified position after the date specified in your enrollment agreement on which you are responsible for the entire amount of tuition funding allocated to your program.

Your monthly payment for a given month is due on the first business day of the following month.

You will not be required to make further monthly payments under this agreement if (1) you have made 24 monthly payments, (2) you have paid the maximum amount of $30,000 (excluding fees), or (3) you have not been required to make a monthly payment for a total of 60 months, whichever is the earliest to occur. The maximum term of this agreement is 83 months. That would happen if you have made 24 monthly payments and you have not been required to make a monthly payment for a total of 59 months.

HOW TO MAKE MONTHLY PAYMENTS

Income-Sharing Manager and Other Lambda School Partners

Lambda School has appointed an income-sharing manager to administer students' monthly payments and this agreement generally. Lambda School might on one or more occasions replace the income-sharing manager, or itself act as or serve some functions of the income-sharing manager. You acknowledge that any income-sharing manager and its or Lambda School's partners will be authorized to act on behalf of Lambda School for all purposes relating to this agreement. You may also need to accept or be subject to terms, policies, or other practices of the income-sharing manager or other partners.

Payment Options

The income-sharing manager will offer you the option of making your monthly payments by automated clearing house (ACH) payment—you would authorize the income-sharing manager to deduct from the designated account, as it comes due, the amount of each monthly payment, until such time as you withdraw your authorization. Or you could instead elect to pay by another method approved by Lambda School or the income-sharing manager. Lambda School or the income-sharing manager might in the future provide additional payment options or programs, but you might not be eligible for any such programs.

Your Designated Bank Account

At the request of the income-sharing manager, you must establish and maintain through the online portal during the term of this agreement a bank account with a financial institution designated by the income-sharing manager. The income-sharing manager will be permitted to view your transactions on that account. That information will help determine the amount of your monthly payments. You may maintain other bank accounts too, but you must deposit all of your earned income after taxes or any other withholdings (including contributions to retirement plans and savings plans) into your designated bank account. It would violate this agreement for you to deposit some of your earned income after taxes or any other withholdings (including contributions to retirement plans and savings plans) in a bank account other than your designated bank account.

The income-sharing manager sends or calls with payment reminders and account statements by email, phone, or SMS, or all of these—do whatever is necessary to make sure you receive them. If you don't receive a reminder to make a monthly payment, that will not affect the due date of that monthly payment.

Online Portal

The income-sharing manager maintains an online portal that will allow you to access a copy of this agreement, documentation relating to your account, and information about your payment terms, including the amount of your next monthly payment and when it's due and any past due amounts. Through this portal you will be able to update your information, upload documents, and change how you authorize payment of monthly amounts.

Account Reconciliation

Lambda School might review your account at any time to ensure that your monthly payments accurately reflect your earned income.

If you underpaid or failed to pay one or more monthly payments, Lambda School will notify you in writing of what you owe and any late charges. At Lambda School's discretion, any amount you owe will be added to one of your future monthly payments, will be spread evenly over up to six future monthly payments, or, if you are not required to make a monthly payment or if this agreement has been terminated, will be billed to you separately.

If you overpaid, Lambda School will notify you of the overpayment and reduce your next one or more monthly payments by the amount of the overpayment. If Lambda School discovers an overpayment after this agreement has terminated, it will refund the excess amount to you.

CHANGE OF STATUS

Withdrawing Early

If after the cancellation period has passed you withdraw from your program or are dismissed from the program, under your enrollment agreement you might be required to pay Lambda School an amount up to the maximum total amount you are required to pay under this agreement. You must notify Lambda School if you wish to withdraw from the program.

Disability

If you die or become disabled, as determined by the U.S. Social Security Administration or any other federal or state government agency, due to a condition that began or deteriorated after the date of this agreement, you will no longer be required to pay Lambda School what you owe under this agreement, including any past due amounts and fees.

If you die or become disabled, as determined by the U.S. Social Security Administration or any other federal or state government agency, due to a condition that began or deteriorated after the date of this agreement, you will no longer be required to pay Lambda School what you owe under this agreement, including any past due amounts and fees.

DEFAULT

Except as provided by law, you will be in default under this agreement if any of the following occurs:

- you do not pay a monthly payment in full when due or otherwise don't do something you promise to do in this agreement or your enrollment agreement

- you make an inaccurate statement of fact in this agreement or your enrollment agreement

- you provide inaccurate or incomplete information in your Lambda School application, your enrollment agreement, or any other written communication with Lambda School

- you begin a voluntary bankruptcy case under title 11 of the United States Code

- anyone begins an involuntary bankruptcy case against you under title 11 of the United States Code and either (1) the case is not dismissed by midnight at the end of the 60th day after it is begun or (2) the court hearing the case issues an order approving the case

- you fail generally to pay your debts as they become due (other than any debts for which you dispute in good faith your liability or the amount) or you acknowledge in writing that you are unable to do so

Remedies

If you are in default under this agreement, at Lambda School's request you must pay Lambda School the entire amount you owe under this agreement. Lambda School will also have all other remedies available by law.

DISPUTES

Arbitration

As the exclusive means of initiating adversarial proceedings to resolve any dispute arising out of this agreement, your Lambda School tuition, or your payments to Lambda School (other than any proceeding commenced by either party seeking an injunction, a restraining order, or any other equitable remedy or a proceeding commenced by either party in small claims court), either party may demand that the dispute be resolved by binding arbitration administered by the American Arbitration Association in accordance with its Consumer Arbitration Rules available at www.adr.org. If AAA is completely unavailable, and if you and Lambda School cannot agree on a substitute, then either you or Lambda School may request that a court appoint a substitute. The rules in this arbitration agreement will be followed if there is disagreement between the agreement and the arbitration forum's procedures. Judgment on any award rendered in any such arbitration may be entered in any court having jurisdiction. This arbitration agreement is governed by the Federal Arbitration Act (FAA).

Any such arbitration must be conducted by one arbitrator and must be conducted in San Francisco, California, the county with a major commercial airport nearest to where you live, or another mutually agreed location. If the claim is for $25,000 or less, you may choose whether the arbitration will be conducted (1) solely on the basis of documents submitted to the arbitrator or (2) by means of a hearing conducted by telephone.

No Class Action

YOU AND LAMBDA SCHOOL MAY EACH BRING CLAIMS AGAINST THE OTHER ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. CLAIMS OF TWO OR MORE PERSONS MAY NOT BE JOINED OR CONSOLIDATED IN THE SAME ARBITRATION UNLESS THEY ARISE FROM THE SAME TRANSACTION.

Jury Trial

You and Lambda School hereby waive your respective right to a trial by jury in any proceedings arising out of this agreement, your Lambda School tuition, or your payments to Lambda School.

YOUR INFORMATION AND YOUR PRIVACY

Lambda School may use information you provide Lambda School under this agreement to improve its administration of income share agreements with its students and for its other operations, including working with its partners in performing under this agreement. Otherwise, Lambda School may disclose information you provide Lambda School under this agreement only if it is aggregated with information from other students or has removed from it all information that identifies it as originating with you. Lambda School owns any information derived from or based on the information you provide Lambda School. Lambda School maintains a privacy notice at www.lambdaschool.com/privacy. If you have any concerns about how Lambda School treats

your information, please contact Lambda School through its website.

CONTACTING EACH OTHER

Valid Notice

For a notice under this agreement to be valid, it must be in writing and delivered by email to the email address stated at the top of this agreement (in the case of an email message from you to Lambda School) or to the most current email address in Lambda School's records (in the case of an email message from Lambda School to you), or submitted to the income-sharing manager's online portal (in the case of an email to the income-sharing manager). It will be deemed to have been received when sent, even if the sender receives a machine-generated message that delivery has failed.

If a party sending an email notice under this agreement receives a machine-generated message that delivery has failed, for that notice to be valid the sender must deliver to the intended recipient a tangible copy of that notice with end-to-end tracking and all fees prepaid to the address stated at the top of this agreement (in the case of delivery by you to Lambda School) or to the most current address in Lambda School's records (in the case of notice from Lambda School to you).

Other Communications

For any reason related to this agreement, including any amounts you owe, Lambda School may contact you at any physical or electronic addresses or numbers (including wireless cellular telephone numbers, ported landline numbers, VOIP, or other services) you have provided Lambda School or provide Lambda School in the future. Lambda School may use any means of communication, including postal mail, electronic mail, voice calls, text messaging, and recorded message using automatic-dialing devices. You may ask that Lambda School not contact you using one or more of these means of contacting you, and the law might impose restrictions on how Lambda School contacts you.

Changing Your Contact Information

You must notify Lambda School no later than 30 days after change in your primary residence, your phone number, email address, or any other contact information you previously provided Lambda School.

OTHER TERMS

Governing Law

New York law governs all adversarial proceedings arising out of this agreement, your Lambda School tuition, or your payments to Lambda School.

Transfers

You may not transfer (1) any discretion granted under this agreement, (2) any right to satisfy a condition under this agreement, (3) any remedy under this agreement, or (4) any obligation imposed under this agreement. Any purported transfer in violation of the previous sentence will be void.

Lambda School might transfer all or part of its interest in this agreement. If Lambda School transfers its entire interest in this agreement to someone else and by mistake you pay Lambda School or its income-sharing manager after that transfer, Lambda School has the choice of forwarding your payment to the transferee or its project manager, returning the payment to you, or handle it in any other way Lambda School thinks reasonable.

Your Application

You state that all information you provided in your Lambda School application was complete and accurate when you submitted your application.

Your Age

You state that you are the age of majority or older in the state where you currently reside. (The age of majority is the age at which you are considered an adult and responsible for your actions in the legal sense.)

Citizenship

You state that you are a citizen of the United States, a permanent resident of the United States, or a Deferred Action for Childhood Arrivals (DACA) recipient.

No Other Income Share Agreements

You state that you are not currently party to any other income share agreements with Lambda School or anyone else. You must not enter into another income share agreement with anyone else during the term of this agreement.

Lambda School's Liability Is Limited

The liability of Lambda School under this agreement is limited to the aggregate of all payments you make to Lambda School under this agreement.

Modifying Unenforceable Provisions

You acknowledge that if a dispute between the parties arises out of this agreement, your Lambda School tuition, or your payments to Lambda School, you would want the court to interpret this agreement as follows:

- with respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision

- if an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of the agreement will remain in effect as written

- by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable

- if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this agreement, by holding the entire agreement unenforceable

By signing below, you acknowledge that you have read all of this agreement carefully and agree to its terms.

Signature: *Jessica Fuller*		Date: 04/22/2020
Mailing Address: ▮▮▮▮▮	**City, State:** Lakewood, WA	**Zip Code:** ▮▮▮

[X] **I acknowledge that by providing my e-signature below, I will be legally bound to the above Income Share Agreement**

[X] **I consent to the Income Verification Consent Form.**

☐ **To help me better manage my ISA payments, I consent to the [Electronic Funds Transfer Authorization](). I understand that I may revoke this consent at any time.**

Recipient IP: ███████████

EXHIBIT B

Student: Alexander Goncalves
Address: ███████████████
Email Address: ████████████████████████
APL_12669

INCOME SHARE AGREEMENT

This income share agreement is between Lambda Inc. ("Lambda School") and a student ("you"). You have previously completed an application to become a Lambda School student. Prior to or concurrently with signing this agreement, you and Lambda School are signing an enrollment agreement in which Lambda School accepts you as a student. Your entering into the enrollment agreement is a condition to Lambda School admitting you to the program of educational services outlined in your enrollment agreement. If you sign this agreement before signing an enrollment agreement, you are agreeing to Lambda School's standard enrollment agreement currently in effect until such time as you sign an enrollment agreement.

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Percentage of your monthly earned income you must pay Lambda School	17%
Minimum monthly earned income required for monthly payments	$4,166.67
Equivalent annual earned income	$50,000.00
Maximum number of monthly payments	24
Maximum term of this agreement	60 months
Maximum total amount you are required to pay (excluding fees for late or failed payments)	$30,000.00
FEES FOR LATE OR FAILED PAYMENTS	
Here are the fees you might have to pay.	
if Lambda School doesn't receive a monthly payment by the 15th of the month it is due	$50.00
if Lambda School receives a monthly payment but that payment fails because you don't have	

| enough money in your account, or for any other reason | $35.00 |

THIS IS NOT A LOAN

In making monthly payments to Lambda School, you will not be repaying a student loan. In the case of a student loan, a student borrows a set amount and repays the principal amount of the loan plus interest or a finance charge, or both. Under this agreement, you will instead pay a fixed percentage of your income each month for up to a maximum number of payments.

You acknowledge that the income-tax consequences of this agreement are uncertain and that Lambda School has not provided you with any tax advice and has not assured you of specific tax consequences. You acknowledge that you have had an opportunity to consult with your own advisors about the tax implications of entering into this agreement.

EXAMPLES OF WHAT YOU MIGHT HAVE TO PAY

This table shows some examples of monthly and total payments under this agreement at different income levels.

Monthly Income	Equivalent Annual Income	Monthly Payment	Total Amount Paid	Number of Payments
Less than $4,166.67	Less than $50,000	Not applicable	$0	None
$4,166.67	$50,000	$708.33	$17,000	24
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$5,833.33	$70,000	$991.67	$23,800	24
$6,666.67	$80,000	$1,133.33	$27,200	24
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$8,333.33	$100,000	$1,416.67	$30,000	22
$10,000.00	$120,000	$1,700.00	$30,000	18

DETERMINING YOUR MONTHLY PAYMENTS

The amount of each of your monthly payments is equal to 17% of your earned income in the previous month from all your qualified positions, plus any fees you owe under this agreement. You are not required

to make a monthly payment if your earned income for the previous month is less than $4,166.67.

What "Earned Income" Means

For purposes of this agreement, "earned income" means all you are paid or that you earn in all your qualified positions. Earned income is your gross income—your income before taxes or any other withholdings (including contributions to retirement plans and savings plans). For example, the US Internal Revenue Service for the 2019 reporting year defines income to include on an annual basis (a) the sum of Line 1 (Wages, salaries, tips, etc.), Line 7a (Other income), and Line 8a (Business income or loss) of IRS Form 1040, as reported or required to be reported on U.S. federal income Tax returns. All of those are examples of "earned income."

Earned Income does not include (1) income earned by your children or spouse (if any), (2) any money you inherit, (3) any amounts paid to you under the Social Security disability insurance program (title II of the Social Security Act) or the Supplemental Security Income program (title XVI of the Social Security Act), or (4) any amounts paid to you under the Child Nutrition Act of 1966.

For purposes of this agreement, "qualified position" means work as an employee, independent contractor, or business owner in a field related to, or position requiring knowledge of, one or more of software, data science, full-stack web, iOS/Android development, cybersecurity, information technology, UX, and web and app development and design and any other field or position for which you would not have been qualified, or not have been considered or promoted into, but for your participation in your Lambda School program or the job placement efforts of Lambda School.

If a position would otherwise be a qualified position, it will not be relevant that your Lambda School program was in a discipline not directly related to that position.

Examples of titles for positions that would qualify include software engineer, data scientist, web developer, and app developer. Positions in quality assurance, sales, product management, or other fields that may seem unrelated to your Lambda School program might nevertheless qualify if your work actually calls on skills related to your Lambda School program. A position at a company that doesn't sell technology products or offer technology services might also qualify—for example, a web-developer position for any kind of company.

It will be up to Lambda School to decide whether income you earned can be attributed to a qualified position. You must provide Lambda School any information it asks for to allow it to decide whether income you earned should be attributed to a qualified position.

Establishing Your Earned Income

You must inform Lambda School no later than five days after starting work in a qualified position paying you at least the minimum amount required for you to be required to make monthly payments under this agreement. Every three months or as requested by Lambda School thereafter you must inform Lambda

School of the name of your employer, your job title, and your earned income.

You must submit to Lambda School via Lambda School's online portal the following documentation evidencing your earned income:

- before your first monthly payment and every time your earned income increases or decreases, a pay stub, letter from your employer, independent-contractor agreement, or other evidence of your monthly income

- by 30 April each year, a year-end pay stub, form W-2, form 1099, schedule K-1, or other official documentation showing your sources of earned income and the dates of your employment for the previous calendar year

- if Lambda School requests, it, a completed and signed IRS form 4506-T (or any successor form) designating Lambda School as the recipient of your tax return information for returns covering any months for which you are required to make a monthly payment, dated no earlier than 30 days before the date you provide it Lambda School

You authorize Lambda School to verify your earned income and your credit history by checking with your employer (for example through the employer's verification line), credit reporting agencies, payroll providers, or other services. You acknowledge that Lambda School may adjust your monthly payments to reflect any information so discovered. And Lambda School might review public information about your employment and income, such as your profile on social media or job sites. Lambda School will act reasonably in verifying your earned income but ultimately it will be up to Lambda School to decide whether your documentation or other materials sufficiently prove your earned income.

You must notify Lambda School no later than 30 days if you change your tax filing status from single filing to joint filing (or vice-versa), so Lambda School knows whether to exclude earnings of your spouse when calculating your earned income.

Setting Your Monthly Payments

Based on the information you provide, Lambda School will determine the amount of your monthly payments.

Lambda School may estimate one or more of your monthly payments for any period during which you fail to submit to Lambda School documentation evidencing your earned income as required under this agreement. In making such an estimate, Lambda school may assume that your earned income is equivalent to the average full-time income for occupations related to your Lambda School program.

At any time you may ask Lambda School to confirm the amount of your next monthly payment.

You may not pay more than your monthly payment without Lambda School's consent.

WHEN YOU MUST START MAKING MONTHLY PAYMENTS

After you have completed, withdraw from, or are withdrawn from (for any reason) your Lambda School program, you are required to begin making payments. You will have a one-month grace period before your first payment is due. The first month for which you are required to make a monthly payment is the second full month in which your earned income exceeds the minimum. Here are two examples:

- if you graduate from Lambda School on 15 May and on 5 June you start a job for which you are paid monthly $4,166.67 or more and in June you are paid $4,166.67 or more, the first month for which you must make a monthly payment is August

- if you graduate from Lambda School on 15 May and on 20 June you start a job for which you are paid monthly at least $4,166.67 but in June you are paid less than $4,166.67, the first month for which you must make a monthly payment is August

For purposes of this agreement only, you have completed your Lambda School program upon the earlier of (1) the date for completing your program specified in your enrollment agreement and (2) your accepting a qualified position after the date specified in your enrollment agreement on which you are responsible for the entire amount of tuition funding allocated to your program.

Your monthly payment for a given month is due on the first business day of the following month.

You will not be required to make further monthly payments under this agreement if (1) you have made 24 monthly payments, (2) you have paid the maximum amount of $30,000 (excluding fees), or (3) you have not been required to make a monthly payment for a total of 60 months, whichever is the earliest to occur. The maximum term of this agreement is 83 months. That would happen if you have made 24 monthly payments and you have not been required to make a monthly payment for a total of 59 months.

HOW TO MAKE MONTHLY PAYMENTS

Income-Sharing Manager and Other Lambda School Partners

Lambda School has appointed an income-sharing manager to administer students' monthly payments and this agreement generally. Lambda School might on one or more occasions replace the income-sharing manager, or itself act as or serve some functions of the income-sharing manager. You acknowledge that any income-sharing manager and its or Lambda School's partners will be authorized to act on behalf of Lambda School for all purposes relating to this agreement. You may also need to accept or be subject to terms, policies, or other practices of the income-sharing manager or other partners.

Payment Options

The income-sharing manager will offer you the option of making your monthly payments by automated clearing house (ACH) payment—you would authorize the income-sharing manager to deduct from the designated account, as it comes due, the amount of each monthly payment, until such time as you withdraw your authorization. Or you could instead elect to pay by another method approved by Lambda School or the income-sharing manager. Lambda School or the income-sharing manager might in the future provide additional payment options or programs, but you might not be eligible for any such programs.

Your Designated Bank Account

At the request of the income-sharing manager, you must establish and maintain through the online portal during the term of this agreement a bank account with a financial institution designated by the income-sharing manager. The income-sharing manager will be permitted to view your transactions on that account. That information will help determine the amount of your monthly payments. You may maintain other bank accounts too, but you must deposit all of your earned income after taxes or any other withholdings (including contributions to retirement plans and savings plans) into your designated bank account. It would violate this agreement for you to deposit some of your earned income after taxes or any other withholdings (including contributions to retirement plans and savings plans) in a bank account other than your designated bank account.

The income-sharing manager sends or calls with payment reminders and account statements by email, phone, or SMS, or all of these—do whatever is necessary to make sure you receive them. If you don't receive a reminder to make a monthly payment, that will not affect the due date of that monthly payment.

Online Portal

The income-sharing manager maintains an online portal that will allow you to access a copy of this agreement, documentation relating to your account, and information about your payment terms, including the amount of your next monthly payment and when it's due and any past due amounts. Through this portal you will be able to update your information, upload documents, and change how you authorize payment of monthly amounts.

Account Reconciliation

Lambda School might review your account at any time to ensure that your monthly payments accurately reflect your earned income.

If you underpaid or failed to pay one or more monthly payments, Lambda School will notify you in writing of what you owe and any late charges. At Lambda School's discretion, any amount you owe will be added to one of your future monthly payments, will be spread evenly over up to six future monthly payments, or, if you are not required to make a monthly payment or if this agreement has been terminated, will be billed to you separately.

If you overpaid, Lambda School will notify you of the overpayment and reduce your next one or more monthly payments by the amount of the overpayment. If Lambda School discovers an overpayment after this agreement has terminated, it will refund the excess amount to you.

CHANGE OF STATUS

Withdrawing Early

If after the cancellation period has passed you withdraw from your program or are dismissed from the program, under your enrollment agreement you might be required to pay Lambda School an amount up to the maximum total amount you are required to pay under this agreement. You must notify Lambda School if you wish to withdraw from the program.

Disability

If you die or become disabled, as determined by the U.S. Social Security Administration or any other federal or state government agency, due to a condition that began or deteriorated after the date of this agreement, you will no longer be required to pay Lambda School what you owe under this agreement, including any past due amounts and fees.

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DEFAULT

Except as provided by law, you will be in default under this agreement if any of the following occurs:

- you do not pay a monthly payment in full when due or otherwise don't do something you promise to do in this agreement or your enrollment agreement

- you make an inaccurate statement of fact in this agreement or your enrollment agreement

- you provide inaccurate or incomplete information in your Lambda School application, your enrollment agreement, or any other written communication with Lambda School

- you begin a voluntary bankruptcy case under title 11 of the United States Code

- anyone begins an involuntary bankruptcy case against you under title 11 of the United States Code and either (1) the case is not dismissed by midnight at the end of the 60th day after it is begun or (2) the court hearing the case issues an order approving the case

- you fail generally to pay your debts as they become due (other than any debts for which you dispute in good faith your liability or the amount) or you acknowledge in writing that you are unable to do so

Remedies

If you are in default under this agreement, at Lambda School's request you must pay Lambda School the entire amount you owe under this agreement. Lambda School will also have all other remedies available by law.

DISPUTES

Arbitration

As the exclusive means of initiating adversarial proceedings to resolve any dispute arising out of this agreement, your Lambda School tuition, or your payments to Lambda School (other than any proceeding commenced by either party seeking an injunction, a restraining order, or any other equitable remedy or a proceeding commenced by either party in small claims court), either party may demand that the dispute be resolved by binding arbitration administered by the American Arbitration Association in accordance with its Consumer Arbitration Rules available at www.adr.org. If AAA is completely unavailable, and if you and Lambda School cannot agree on a substitute, then either you or Lambda School may request that a court appoint a substitute. The rules in this arbitration agreement will be followed if there is disagreement between the agreement and the arbitration forum's procedures. Judgment on any award rendered in any such arbitration may be entered in any court having jurisdiction. This arbitration agreement is governed by the Federal Arbitration Act (FAA).

Any such arbitration must be conducted by one arbitrator and must be conducted in San Francisco, California, the county with a major commercial airport nearest to where you live, or another mutually agreed location. If the claim is for $25,000 or less, you may choose whether the arbitration will be conducted (1) solely on the basis of documents submitted to the arbitrator or (2) by means of a hearing conducted by telephone.

No Class Action

YOU AND LAMBDA SCHOOL MAY EACH BRING CLAIMS AGAINST THE OTHER ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. CLAIMS OF TWO OR MORE PERSONS MAY NOT BE JOINED OR CONSOLIDATED IN THE SAME ARBITRATION UNLESS THEY ARISE FROM THE SAME TRANSACTION.

Jury Trial

You and Lambda School hereby waive your respective right to a trial by jury in any proceedings arising

out of this agreement, your Lambda School tuition, or your payments to Lambda School.

YOUR INFORMATION AND YOUR PRIVACY

Lambda School may use information you provide Lambda School under this agreement to improve its administration of income share agreements with its students and for its other operations, including working with its partners in performing under this agreement. Otherwise, Lambda School may disclose information you provide Lambda School under this agreement only if it is aggregated with information from other students or has removed from it all information that identifies it as originating with you. Lambda School owns any information derived from or based on the information you provide Lambda School. Lambda School maintains a privacy notice at www.lambdaschool.com/privacy. If you have any concerns about how Lambda School treats your information, please contact Lambda School through its website.

CONTACTING EACH OTHER

Valid Notice

For a notice under this agreement to be valid, it must be in writing and delivered by email to the email address stated at the top of this agreement (in the case of an email message from you to Lambda School) or to the most current email address in Lambda School's records (in the case of an email message from Lambda School to you), or submitted to the income-sharing manager's online portal (in the case of an email to the income-sharing manager). It will be deemed to have been received when sent, even if the sender receives a machine-generated message that delivery has failed.

If a party sending an email notice under this agreement receives a machine-generated message that delivery has failed, for that notice to be valid the sender must deliver to the intended recipient a tangible copy of that notice with end-to-end tracking and all fees prepaid to the address stated at the top of this agreement (in the case of delivery by you to Lambda School) or to the most current address in Lambda School's records (in the case of notice from Lambda School to you).

Other Communications

For any reason related to this agreement, including any amounts you owe, Lambda School may contact you at any physical or electronic addresses or numbers (including wireless cellular telephone numbers, ported landline numbers, VOIP, or other services) you have provided Lambda School or provide Lambda School in the future. Lambda School may use any means of communication, including postal mail, electronic mail, voice calls, text messaging, and recorded message using automatic-dialing devices. You may ask that Lambda School not contact you using one or more of these means of contacting you, and the law might impose restrictions on how Lambda School contacts you.

Changing Your Contact Information

You must notify Lambda School no later than 30 days after change in your primary residence, your phone number, email address, or any other contact information you previously provided Lambda School.

OTHER TERMS

Governing Law

New York law governs all adversarial proceedings arising out of this agreement, your Lambda School tuition, or your payments to Lambda School.

Transfers

You may not transfer (1) any discretion granted under this agreement, (2) any right to satisfy a condition under this agreement, (3) any remedy under this agreement, or (4) any obligation imposed under this agreement. Any purported transfer in violation of the previous sentence will be void.

Lambda School might transfer all or part of its interest in this agreement. If Lambda School transfers its entire interest in this agreement to someone else and by mistake you pay Lambda School or its income-sharing manager after that transfer, Lambda School has the choice of forwarding your payment to the transferee or its project manager, returning the payment to you, or handle it in any other way Lambda School thinks reasonable.

Your Application

You state that all information you provided in your Lambda School application was complete and accurate when you submitted your application.

Your Age

You state that you are the age of majority or older in the state where you currently reside. (The age of majority is the age at which you are considered an adult and responsible for your actions in the legal sense.)

Citizenship

You state that you are a citizen of the United States, a permanent resident of the United States, or a Deferred Action for Childhood Arrivals (DACA) recipient.

No Other Income Share Agreements

You state that you are not currently party to any other income share agreements with Lambda School or anyone else. You must not enter into another income share agreement with anyone else during the term of this agreement.

Lambda School's Liability Is Limited

The liability of Lambda School under this agreement is limited to the aggregate of all payments you make to Lambda School under this agreement.

Modifying Unenforceable Provisions

You acknowledge that if a dispute between the parties arises out of this agreement, your Lambda School tuition, or your payments to Lambda School, you would want the court to interpret this agreement as follows:

- with respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision

- if an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of the agreement will remain in effect as written

- by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable

- if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this agreement, by holding the entire agreement unenforceable

By signing below, you acknowledge that you have read all of this agreement carefully and agree to its terms.

Signature: *Alex Gonedves*	Date: 05/20/2020

Mailing Address:	**City, State:**	**Zip Code:**
███████████	State College, PA	██████

[X]   **I acknowledge that by providing my e-signature below, I will be legally bound to the above Income Share Agreement**

[X]   **I consent to the Income Verification Consent Form.**

[X]   **To help me better manage my ISA payments, I consent to the Electronic Funds Transfer Authorization. I understand that I may revoke this consent at any time.**

Recipient IP: ████████████

EXHIBIT C

Student: Brett McAdams
Address: ███████████████
Email Address: ████████████████████
APL_12928

INCOME SHARE AGREEMENT

This income share agreement is between Lambda Inc. ("Lambda School") and a student ("you"). You have previously completed an application to become a Lambda School student. Prior to or concurrently with signing this agreement, you and Lambda School are signing an enrollment agreement in which Lambda School accepts you as a student. Your entering into the enrollment agreement is a condition to Lambda School admitting you to the program of educational services outlined in your enrollment agreement. If you sign this agreement before signing an enrollment agreement, you are agreeing to Lambda School's standard enrollment agreement currently in effect until such time as you sign an enrollment agreement.

Lambda School charges tuition, but instead of paying tuition directly, a student may elect to have Lambda School provide tuition funding on behalf of that student. That student commits to paying Lambda School a fixed percentage of their income each month toward the cost of attending Lambda School, up to a maximum number of payments and a maximum amount, on condition that the student's income is above the monthly equivalent of $50,000.00 annually.

In this agreement, you commit to reporting your income and to making a number of monthly payments in return for Lambda School providing tuition funding on your behalf.

IF YOU CANCEL

If you terminate this agreement during the allowable full cancellation period specified in your enrollment agreement, you will not owe Lambda School anything under this agreement.

YOUR PAYMENTS	
Here's a summary of the key details of your monthly payments under this agreement. More information is provided elsewhere in this agreement.	
Tuition funding provided to Lambda School on your behalf	$30,000.00
Percentage of your monthly earned income you must pay Lambda School	17%
Minimum monthly earned income required for monthly payments	$4,166.67
Equivalent annual earned income	$50,000.00
Maximum number of monthly payments	24
Maximum term of this agreement	60 months
Maximum total amount you are required to pay (excluding fees for late or failed payments)	$30,000.00
FEES FOR LATE OR FAILED PAYMENTS	
Here are the fees you might have to pay.	
if Lambda School doesn't receive a monthly payment by the 15th of the month it is due	$50.00
if Lambda School receives a monthly payment but that payment fails because you don't have	

enough money in your account, or for any other reason	$35.00

THIS IS NOT A LOAN

In making monthly payments to Lambda School, you will not be repaying a student loan. In the case of a student loan, a student borrows a set amount and repays the principal amount of the loan plus interest or a finance charge, or both. Under this agreement, you will instead pay a fixed percentage of your income each month for up to a maximum number of payments.

You acknowledge that the income-tax consequences of this agreement are uncertain and that Lambda School has not provided you with any tax advice and has not assured you of specific tax consequences. You acknowledge that you have had an opportunity to consult with your own advisors about the tax implications of entering into this agreement.

EXAMPLES OF WHAT YOU MIGHT HAVE TO PAY

This table shows some examples of monthly and total payments under this agreement at different income levels.

Monthly Income	Equivalent Annual Income	Monthly Payment	Total Amount Paid	Number of Payments
Less than $4,166.67	Less than $50,000	Not applicable	$0	None
$4,166.67	$50,000	$708.33	$17,000	24
$5,000.00	$60,000	$850.00	$20,400	24
$5,833.33	$70,000	$991.67	$23,800	24
$6,666.67	$80,000	$1,133.33	$27,200	24
$7,500.00	$90,000	$1,275.00	$30,000	24
$8,333.33	$100,000	$1,416.67	$30,000	22
$10,000.00	$120,000	$1,700.00	$30,000	18

DETERMINING YOUR MONTHLY PAYMENTS

The amount of each of your monthly payments is equal to 17% of your earned income in the previous month from all your qualified positions, plus any fees you owe under this agreement. You are not required

to make a monthly payment if your earned income for the previous month is less than $4,166.67.

What "Earned Income" Means

For purposes of this agreement, "earned income" means all you are paid or that you earn in all your qualified positions. Earned income is your gross income—your income before taxes or any other withholdings (including contributions to retirement plans and savings plans). For example, the US Internal Revenue Service for the 2019 reporting year defines income to include on an annual basis (a) the sum of Line 1 (Wages, salaries, tips, etc.), Line 7a (Other income), and Line 8a (Business income or loss) of IRS Form 1040, as reported or required to be reported on U.S. federal income Tax returns. All of those are examples of "earned income."

Earned Income does not include (1) income earned by your children or spouse (if any), (2) any money you inherit, (3) any amounts paid to you under the Social Security disability insurance program (title II of the Social Security Act) or the Supplemental Security Income program (title XVI of the Social Security Act), or (4) any amounts paid to you under the Child Nutrition Act of 1966.

For purposes of this agreement, "qualified position" means work as an employee, independent contractor, or business owner in a field related to, or position requiring knowledge of, one or more of software, data science, full-stack web, iOS/Android development, cybersecurity, information technology, UX, and web and app development and design and any other field or position for which you would not have been qualified, or not have been considered or promoted into, but for your participation in your Lambda School program or the job placement efforts of Lambda School.

If a position would otherwise be a qualified position, it will not be relevant that your Lambda School program was in a discipline not directly related to that position.

Examples of titles for positions that would qualify include software engineer, data scientist, web developer, and app developer. Positions in quality assurance, sales, product management, or other fields that may seem unrelated to your Lambda School program might nevertheless qualify if your work actually calls on skills related to your Lambda School program. A position at a company that doesn't sell technology products or offer technology services might also qualify—for example, a web-developer position for any kind of company.

It will be up to Lambda School to decide whether income you earned can be attributed to a qualified position. You must provide Lambda School any information it asks for to allow it to decide whether income you earned should be attributed to a qualified position.

Establishing Your Earned Income

You must inform Lambda School no later than five days after starting work in a qualified position paying you at least the minimum amount required for you to be required to make monthly payments under this agreement. Every three months or as requested by Lambda School thereafter you must inform Lambda

School of the name of your employer, your job title, and your earned income.

You must submit to Lambda School via Lambda School's online portal the following documentation evidencing your earned income:

- before your first monthly payment and every time your earned income increases or decreases, a pay stub, letter from your employer, independent-contractor agreement, or other evidence of your monthly income

- by 30 April each year, a year-end pay stub, form W-2, form 1099, schedule K-1, or other official documentation showing your sources of earned income and the dates of your employment for the previous calendar year

- if Lambda School requests, it, a completed and signed IRS form 4506-T (or any successor form) designating Lambda School as the recipient of your tax return information for returns covering any months for which you are required to make a monthly payment, dated no earlier than 30 days before the date you provide it Lambda School

You authorize Lambda School to verify your earned income and your credit history by checking with your employer (for example through the employer's verification line), credit reporting agencies, payroll providers, or other services. You acknowledge that Lambda School may adjust your monthly payments to reflect any information so discovered. And Lambda School might review public information about your employment and income, such as your profile on social media or job sites. Lambda School will act reasonably in verifying your earned income but ultimately it will be up to Lambda School to decide whether your documentation or other materials sufficiently prove your earned income.

You must notify Lambda School no later than 30 days if you change your tax filing status from single filing to joint filing (or vice-versa), so Lambda School knows whether to exclude earnings of your spouse when calculating your earned income.

Setting Your Monthly Payments

Based on the information you provide, Lambda School will determine the amount of your monthly payments.

Lambda School may estimate one or more of your monthly payments for any period during which you fail to submit to Lambda School documentation evidencing your earned income as required under this agreement. In making such an estimate, Lambda school may assume that your earned income is equivalent to the average full-time income for occupations related to your Lambda School program.

At any time you may ask Lambda School to confirm the amount of your next monthly payment.

You may not pay more than your monthly payment without Lambda School's consent.

WHEN YOU MUST START MAKING MONTHLY PAYMENTS

After you have completed, withdraw from, or are withdrawn from (for any reason) your Lambda School program, you are required to begin making payments. You will have a one-month grace period before your first payment is due. The first month for which you are required to make a monthly payment is the second full month in which your earned income exceeds the minimum. Here are two examples:

- if you graduate from Lambda School on 15 May and on 5 June you start a job for which you are paid monthly $4,166.67 or more and in June you are paid $4,166.67 or more, the first month for which you must make a monthly payment is August

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You will not be required to make further monthly payments under this agreement if (1) you have made 24 monthly payments, (2) you have paid the maximum amount of $30,000 (excluding fees), or (3) you have not been required to make a monthly payment for a total of 60 months, whichever is the earliest to occur. The maximum term of this agreement is 83 months. That would happen if you have made 24 monthly payments and you have not been required to make a monthly payment for a total of 59 months.

HOW TO MAKE MONTHLY PAYMENTS

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The income-sharing manager sends or calls with payment reminders and account statements by email, phone, or SMS, or all of these—do whatever is necessary to make sure you receive them. If you don't receive a reminder to make a monthly payment, that will not affect the due date of that monthly payment.

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- anyone begins an involuntary bankruptcy case against you under title 11 of the United States Code and either (1) the case is not dismissed by midnight at the end of the 60th day after it is begun or (2) the court hearing the case issues an order approving the case

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Any such arbitration must be conducted by one arbitrator and must be conducted in San Francisco, California, the county with a major commercial airport nearest to where you live, or another mutually agreed location. If the claim is for $25,000 or less, you may choose whether the arbitration will be conducted (1) solely on the basis of documents submitted to the arbitrator or (2) by means of a hearing conducted by telephone.

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Valid Notice

For a notice under this agreement to be valid, it must be in writing and delivered by email to the email address stated at the top of this agreement (in the case of an email message from you to Lambda School) or to the most current email address in Lambda School's records (in the case of an email message from Lambda School to you), or submitted to the income-sharing manager's online portal (in the case of an email to the income-sharing manager). It will be deemed to have been received when sent, even if the sender receives a machine-generated message that delivery has failed.

If a party sending an email notice under this agreement receives a machine-generated message that delivery has failed, for that notice to be valid the sender must deliver to the intended recipient a tangible copy of that notice with end-to-end tracking and all fees prepaid to the address stated at the top of this agreement (in the case of delivery by you to Lambda School) or to the most current address in Lambda School's records (in the case of notice from Lambda School to you).

Other Communications

For any reason related to this agreement, including any amounts you owe, Lambda School may contact you at any physical or electronic addresses or numbers (including wireless cellular telephone numbers, ported landline numbers, VOIP, or other services) you have provided Lambda School or provide Lambda School in the future. Lambda School may use any means of communication, including postal mail, electronic mail, voice calls, text messaging, and recorded message using automatic-dialing devices. You may ask that Lambda School not contact you using one or more of these means of contacting you, and the law might impose restrictions on how Lambda School contacts you.

Changing Your Contact Information

You must notify Lambda School no later than 30 days after change in your primary residence, your phone number, email address, or any other contact information you previously provided Lambda School.

OTHER TERMS

Governing Law

New York law governs all adversarial proceedings arising out of this agreement, your Lambda School tuition, or your payments to Lambda School.

Transfers

You may not transfer (1) any discretion granted under this agreement, (2) any right to satisfy a condition under this agreement, (3) any remedy under this agreement, or (4) any obligation imposed under this agreement. Any purported transfer in violation of the previous sentence will be void.

Lambda School might transfer all or part of its interest in this agreement. If Lambda School transfers its entire interest in this agreement to someone else and by mistake you pay Lambda School or its income-sharing manager after that transfer, Lambda School has the choice of forwarding your payment to the transferee or its project manager, returning the payment to you, or handle it in any other way Lambda School thinks reasonable.

Your Application

You state that all information you provided in your Lambda School application was complete and accurate when you submitted your application.

Your Age

You state that you are the age of majority or older in the state where you currently reside. (The age of majority is the age at which you are considered an adult and responsible for your actions in the legal sense.)

Citizenship

You state that you are a citizen of the United States, a permanent resident of the United States, or a Deferred Action for Childhood Arrivals (DACA) recipient.

No Other Income Share Agreements

You state that you are not currently party to any other income share agreements with Lambda School or anyone else. You must not enter into another income share agreement with anyone else during the term of this agreement.

Lambda School's Liability Is Limited

The liability of Lambda School under this agreement is limited to the aggregate of all payments you make to Lambda School under this agreement.

Modifying Unenforceable Provisions

You acknowledge that if a dispute between the parties arises out of this agreement, your Lambda School tuition, or your payments to Lambda School, you would want the court to interpret this agreement as follows:

- with respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision

- if an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of the agreement will remain in effect as written

- by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable

- if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this agreement, by holding the entire agreement unenforceable

By signing below, you acknowledge that you have read all of this agreement carefully and agree to its terms.

Signature:	Date:
	06/15/2020

Mailing Address:	**City, State:**	**Zip Code:**
███████████	Apopka, FL	████████

X **I acknowledge that by providing my e-signature below, I will be legally bound to the above Income Share Agreement**

X **I consent to the** **Income Verification Consent Form**.

X **To help me better manage my ISA payments, I consent to the** **Electronic Funds Transfer Authorization**. **I understand that I may revoke this consent at any time.**

Recipient IP: ███████████

Funder IP: ███████████

EXHIBIT D

Student: Quinn Molina
Address: ████████████████
Email Address: █████████████████
APL_15899

INCOME SHARE AGREEMENT

This income share agreement is between Lambda Inc. ("Lambda School") and a student ("you"). You have previously completed an application to become a Lambda School student. Prior to or concurrently with signing this agreement, you and Lambda School are signing an enrollment agreement in which Lambda School accepts you as a student. Your entering into the enrollment agreement is a condition to Lambda School admitting you to the program of educational services outlined in your enrollment agreement. If you sign this agreement before signing an enrollment agreement, you are agreeing to Lambda School's standard enrollment agreement currently in effect until such time as you sign an enrollment agreement.

Lambda School charges tuition, but instead of paying tuition directly, a student may elect to have Lambda School provide tuition funding on behalf of that student. That student commits to paying Lambda School a fixed percentage of their income each month toward the cost of attending Lambda School, up to a maximum number of payments and a maximum amount, on condition that the student's income is above the monthly equivalent of $50,000.00 annually.

In this agreement, you commit to reporting your income and to making a number of monthly payments in return for Lambda School providing tuition funding on your behalf.

IF YOU CANCEL

If you terminate this agreement during the allowable full cancellation period specified in your enrollment agreement, you will not owe Lambda School anything under this agreement.

YOUR PAYMENTS	
Here's a summary of the key details of your monthly payments under this agreement. More information is provided elsewhere in this agreement.	
Tuition funding provided to Lambda School on your behalf	$30,000.00
Percentage of your monthly earned income you must pay Lambda School	17%
Minimum monthly earned income required for monthly payments	$4,166.67
Equivalent annual earned income	$50,000.00
Maximum number of monthly payments	24
Maximum term of this agreement	60 months
Maximum total amount you are required to pay (excluding fees for late or failed payments)	$30,000.00
FEES FOR LATE OR FAILED PAYMENTS	
Here are the fees you might have to pay.	
if Lambda School doesn't receive a monthly payment by the 15th of the month it is due	$50.00
if Lambda School receives a monthly payment but that payment fails because you don't have	

enough money in your account, or for any other reason $35.00

THIS IS NOT A LOAN

In making monthly payments to Lambda School, you will not be repaying a student loan. In the case of a student loan, a student borrows a set amount and repays the principal amount of the loan plus interest or a finance charge, or both. Under this agreement, you will instead pay a fixed percentage of your income each month for up to a maximum number of payments.

You acknowledge that the income-tax consequences of this agreement are uncertain and that Lambda School has not provided you with any tax advice and has not assured you of specific tax consequences. You acknowledge that you have had an opportunity to consult with your own advisors about the tax implications of entering into this agreement.

EXAMPLES OF WHAT YOU MIGHT HAVE TO PAY

This table shows some examples of monthly and total payments under this agreement at different income levels.

Monthly Income	Equivalent Annual Income	Monthly Payment	Total Amount Paid	Number of Payments
Less than $4,166.67	Less than $50,000	Not applicable	$0	None
$4,166.67	$50,000	$708.33	$17,000	24
$5,000.00	$60,000	$850.00	$20,400	24
$5,833.33	$70,000	$991.67	$23,800	24
$6,666.67	$80,000	$1,133.33	$27,200	24
$7,500.00	$90,000	$1,275.00	$30,000	24
$8,333.33	$100,000	$1,416.67	$30,000	22
$10,000.00	$120,000	$1,700.00	$30,000	18

DETERMINING YOUR MONTHLY PAYMENTS

The amount of each of your monthly payments is equal to 17% of your earned income in the previous

month from all your qualified positions, plus any fees you owe under this agreement. You are not required to make a monthly payment if your earned income for the previous month is less than $4,166.67.

What "Earned Income" Means

For purposes of this agreement, "earned income" means all you are paid or that you earn in all your qualified positions. Earned income is your gross income—your income before taxes or any other withholdings (including contributions to retirement plans and savings plans). For example, the US Internal Revenue Service for the 2019 reporting year defines income to include on an annual basis (a) the sum of Line 1 (Wages, salaries, tips, etc.), Line 7a (Other income), and Line 8a (Business income or loss) of IRS Form 1040, as reported or required to be reported on U.S. federal income Tax returns. All of those are examples of "earned income."

Earned Income does not include (1) income earned by your children or spouse (if any), (2) any money you inherit, (3) any amounts paid to you under the Social Security disability insurance program (title II of the Social Security Act) or the Supplemental Security Income program (title XVI of the Social Security Act), or (4) any amounts paid to you under the Child Nutrition Act of 1966.

For purposes of this agreement, "qualified position" means work as an employee, independent contractor, or business owner in a field related to, or position requiring knowledge of, one or more of software, data science, full-stack web, iOS/Android development, cybersecurity, information technology, UX, and web and app development and design and any other field or position for which you would not have been qualified, or not have been considered or promoted into, but for your participation in your Lambda School program or the job placement efforts of Lambda School.

If a position would otherwise be a qualified position, it will not be relevant that your Lambda School program was in a discipline not directly related to that position.

Examples of titles for positions that would qualify include software engineer, data scientist, web developer, and app developer. Positions in quality assurance, sales, product management, or other fields that may seem unrelated to your Lambda School program might nevertheless qualify if your work actually calls on skills related to your Lambda School program. A position at a company that doesn't sell technology products or offer technology services might also qualify—for example, a web-developer position for any kind of company.

It will be up to Lambda School to decide whether income you earned can be attributed to a qualified position. You must provide Lambda School any information it asks for to allow it to decide whether income you earned should be attributed to a qualified position.

Establishing Your Earned Income

You must inform Lambda School no later than five days after starting work in a qualified position paying you at least the minimum amount required for you to be required to make monthly payments under this

agreement. Every three months or as requested by Lambda School thereafter you must inform Lambda School of the name of your employer, your job title, and your earned income.

You must submit to Lambda School via Lambda School's online portal the following documentation evidencing your earned income:

- before your first monthly payment and every time your earned income increases or decreases, a pay stub, letter from your employer, independent-contractor agreement, or other evidence of your monthly income

- by 30 April each year, a year-end pay stub, form W-2, form 1099, schedule K-1, or other official documentation showing your sources of earned income and the dates of your employment for the previous calendar year

- if Lambda School requests, it, a completed and signed IRS form 4506-T (or any successor form) designating Lambda School as the recipient of your tax return information for returns covering any months for which you are required to make a monthly payment, dated no earlier than 30 days before the date you provide it Lambda School

You authorize Lambda School to verify your earned income and your credit history by checking with your employer (for example through the employer's verification line), credit reporting agencies, payroll providers, or other services. You acknowledge that Lambda School may adjust your monthly payments to reflect any information so discovered. And Lambda School might review public information about your employment and income, such as your profile on social media or job sites. Lambda School will act reasonably in verifying your earned income but ultimately it will be up to Lambda School to decide whether your documentation or other materials sufficiently prove your earned income.

You must notify Lambda School no later than 30 days if you change your tax filing status from single filing to joint filing (or vice-versa), so Lambda School knows whether to exclude earnings of your spouse when calculating your earned income.

Setting Your Monthly Payments

Based on the information you provide, Lambda School will determine the amount of your monthly payments.

Lambda School may estimate one or more of your monthly payments for any period during which you fail to submit to Lambda School documentation evidencing your earned income as required under this agreement. In making such an estimate, Lambda school may assume that your earned income is equivalent to the average full-time income for occupations related to your Lambda School program.

At any time you may ask Lambda School to confirm the amount of your next monthly payment.

You may not pay more than your monthly payment without Lambda School's consent.

WHEN YOU MUST START MAKING MONTHLY PAYMENTS

After you have completed, withdraw from, or are withdrawn from (for any reason) your Lambda School program, you are required to begin making payments. You will have a one-month grace period before your first payment is due. The first month for which you are required to make a monthly payment is the second full month in which your earned income exceeds the minimum. Here are two examples:

- if you graduate from Lambda School on 15 May and on 5 June you start a job for which you are paid monthly $4,166.67 or more and in June you are paid $4,166.67 or more, the first month for which you must make a monthly payment is August

- if you graduate from Lambda School on 15 May and on 20 June you start a job for which you are paid monthly at least $4,166.67 but in June you are paid less than $4,166.67, the first month for which you must make a monthly payment is August

For purposes of this agreement only, you have completed your Lambda School program upon the earlier of (1) the date for completing your program specified in your enrollment agreement and (2) your accepting a qualified position after the date specified in your enrollment agreement on which you are responsible for the entire amount of tuition funding allocated to your program.

Your monthly payment for a given month is due on the first business day of the following month.

You will not be required to make further monthly payments under this agreement if (1) you have made 24 monthly payments, (2) you have paid the maximum amount of $30,000 (excluding fees), or (3) you have not been required to make a monthly payment for a total of 60 months, whichever is the earliest to occur. The maximum term of this agreement is 83 months. That would happen if you have made 24 monthly payments and you have not been required to make a monthly payment for a total of 59 months.

HOW TO MAKE MONTHLY PAYMENTS

Income-Sharing Manager and Other Lambda School Partners

Lambda School has appointed an income-sharing manager to administer students' monthly payments and this agreement generally. Lambda School might on one or more occasions replace the income-sharing manager, or itself act as or serve some functions of the income-sharing manager. You acknowledge that any income-sharing manager and its or Lambda School's partners will be authorized to act on behalf of Lambda School for all purposes relating to this agreement. You may also need to accept or be subject to terms, policies, or other practices of the income-sharing manager or other partners.

Payment Options

The income-sharing manager will offer you the option of making your monthly payments by automated clearing house (ACH) payment—you would authorize the income-sharing manager to deduct from the designated account, as it comes due, the amount of each monthly payment, until such time as you withdraw your authorization. Or you could instead elect to pay by another method approved by Lambda School or the income-sharing manager. Lambda School or the income-sharing manager might in the future provide additional payment options or programs, but you might not be eligible for any such programs.

Your Designated Bank Account

At the request of the income-sharing manager, you must establish and maintain through the online portal during the term of this agreement a bank account with a financial institution designated by the income-sharing manager. The income-sharing manager will be permitted to view your transactions on that account. That information will help determine the amount of your monthly payments. You may maintain other bank accounts too, but you must deposit all of your earned income after taxes or any other withholdings (including contributions to retirement plans and savings plans) into your designated bank account. It would violate this agreement for you to deposit some of your earned income after taxes or any other withholdings (including contributions to retirement plans and savings plans) in a bank account other than your designated bank account.

The income-sharing manager sends or calls with payment reminders and account statements by email, phone, or SMS, or all of these—do whatever is necessary to make sure you receive them. If you don't receive a reminder to make a monthly payment, that will not affect the due date of that monthly payment.

Online Portal

The income-sharing manager maintains an online portal that will allow you to access a copy of this agreement, documentation relating to your account, and information about your payment terms, including the amount of your next monthly payment and when it's due and any past due amounts. Through this portal you will be able to update your information, upload documents, and change how you authorize payment of monthly amounts.

Account Reconciliation

Lambda School might review your account at any time to ensure that your monthly payments accurately reflect your earned income.

If you underpaid or failed to pay one or more monthly payments, Lambda School will notify you in writing of what you owe and any late charges. At Lambda School's discretion, any amount you owe will be added to one of your future monthly payments, will be spread evenly over up to six future monthly payments, or, if you are not required to make a monthly payment or if this agreement has been terminated, will be billed to you separately.

If you overpaid, Lambda School will notify you of the overpayment and reduce your next one or more monthly payments by the amount of the overpayment. If Lambda School discovers an overpayment after this agreement has terminated, it will refund the excess amount to you.

CHANGE OF STATUS

Withdrawing Early

If after the cancellation period has passed you withdraw from your program or are dismissed from the program, under your enrollment agreement you might be required to pay Lambda School an amount up to the maximum total amount you are required to pay under this agreement. You must notify Lambda School if you wish to withdraw from the program.

Disability

If you die or become disabled, as determined by the U.S. Social Security Administration or any other federal or state government agency, due to a condition that began or deteriorated after the date of this agreement, you will no longer be required to pay Lambda School what you owe under this agreement, including any past due amounts and fees.

If you die or become disabled, as determined by the U.S. Social Security Administration or any other federal or state government agency, due to a condition that began or deteriorated after the date of this agreement, you will no longer be required to pay Lambda School what you owe under this agreement, including any past due amounts and fees.

DEFAULT

Except as provided by law, you will be in default under this agreement if any of the following occurs:

- you do not pay a monthly payment in full when due or otherwise don't do something you promise to do in this agreement or your enrollment agreement

- you make an inaccurate statement of fact in this agreement or your enrollment agreement

- you provide inaccurate or incomplete information in your Lambda School application, your enrollment agreement, or any other written communication with Lambda School

- you begin a voluntary bankruptcy case under title 11 of the United States Code

- anyone begins an involuntary bankruptcy case against you under title 11 of the United States Code and either (1) the case is not dismissed by midnight at the end of the 60th day after it is begun or (2) the court hearing the case issues an order approving the case

- you fail generally to pay your debts as they become due (other than any debts for which you dispute in good faith your liability or the amount) or you acknowledge in writing that you are unable to do so

Remedies

If you are in default under this agreement, at Lambda School's request you must pay Lambda School the entire amount you owe under this agreement. Lambda School will also have all other remedies available by law.

DISPUTES

Arbitration

As the exclusive means of initiating adversarial proceedings to resolve any dispute arising out of this agreement, your Lambda School tuition, or your payments to Lambda School (other than any proceeding commenced by either party seeking an injunction, a restraining order, or any other equitable remedy or a proceeding commenced by either party in small claims court), either party may demand that the dispute be resolved by binding arbitration administered by the American Arbitration Association in accordance with its Consumer Arbitration Rules available at www.adr.org. If AAA is completely unavailable, and if you and Lambda School cannot agree on a substitute, then either you or Lambda School may request that a court appoint a substitute. The rules in this arbitration agreement will be followed if there is disagreement between the agreement and the arbitration forum's procedures. Judgment on any award rendered in any such arbitration may be entered in any court having jurisdiction. This arbitration agreement is governed by the Federal Arbitration Act (FAA).

Any such arbitration must be conducted by one arbitrator and must be conducted in San Francisco, California, the county with a major commercial airport nearest to where you live, or another mutually agreed location. If the claim is for $25,000 or less, you may choose whether the arbitration will be conducted (1) solely on the basis of documents submitted to the arbitrator or (2) by means of a hearing conducted by telephone.

No Class Action

YOU AND LAMBDA SCHOOL MAY EACH BRING CLAIMS AGAINST THE OTHER ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. CLAIMS OF TWO OR MORE PERSONS MAY NOT BE JOINED OR CONSOLIDATED IN THE SAME ARBITRATION UNLESS THEY ARISE FROM THE SAME TRANSACTION.

Jury Trial

You and Lambda School hereby waive your respective right to a trial by jury in any proceedings arising

out of this agreement, your Lambda School tuition, or your payments to Lambda School.

YOUR INFORMATION AND YOUR PRIVACY

Lambda School may use information you provide Lambda School under this agreement to improve its administration of income share agreements with its students and for its other operations, including working with its partners in performing under this agreement. Otherwise, Lambda School may disclose information you provide Lambda School under this agreement only if it is aggregated with information from other students or has removed from it all information that identifies it as originating with you. Lambda School owns any information derived from or based on the information you provide Lambda School. Lambda School maintains a privacy notice at www.lambdaschool.com/privacy. If you have any concerns about how Lambda School treats your information, please contact Lambda School through its website.

CONTACTING EACH OTHER

Valid Notice

For a notice under this agreement to be valid, it must be in writing and delivered by email to the email address stated at the top of this agreement (in the case of an email message from you to Lambda School) or to the most current email address in Lambda School's records (in the case of an email message from Lambda School to you), or submitted to the income-sharing manager's online portal (in the case of an email to the income-sharing manager). It will be deemed to have been received when sent, even if the sender receives a machine-generated message that delivery has failed.

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OTHER TERMS

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New York law governs all adversarial proceedings arising out of this agreement, your Lambda School tuition, or your payments to Lambda School.

Transfers

You may not transfer (1) any discretion granted under this agreement, (2) any right to satisfy a condition under this agreement, (3) any remedy under this agreement, or (4) any obligation imposed under this agreement. Any purported transfer in violation of the previous sentence will be void.

Lambda School might transfer all or part of its interest in this agreement. If Lambda School transfers its entire interest in this agreement to someone else and by mistake you pay Lambda School or its income-sharing manager after that transfer, Lambda School has the choice of forwarding your payment to the transferee or its project manager, returning the payment to you, or handle it in any other way Lambda School thinks reasonable.

Your Application

You state that all information you provided in your Lambda School application was complete and accurate when you submitted your application.

Your Age

You state that you are the age of majority or older in the state where you currently reside. (The age of majority is the age at which you are considered an adult and responsible for your actions in the legal sense.)

Citizenship

You state that you are a citizen of the United States, a permanent resident of the United States, or a Deferred Action for Childhood Arrivals (DACA) recipient.

No Other Income Share Agreements

You state that you are not currently party to any other income share agreements with Lambda School or anyone else. You must not enter into another income share agreement with anyone else during the term of this agreement.

Lambda School's Liability Is Limited

The liability of Lambda School under this agreement is limited to the aggregate of all payments you make to Lambda School under this agreement.

Modifying Unenforceable Provisions

You acknowledge that if a dispute between the parties arises out of this agreement, your Lambda School tuition, or your payments to Lambda School, you would want the court to interpret this agreement as follows:

- with respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision

- if an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of the agreement will remain in effect as written

- by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable

- if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this agreement, by holding the entire agreement unenforceable

By signing below, you acknowledge that you have read all of this agreement carefully and agree to its terms.

Signature:	Date:
	01/08/2021

Mailing Address:	**City, State:**	**Zip Code:**
███████████	Olympia, WA	██████

X   **I acknowledge that by providing my e-signature below, I will be legally bound to the above Income Share Agreement**

X

I consent to the Income Verification Consent Form.

X

To help me better manage my ISA payments, I consent to the Electronic Funds Transfer Authorization. **I understand that I may revoke this consent at any time.**

Recipient IP: ████████████

EXHIBIT E

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY · GAVIN NEWSOM, GOVERNOR
DEPARTMENT OF CONSUMER AFFAIRS · BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 | Toll-Free (888) 370-7589 | www.bppe.ca.gov

CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Lambda Inc., dba Lambda School, Owner
Lambda Inc.
5820 Stoneridge Mall Rd., Ste. 212
Pleasanton, CA 94588

INSTITUTION CODE: Unapproved
CITATION NUMBER: 1819150
CITATION ISSUANCE/SERVICE DATE: March 20, 2019
DUE DATE: April 19, 2019
FINE AMOUNT: $ 75,000.00
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 Lambda Inc., dba Lambda School, Owner of Lambda School (Institution) located at 5820 Stoneridge Mall Rd., Ste. 212, Pleasanton, CA 94588 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 July 13, 2018, the Bureau received a complaint alleging, the Institution was operating without Bureau approval. Through the course of the investigation and evidence obtained, it was determined the Institution is operating without Bureau approval.

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."

Page 1 of 4
Citation: Assessment of Fine and Order of Abatement
Lambda Inc., dba Lambda School, Owner of Lambda School
Institution Code: Unapproved

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 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."

On December 5, 2018, Bureau staff investigated the complaint to determine if the Institution was operating as a private postsecondary educational institution. The Institution is listed as "Lambda School" on their website and is advertising to the public a set of introductory and immersive courses in Full Stack Web, iOS Development, Android Development, Data Science, and UX Design. Tuition costs are not listed as they offer Income Sharing Agreements (ISAs). The institution's *"How It Works"* tab reads: *"Lambda School trains people online to be software engineers at no up-front cost. Instead of paying tuition, students can agree to pay a percentage of their income after they're employed, and only if they're making more than $50k per year. If you don't find a job, or don't reach that level of income, you'll never pay a cent."*

The Institution's website indicates, as part of their FAQ tab, that students can pay an upfront tuition cost of $20,000 instead of signing an ISA. This evidence confirms that the Institution violated the requirement for an Approval to Operate, per CEC section 94886, as the Institution is operating unapproved and charging students over $2,500.00 in tuition and does not qualify for any of the exemptions under CEC section 94874.
On December 5, 2018, the Institution was contacted, via their website's instant message option, requesting information regarding the function of their California campus location. A response was not received.

A business license listing was found for Lambda School with the City of Pleasanton.

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 the https://lambdaschool.com and any other websites not identified here 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 numbers including but not limited to (800) 883-1943 that are associated with the Institution until such time as an approval to operate is obtained from the Bureau. 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.The Institution must provide a roster of each student currently enrolled at the Institution. The roster must include the names of the students, their contact information (including

Page 2 of 4
Citation: Assessment of Fine and Order of Abatement
Lambda Inc., dba Lambda School, Owner of Lambda School
Institution Code: Unapproved

phone number, email address, and physical address), the programs in which they are enrolled, the amount paid for the programs.

Assessment of Fine
The fine for this violation is $75,000.00

TOTAL ADMINISTRATIVE FINE DUE: $75,000.00

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 **$75,0000.00** 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 **April 19, 2019,** 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 **March 20, 2019.** Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **April 19, 2019**. 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.

Page 3 of 4
Citation: Assessment of Fine and Order of Abatement
Lambda Inc., dba Lambda School, Owner of Lambda School
Institution Code: Unapproved

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
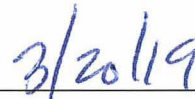
Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate 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.

_____   ____3/20/19____
Christina Villanueva   Date
Discipline Manager

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

Page 4 of 4
Citation: Assessment of Fine and Order of Abatement
Lambda Inc., dba Lambda School, Owner of Lambda School
Institution Code: Unapproved

EXHIBIT F

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR
DEPARTMENT OF CONSUMER AFFAIRS • BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P (916) 431-6959 | Toll-Free (888) 370-7589 | www.bppe.ca.gov

APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION AFFIRMED

July 24, 2019

Lambda Inc., dba Lambda School, Owner
Lambda School
5820 Stoneridge Mall Rd., Ste. 212
Pleasanton, CA 94588

Date of Issuance	Citation Number	Institution Code
July 24, 2019	1819150	Unapproved

On May 15, 2019, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1819150 (Citation) against Lambda Inc., dba Lambda School, Owner of Lambda School (Institution). In attendance were Yvette Johnson, Administrative Chief; Keith Zakarin, Attorney; and Trevor McKendrick, Lambda Counsel Chief of Staff.

Pursuant to Business and Professions Code, §148; California Education Code (CEC), section 94944; and Title 5 of California Code of Regulations (5, CCR), section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1819150.

It is the decision of the Administrative Chief that on July 11, 2019, Citation No. 1819150 is <u>affirmed</u> for the following reason(s):

> ➤ No new substantive facts were presented at the conference.

VIOLATION CODE SECTIONS

#	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."* **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 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."

On December 5, 2018, Bureau staff investigated the complaint to determine if the Institution was operating as a private postsecondary educational institution. The Institution is listed as "Lambda School" on their website and is advertising to the public a set of introductory and immersive courses in Full Stack Web, iOS Development, Android Development, Data Science, and UX Design. Tuition costs are not listed as they offer Income Sharing Agreements (ISAs). The institution's "How It Works" tab reads: "Lambda School trains people online to be software engineers at no up-front cost. Instead of paying tuition, students can agree to pay a percentage of their income after they're employed, and only if they're making more than $50k per year. If you don't find a job, or don't reach that level of income, you'll never pay a cent."

The Institution's website indicates, as part of their FAQ tab, that students can pay an upfront tuition cost of $20,000 instead of signing an ISA. This evidence confirms that the Institution violated the requirement for an Approval to Operate, per CEC section 94886, as the Institution is operating unapproved and charging students over $2,500.00 in tuition and does not qualify for any of the exemptions under CEC section 94874.

On December 5, 2018, the Institution was contacted, via their website's instant message option, requesting information regarding the function of their California campus location. A response was not received.

A business license listing was found for Lambda School with the City of Pleasanton.

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 the https://lambdaschool.com and any other websites not identified here 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 numbers including but not limited to (800) 883-1943 that are associated with the Institution until such time as an approval to operate is obtained from the Bureau. 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.The Institution must provide a roster of each student currently enrolled at the Institution. The roster must include the names of the students, their contact information (including phone number, email address, and physical address), the programs in which they are enrolled, the amount paid for the programs.

Assessment of Fine
The fine for this violation is $ 75,000.

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: $75,000.00

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 <u>30 days</u> from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within <u>30 days</u> from the date of this decision. Please complete the <u>Payment of Fine</u> 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:

<div align="center">

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

</div>

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this affirmed Citation. You *do*, however, have the right to appeal this affirmed Citation through an Administrative Hearing. 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.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This affirmed Citation is effective on July 24, 2019. The order of abatement and payment are due by **August 23, 2019.**

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 Affirmed 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 insert name, Cheryl Lardizabal, at (916) 621-2591 or at <u>Cheryl.Lardizabal@dca.ca.gov</u>.

_____   _____7/24/19_____
Christina Villanueva   Date
Discipline Manager

Enclosures
        ➢   Payment of Fine – Waiver of Appeal Rights
        ➢   Withdrawal- Request for Administrative Hearing
        ➢   Declaration of Service by Certified and First-Class Mail

EXHIBIT G

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY · GAVIN NEWSOM, GOVERNOR
DEPARTMENT OF CONSUMER AFFAIRS • BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P (916) 431-6959 | Toll-Free (888) 370-7589 | www.bppe.ca.gov

August 21, 2019

Juli Tarca
Lambda School
250 Montgomery Street, 16th Floor
San Francisco, CA 94104

RE: Application for Approval to Operate for an Institution Not Accredited, #32274

Dear Ms. Tarca:

The Bureau for Private Postsecondary Education (Bureau) is in receipt of your Application for Approval to Operate for an Institution Non-Accredited, received May 14, 2019. The Bureau makes every effort to be as complete and thorough as possible in our initial review of all documents.

Unfortunately, at this time the Bureau is unable to grant approval, based on the requirements of the California Education Code (CEC) and Title 5 of the California Code of Regulations (CCR), in the Sections outlined below (The Educational Programs may be subject to a further in-depth review once we have corrected all of these deficiencies listed). Prior to approval, the Bureau must receive the following information:

Application Section	Issue	Current Law Code
5	Organization and Management • Various positions listed in the organizational chart, do not have descriptions and/or are not consistent with the titles within the description section. *(See comparison chart on next page – larger version of the chart enclosed).* • The Director of Community position listed within the description for the Sales Development Representative is not shown in the organizational chart. • Various positions described in the description of job duties and responsibilities section are not listed in the organizational chart. *(See comparison chart on next page – larger version of the chart enclosed).* • The Director of Community position listed within the description for the Sales Development Representative is not part of the description of the job duties and responsibilities documents. Please provide. Please be sure that you maintain consistency in all areas. *(See comparison chart on next page – larger version of the chart enclosed).*	CCR 71140 CCR 71720 CCR 71730

Juli Tarca
Lambda School
August 21, 2019
Page 2 of 3

	Organizational Chart	Description of job duties and responsibilities	Listed within a Description
1			
2	Not Listed	Student Success Manager	
3	Not Listed	Web Program Manager	
4	Not Listed	Sales Development Representative	Director of Community
5	Not Listed	Admissions Manager	
6	Not Listed	Career Coach Program Manager	
7	Not Listed	Build Week Program Manager	
8	Not Listed	User Experience Design (UX) Program Manager	
9	Not Listed	Sr. Program Manager - Admissions	
10	Not Listed	Data Science Program Manager	
11	Not Listed	Computer Science Program Manager	
12	Not Listed	Manager - Outcomes Operations	
13	Not Listed	Lambda Labs Program Manager	
14	Not Listed	Career and Professional Development - Program Manager	
15	Not Listed	Build Weeks Coordinator	
16	Not Listed	Director - Lambda X	
17	Not Listed	Front Desk Coordinator	
18	Not Listed	Student Success Coordinator	
19	Faculty: User Experience	UX Instructor (if the same, please maintain consistency in program titles)	
20	Faculty: Career and Professional Development	Not Provided	
21	Employees: Business Development	Not Provided	
22	Employees: Sales Development	Not Provided	
23	Employees: Student Success	Not Provided	
24	Employees: Admissions	Not Provided	
25	Employees: Front Desk	Not Provided	
26	Employees: Career Coach	Not Provided	
27	Employees: Outcomes Operations	Not Provided	
28	Co-Founder/Director - Engineering	Not Provided	
29	Program Manager - Labs	Not Provided	
30	Not Listed	Not Provided	Director of Community

6	**Governing Board** • Section 3.2 of the bylaws titled "Number of Directors", does not include the actual minimum-maximum number of board members in the corporation. Please provide the number of directors required for your governing board.	CCR 71150
9	Exemplars of Student Agreements – The institution provided two Enrollment Agreements. No deficiencies found on the conventional agreement; however, the Income Share Agreement (ISA) tuition model is incompatible with the Bureau's Current Laws due to the following: • The institution is not disclosing "total charges" for the educational program in the enrollment agreement as required by California Education Code (CEC) §94911(b) and Title 5, California Code of Regulations (CCR) §71800(e). • The institution is not able to have a refund policy for the return of unearned institutional charges as required by CEC §94920(d) and 5, CCR §71750(c). • The institution, if it was in default of the enrollment agreement or closing, would not be able to provide a refund calculation required by CEC §94927. • The institution is not able to assess or report Student Tuition Recovery Fund (STRF) fees required by 5, CCR §76130, §76140(a), §76000(c), and § 76210(e)(2). • The institution is not able to report costs of tuition in Annual Reports and SPFS required by 5, CCR §74112(f). Please update the ISA to comply with all applicable laws and regulations. A blank checklist is included. Please return the signed checklist noting the page numbers on which the corrections have been made.	CCR 71180 CEC 94902

Juli Tarca
Lambda School
August 21, 2019
Page 3 of 3

17	Facilities and Equipment	CCR 71260
	• Please provide an update on the fire code violation from the San Francisco Fire Department. • The business registration certificate shows an expiration date of 6/30/2019; please provide a current certificate.	
20	Catalog A checklist noting deficiencies within the catalog is included. Please return the signed checklist noting the page numbers on which the corrections have been made. • Items marked with page numbers represent information within the catalog that has been found to be in compliance. If the catalog is revised and this information is relocated, please indicate the new page numbers on which the information has been placed. • Items without page numbers represent information within the catalog that needs to be added or revised. Please refer to the checklist for detailed information regarding each deficient item.	CCR 71290 CCR 71810 CCR 71750 CCR 71770
	Citation Number 1819150 – A citation was issued on July 24, 2019 *(Copy of citation attached)*; with an order of abatement and payment of $75,000 due by August 23, 2019. • **Please note:** Failure for an applicant or institution to abate the violation(s) or to pay the administrative fine within the time allowed may result in denial of an application for an approval to operate or disciplinary action. The Bureau will promptly take all appropriate action to enforce the affirmed citation and recover the civil penalties prescribed therein or found to be due after a hearing.	CCR 75050

Please submit all requested information to my attention by September 21, 2019. Failure to provide this information may result in the denial of your application. If you have any further questions, please feel free to call me at (916) 431-6919 or email at Lucy.castillo-riley@dca.ca.gov.

Sincerely,

LUCY CASTILLO-RILEY
Licensing Analyst
Phone: (916) 431-6919
Lucy.castillo-riley@dca.ca.gov

EXHIBIT H

BPPE

BUSINESS CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM GOVERNOR
DEPARTMENT OF CONSUMER AFFAIRS • BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
P.O. Box 930818, West Sacramento, CA 95798-0818
P (916) 431-6959 | Toll-Free (888) 370-7589 | www.bppe.ca.gov

November 25, 2019

Juli Tarca
Lambda School
250 Montgomery Street, 16th Floor
San Francisco, CA 94104

RE: Application for Approval to Operate for an Institution Not Accredited, #32274

Dear Ms. Tarca:

The Bureau for Private Postsecondary Education (Bureau) is in receipt of your Application for Approval to Operate for an Institution Non Accredited, received May 14, 2019. The Bureau makes every effort to be as complete and thorough as possible in our initial review of all documents.

Unfortunately, at this time the Bureau is unable to grant approval, based on the requirements of the California Education Code (CEC) and Title 5 of the California Code of Regulations (CCR), in the Sections outlined below (The Educational Programs may be subject to a further in-depth review once we have corrected all of these deficiencies listed). Prior to approval, the Bureau must receive the following information:
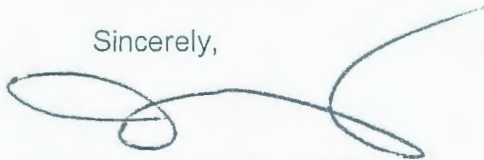
Application Section	Issue	Current Law Code
9	Exemplars of Student Agreements • Income Sharing Agreements typically negate the institution's ability to disclose the true cost of a program. If the amount owed is subject to change, it cannot be satisfactorily disclosed to the public and enrolling students. Please explain if and how your ISA model circumnavigates this issue. • Please provide copies of all enrollment documents beyond the required enrollment agreement, including ISA agreements. • Please be aware, your enrollment agreement cannot be finally approved until a determination has been made by the Bureau Chief regarding your request for an alternative refund calculation. Please be prepared to provide a final draft enrollment agreement if requested (after the request for alternative refund calculations has been addressed).p	CCR 71180 CEC 94902
12	Instruction and Degrees Offered • Please schedule a demonstration of Zoom (and possibly Slack) with assigned Senior Education Specialist Joanna Murray.	CCR 71210 CCR 71710 CCR 71715 CCR 71716 CCR 71850 CCR 71865

Juli Tarca
Lambda School
November 25, 2019
Page 2 of 2

16	Faculty • Please provide *tentative* signed contracts for all proposed faculty members.	CCR 71250 CCR 71720
18	Libraries and Other Learning Resources • During the online demonstration (to be scheduled), please be prepared to explain and demonstrate student access of online learning resources sufficient to support instruction for each program.	CCR 71270
20	Catalog • Please be prepared to provide a final draft catalog when requested (after the request for alternative refund calculations has been addressed).	CCR 71290 CCR 71810 CCR 71750 CCR 71770

Please submit all requested information to my attention by **December 26, 2019**. Failure to provide this information may result in the denial of your application. If you have any further questions, please feel free to call me at (916) 320-3872 or email at Joanna.Murray@dca.ca.gov.

Sincerely,

JOANNA L MURRAY
Senior Education Specialist
Quality of Education Unit

EXHIBIT I

STATE OF CALIFORNIA   BUSINESS CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM GOVERNOR

dca

DEPARTMENT OF CONSUMER AFFAIRS

LEGAL AFFAIRS DIVISION
1625 North Market Blvd., Suite S-309, Sacramento, CA 95834
Phone (916) 574-8220 Fax (916) 574-8623 www.dca.ca.gov

June 22, 2020

COPY

Cecilia Ziniti, Esq.
General Counsel
Lambda School
250 Montgomery St., 16th Floor
San Francisco, CA 94104

Re: Lambda ISA in connection with Application for Approval to Operate for an
Institution not Accredited, # 32274

Dear Ms. Ziniti:

This letter responds to your January 7, 2020 and February 27, 2020 letters, as well as
the Gough & Hancock legal memorandum attached to your January 7 letter (the
Lambda Memo), which evaluates generally the propriety of income sharing
agreements (ISAs) under the California Private Postsecondary Education Act of 2009
(the Act), Education Code section 94800, et seq.

The Bureau for Private Postsecondary Education (the Bureau) is charged with
interpreting and determining compliance with the Act, and in exercising its powers and
performing its duties, the Bureau's priority is public protection. (Ed. Code, §§ 94875
& 94932.) The Bureau appreciates your helpful explanation of Lambda School's ISA,
and your efforts to address the Bureau's previously-identified deficiencies about the
school's application. As discussed below, however, the agreements do not comport
with state disclosure and refunds laws and, for this reason, the Bureau cannot
approve them.

As you know, in general, ISAs are educational program financing contracts between
institutions and students, in which students agree to pay a percentage of their future
income in exchange for an education. Depending on the terms of the ISA, it may cap
the total amount a student owes under the agreement, charge interest, include varying
income thresholds that trigger a student's obligation to pay, and defer payments at
times when a student earns less than the income threshold.

Neither the Act nor its implementing regulations expressly contemplate ISAs as an
educational program financing method. Generally speaking, the laws governing private
postsecondary educational institutions are formed around educational programs with
fixed up-front costs, rather than indeterminate and variable costs that only become clear

Cecilia Ziniti
June 22, 2020
Page 2

upon obtaining work after the program is complete. Accordingly, the Act and its implementing regulations require institutions to make up-front disclosures to students regarding the true cost of their educational programs. Disclosures are required in the enrollment agreement, catalog, annual report, and the Student Performance Fact Sheets. (Ed. Code, §§ 94911, 94909, 94923; § 71800, subd. (e), 74112, subd. (f).) These costs include tuition and other fees, and they are used to calculate a student tuition recovery fund assessment and benefit, and refunds when a student withdraws or a school closes.

Under the Lambda ISA, students agree to pay Lambda a portion of their future income in return for receiving Lambda's educational program. (ISA at ¶ 2.) Your January 7, 2020, letter identified some of the key features of the Lambda ISA:

1. Payments are due when the student accepts a job making at least $50,000 annually in gross earned income.
2. The payments on the ISA are in the amount of 17% of that student's gross earned income, monthly. This percentage is fixed and cannot change.[1]
3. After 24 payments or when payments made total more than the $30,000 tuition amount (whichever is sooner), payments stop.
4. For months during which earned income is less than the monthly amount equal to $50,000 annually, no payment is due.
5. If there are more than 60 total months where no payment is due, the ISA obligation terminates even if no payments have ever been made.

In addition, students must seek employment immediately following their completion of or withdrawal from the program, and any time thereafter that they make less than the minimum income threshold. (ISA at ¶¶ 4.a. & 10.e.) In the event of a withdrawal from the program, a student "may be entitled to a pro rata reduction" of the 17 percent income share amount, or the length of the payment term, at Lambda's sole discretion. (ISA at ¶ 7.d.) The ISA also includes detailed provisions governing student projected income and income reconciliation. (ISA at ¶¶ 4.c. & 5.) The ISA constitutes the entire agreement between Lambda and a student regarding payment for the educational program. (ISA at ¶ 23.a.)

Lambda's ISA financing model does not comport with the laws governing private postsecondary educational institutions because the inherent uncertainty in the actual program cost cannot be reconciled with the up-front disclosures that must be given to students.

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[1] The ISA provides that Lambda may increase the income share percentage to a maximum of 150% or add a fixed monthly underpayment fee if a student under-reports income. (ISA at ¶ 5.b.i.)

Cecilia Ziniti
June 22, 2020
Page 3

Prior to enrollment, Lambda must provide prospective students with a school catalog, which must contain a "schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program."[2] (Ed. Code, § 94909, subd. (a)(9).)

Students must also execute an enrollment agreement with Lambda to enroll at the school. (Ed. Code, § 94902, subd. (a).) Like the catalog, the enrollment agreement must include a "schedule of total charges," "the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment." (Ed. Code, § 94911, subds. (b) & (c); see also Cal. Code Regs., tit. 5, § 71800, subd. (e) [itemizing the charges that must be listed in an enrollment agreement, including the cost of tuition].)

"Total charges" is defined as "the sum of institutional and noninstitutional charges." (Ed. Code, § 94870.) "Institutional charges" are "charges for an educational program paid directly to an institution." (Ed. Code, § 94844.) "Noninstitutional charges" are "charges for an educational program paid to an entity other than an institution that are specifically required for participation in an educational program." (Ed. Code, §94850.) The term "charge" is not defined in the Act, but the dictionary defines "charge" as "the price set or asked for something" and "a debt or an entry in an account recording a debt." (American Heritage Dict. (2d Collegeed. 1985), p. 260].) Tuition refers to the "cost for instruction normally charged on a per unit or per hour basis." (Cal. Code Regs., tit. 5, § 70000, subd. (ab).)

Under the Lambda ISA, the amount students will eventually be charged to complete Lambda's educational program is uncertain. Lambda's enrollment agreement lists the tuition cost and total charges at $30,000, which is also the maximum amount charged under the ISA for completing the program. But the enrollment agreement also refers students to the ISA for additional "detailed disclosures and additional information about payment, deferrals, and other important items." And under the ISA, as your letter acknowledges, the total cost "for a student electing an ISA will vary depending on the student. A student may end up paying less, but students would never pay more than what is disclosed." Thus, while the enrollment agreement reflects a fixed $30,000 tuition cost, in actuality, the program costs somewhere between $0 and $30,000, depending on a student's future income. Since the cost of tuition will vary by student, the disclosure of a fixed $30,000 cost neither accurately reflects the total program costs, nor does it comport with the requirement to disclose the cost "normally charged" for tuition.[3]

An example illustrates why the Lambda ISA financing model does not conform to the Act and regulations. Even though the enrollment agreement lists the tuition and total charges as fixed at $30,000, under the Lambda ISA, a student making $50,000 per year

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[2] With respect to Lambda's program, the "period of attendance" and the "entire educational program" are the same. (See Ed. Code, § 94854.)

[3] You indicate in your letter that 98% of Lambda students enter into an ISA.

Cecilia Ziniti
June 22, 2020
Page 4

would actually pay just $17,000 for the educational program after 24 months. By
contrast, a student earning $100,000 per year would pay the full $30,000 in less than 21
months for the same educational program. Other students who complete the program
may each end up paying a different amount over a different duration. In all cases, at the
point of initial disclosure, the total cost of the educational program is uncertain, because
the amount each student will end up paying is uncertain. Because there is no true fixed
cost for the program for students executing an ISA, Lambda cannot accurately disclose
the total charges or tuition with certainty.

Lambda's ISA financing also does not comport with the laws governing cancellations,
withdrawals and refunds. Institutions must have a refund policy for the return of
unearned institutional charges if the student cancels an enrollment agreement or
withdraws during a period of attendance. (Ed. Code, § 94920, subd. (d).) "The refund
policy for students who have completed 60 percent or less of the period of attendance
shall be a pro rata refund." (*Ibid.*) Likewise, when an institution defaults on the
enrollment agreement, it must provide refunds to students on a pro rata basis if the
school established a teach-out program. (Ed. Code, § 94927.) If no such teach-out is
offered, the institution must provide a total refund. (*Ibid.*) Refunds must be paid within
45 days of cancelation or withdrawal, and the enrollment agreement must contain the
institution's refund policy. (Ed. Code, §§ 94911, subd. (e)(2), 94920, subd. (e); Cal.
Code Regs., tit. 5, §§ 71750, subd. (e), 71800, subd. (d).)

The Bureau's regulations prescribe how pro rata refunds must be calculated. Such
refunds "shall be no less than the total amount owed by the student for the portion of the
educational program provided subtracted from the amount paid by the student . . . ."
(Cal. Code Regs., tit. 5, § 71750, subd. (c).)

For students that execute Lambda's ISA, the amount owed to Lambda is uncertain, and
no amounts are owed until after a student completes or withdraws from the program,
and after a student earns income that exceeds the minimum income threshold. (ISA at
¶¶ 4.a.) Consequently, Lambda cannot comply with the law's refund requirements.
Lambda must have a pro rata refund policy for students who completed 60 percent or
less of their coursework, or in the event of a default. (Ed. Code, §§ 94920, subd. (d),
94927.) The refund policy cannot be less than the total amount owed by the student for
the completed portion of the program, subtracted from any amount paid by the student.
Since, however, it is not possible to accurately calculate in advance the amount a
student owes for a portion of the program, Lambda cannot adopt a policy that conforms
to the Act and regulations. Moreover, the Act and regulations contemplate a "refund"
and "return" of monies already paid within 45 days of cancelation or withdrawal, not a
future reduction in the amount eventually owed. Thus, the Lambda ISA financing model
does not comport with the Act and regulations.

The Bureau may authorize an alternative method for calculating tuition refunds, but only
in cases in which the prescribed refund calculations "cannot be utilized because of the
unique way in which the educational program is structured . . . ." (Ed. Code, § 94921.)

Cecilia Ziniti
June 22, 2020
Page 5

The enrollment agreement proposes an alternative pro rata refund policy, but Lambda's proposed alternative is a consequence of the unique way Lambda's *financing* is structured, and not the unique way its *educational program* is structured. For this reason, the Bureau may not approve the alternative refund calculation reflected in the enrollment agreement. (See Cal. Code Regs., tit. 5, § 71800, subd. (d).)

In addition, the withdrawal and refund policies described in the enrollment agreement conflict with the ISA. The enrollment agreement provides that students may withdraw without owing any tuition or penalty before the last class of "Sprint 5"—i.e., week five or week 10 of the program, depending on whether the student attends full-time or part-time. Students who withdraw between Sprint 5 and Sprint 12 are responsible for a pro-rata portion of the total amount ($30,000) that may ultimately be paid to Lambda under the ISA. The enrollment agreement provides that the pro rata amount will be "communicated to your ISA service provider for adjustment." Although withdrawal relieves students of the enrollment agreement's obligations, it does not relieve them of their ISA obligations. The enrollment agreement provides that for students electing to finance their education via an ISA, "the terms of that agreement control your obligations under it."

Contrary to the enrollment agreement, which provides for a pro rata reduction in the total amount owed, the ISA provides little information about how withdrawals and refunds will be calculated. It provides that Lambda may reduce on a pro rata basis the income share percentage owed to Lambda under the agreement, or reduce the length of the payment term, at Lambda's "sole discretion." (ISA at ¶ 7.d.) Lambda is not bound under the ISA to the pro rata cost reduction that is specified in the enrollment agreement, nor is it required to make any reduction in the total amount charged to students. Thus, the enrollment agreement does not accurately reflect Lambda's refund policy, in view of the ISA.

Finally, we do not agree with the suggestion in the Lambda Memo that Lambda's ISA is not subject to Article 12 of the Act relating to consumer loans. In particular, Education Code section 94916 requires an institution extending credit or lending money for charges such as tuition to provide a specified notice to students on "any note, instrument, or other evidence of indebtedness taken in connection with that extension of credit or loan . . . ." The enrollment agreement denotes that the ISA is such a loan, and the Bureau concurs. The enrollment agreement incorporates the notice requirement specified in Education Code section 94916, signifying that Lambda is an institution that extends credit or lends money. Indeed, under the ISA, Lambda credits students up to $30,000 in tuition costs in exchange for a share of their future income. As an instrument or evidence of indebtedness, the ISA should also contain the consumer notice specified in section 94916, but it does not.

For these reasons, the Bureau cannot at this time approve Lambda's application. If you have any questions regarding this letter or would like to continue our discussion, please contact me at your convenience.

Cecilia Ziniti
June 22, 2020
Page 6

Very truly yours,

Douglas L. Smith

Douglas L. Smith

EXHIBIT J

COPY

Business, Consumer Services and Housing Agency– Governor Gavin Newsom

Bureau for Private Postsecondary Education
1747 N. Market Blvd. Ste 225 Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 574-8900 F (916) 263-1897 www.bppe.ca.gov

STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

August 17, 2020

Juli Tarca
Lambda School
250 Montgomery Street, 16th Floor
San Francisco, CA 94104

RE: Application for Approval to Operate for an Institution Non-Accredited #32274
 Approval Granted – Institution Code: 83979039

Dear Ms. Tarca:

The Bureau for Private Postsecondary Education (Bureau) completed the review of your Application for Approval to Operate for an Institution Non-Accredited, #32274. The review included your application and supplemental documentation most recently received by the Bureau on August 14, 2020. The Bureau determined that your application complies with the minimum standards contained in the California Education Code (CEC) and the California Code of Regulations (CCRs).

Approval to operate is granted effective August 17, 2020, with an expiration date of August 17, 2025.

Enclosed for your record is the Approved Educational Program List for your institution. Please post this approval information in a prominent location so prospective students and other interested parties are aware of your approval to operate.

Bureau records will reflect the following ownership for Lambda School (83979039):

Lambda Inc.   100%
    Austen Allred, CEO   17.9%

Your institution is required to maintain compliance with the CEC and CCRs of the Bureau and is subject to review by the Bureau staff at any time for the purpose of monitoring compliance with the provisions of the California Private Postsecondary Education Act of 2009.

If your institution is planning to establish a website, or already has a website, you must ensure the website complies with Bureau laws and regulations as provided on the attached Approved School Fact Sheet.

It is highly recommended that a representative from the school attend one of the Bureau's Compliance Workshops, which are held in locations across the State.
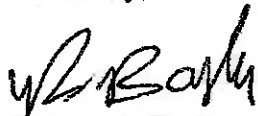
Juli Tarca
Lambda School
August 17, 2020
Page 2 of 2

These workshops are designed to provide institutions with information and guidance on how to remain in compliance with Bureau laws and regulations.

Please refer to the attached flier for additional information regarding the workshops. Any failure to maintain compliance could affect your institution's approval status and could result in disciplinary action by the Bureau.

If you require additional assistance on this matter, please contact Senior Education Specialist Joanna Murray at 916-320-3872 or email at Joanna.Murray@dca.ca.gov.

Sincerely,

Robert J. Bayles
Education Administrator
Quality of Education Unit

Enclosure(s)

Business, Consumer Services and Housing Agency - Gavin Newsom, Governor
Bureau for Private Postsecondary Education
1747 North Market Blvd., Suite 225, Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818

Approved Educational Program List

*In accordance with the provisions of California Education Code 94866 or 94890, the Bureau
for Private Postsecondary Education approves:*

Lambda School

250 Montgomery Street, 16th Floor
San Francisco, CA 94104

School Code #: 83979039
Site Type: Main

to offer the following program(s)/course(s):

Program Name	Length of Instruction	Program Approved	Program Type	Distance Learning
Android Development 1200 hours (online)		08/17/2020	Non-Degree	Yes
Data Science 1200 hours (900 part-time) (online)		08/17/2020	Non-Degree	Yes
Full Stack Web Development 1200 hours (900 part-time) (online)		08/17/2020	Non-Degree	Yes
iOS Development 1200 hours (900 part-time) (online)		08/17/2020	Non-Degree	Yes
User Experience Design 1200 hours (900 part-time) (online)		08/17/2020	Non-Degree	Yes

Non-Degree (Vocational) Programs\Courses: 5
Total Programs/Courses: 5

*The program list above represents all currently approved educational programs for this institution. The Main, Branch, or Satellite
locations of this institution may offer any subset of this list.*

Robert Bayles, Education Administrator

This document is valid if all fees are current. Subject to earlier termination in
accordance with the law.

Approval Memorandum

To: Robert Bayles

CC: File

From: Joanna Murray

Date: 8/14/2020

Re: Lambda School, Application #32274, Institution Code: N/A

I have completed the review and analysis of the above noted Application for Approval to Operate for an Institution Non Accredited received on May 14, 2019.

I determined the application, including the educational programs, complies with the minimum standards contained in the California Education Code and the California Code of Regulations. The application, enrollment agreement, and catalog checklist are complete and all required information has been received.

The institution offers the following programs:

- Full Stack Web Development 1200 hours (900 part-time) (online)
- iOS Development 1200 hours (900 part-time) (online)
- Android Development 1200 hours (online)
- Data Science 1200 hours (900 part-time) (online)
- User Experience Design 1200 hours (900 part-time) (online)

The programs are found to meet the minimum operating standards as specified in 5, CCR §71710.

Faculty: Review of faculty demonstrates that the institution has contracted with duly qualified faculty. Faculty is found to meet the minimum operating standards as specified in 5, CCR §71720.

Method of Delivery: The institution's method of delivery is online, synchronous/asynchronous.

Lambda School has an operating unapproved hearing scheduled that may involve fines/fees.

I determined the educational programs comply with the minimum standards contained in the California Education Code and the Title 5, California Code of Regulation.

I recommend issuing an approval to operate for the institution.

[X] I agree with the recommendation.

[ ] I do not agree with the recommendation.

Comments:

EXHIBIT K

Lambda School
CATALOG

June 1, 2019 – May 31, 2020

Volume I

TABLE OF CONTENTS

WELCOME MESSAGE

The most important thing we tell new Lambda School students is: start now.

You have a fixed number of days between now and graduation. There's a good chance that the next several months will swing the trajectory of your career more than any others. Your time at Lambda School will be some of the most highly leveraged hours of your life. Now is the time to put your head down and work.

Sincerely,

Austen Allred,
Co-Founder & CEO

10   **MISSION**

The mission of Lambda School is to find untapped or underutilized talent, and train that talent for in-demand careers in the computer science field; making entry to the computer science field more accessible.

Lambda School will provide an educational environment that respects the values of individual students and their intellectual, cultural, and social development. It is Lambda School's objective to:

➢ Foster among students, faculty, and staff a commitment to life-long learning.
➢ Provide opportunities for students to exercise a positive influence and be productive in society.
➢ Prepare students for entry-level employment in the computer science field.

OBJECTIVES

In order to fulfill its mission, Lambda is committed to the following objectives for its educational and training programs:

➢ To provide the basic and prerequisite knowledge to specialize in the computer science field.
➢ To educate students to become well qualified professionals in their chosen field.
➢ To provide practical training to enhance students' capabilities in their chosen field.

GENERAL INFORMATION

HISTORY
Founded in 2017, Lambda School ("Lambda") is a unique model of higher education in which the school invests in its students, instead of the other way around. Lambda offers no upfront tuition costs. Tuition payments do not have to begin until students find a job within field providing an annual salary of at least $50,000. This commitment from Lambda School supports its mission to find untapped or underutilized talent and train that talent for in-demand jobs in the computer science field. The school is headquartered in San Francisco, while students attend remotely. The school has raised funds previously from investors including Y Combinator, Google Ventures, Bedrock Capital, and Tandem. Given the no upfront cost tuition model of Lambda, our school demographics typically cater to minority and diverse students. Our student body is far more diverse than the general population.

7   **APPROVALS**
Lambda School is a private institution approved to operate by the California Bureau for Private Postsecondary Education. Approval to operate means the institution is compliant with the minimum standards contained in the California Private Postsecondary Education Act of 2009 (as amended) and Division 7.5 of Title 5 of the California Code of Regulations.

11   **FACILITY AND EQUIPMENT**
Lambda headquarters is located at 250 Montgomery Street, 16th floor, San Francisco, CA 94102. Lambda offers training in an online format in a virtual classroom with your instructors and fellow learners. Distance education coursework is completed at a location determined by the student.   5

System Requirements
- Minimum
  - 1.6 GHz Processor
  - 4 GB RAM (8 GB of RAM for the iOS course)
  - 120 GB Hard Drive
  - Web Cam
  - Microphone
- Recommended
  - 2 GHz Processor
  - 8 GB RAM
  - 256 GB Hard Drive (preferably solid state)

Recommended operating systems (in descending order): macOS, Windows 10, Ubuntu. For UX and iOS, macOS is heavily encouraged. For iOS, Mojave 10.14 is required.

Other versions of Windows work but students should anticipate occasional environment issues. Chromebooks are *not* supported, as coursework involves installing and running software locally.

Please refer to the current Student Manual for full details system requirements.

LOANER EQUIPMENT
If your computer becomes unusable during your time at Lambda School and you are unable to obtain a replacement, you can submit a request for a loaner laptop by submitting this form https://airtable.com/shrEHS8dPFyhcYBMI

Laptops are paid for by the Perpetual Access Fund and there is limited inventory. In order to be considered for a loaner laptop, you must be in compliance with the Code of Conduct, attendance, and participation policies. In addition to compliance, you need to have a record of meaningful progress with the curriculum.

Lambda School
CATALOG

6 **June 1, 2019 – May 31, 2020**

Volume I

TABLE OF CONTENTS

WELCOME MESSAGE

The most important thing we tell new Lambda School students is: start now.

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Austen Allred,
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Lambda School Catalog

January 1, 2020 – December 31, 2020

Volume I

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WELCOME MESSAGE

Welcome to Lambda School, and congratulations on taking the first step toward a high-paying career in tech.

The most important thing we tell new Lambda School students is: commit now to hustling harder than you ever have before.

You have a critical opportunity to develop your skills between now and graduation, and there's a good chance that the next several months will swing the trajectory of your career more than any others. Your time at Lambda School will be some of the most intense, impactful months of your life – now is the time to put your head down and work, and every instructor, career coach, and staff member will do everything possible to help you succeed. We're so excited that you're here.

Let's get started.

Sincerely,

Austen Allred,
Co-Founder & CEO

MISSION

10

The mission of Lambda School is to unlock potential, regardless of circumstance. That means working with untapped or underutilized talent, and training that talent for in-demand careers in the technology fields including web development, engineering, data science, user experience design, and iOS development..

Lambda School is committed to making the field of technology more accessible, and will provide an educational environment that respects the values of individual students and their intellectual, cultural, and social development. It is Lambda School's intention to:

- Foster among students, faculty, and staff a commitment to life-long learning.
- Provide opportunities for students to exercise a positive influence and be productive in society.
- Prepare students for entry-level employment in technology fields including web development, software engineering and data science.

OBJECTIVES

10

In order to fulfill its mission, Lambda is committed to the following objectives for its educational and training programs:

- To provide the basic and prerequisite knowledge to specialize in the field of technology via online learning on Zoom and multiple tools.
- To educate students to become well-qualified professionals in their chosen field of Data Science or Full Stack Web Development.
- To provide practical training to enhance students' capabilities in their chosen program.

APPROVALS

7

Lambda School is a private institution approved to operate by the California Bureau for Private Postsecondary Education. Approval to operate means the institution is compliant with the minimum standards contained in the California Private Postsecondary Education Act of 2009 (as amended) and Division 7.5 of Title 5 of the California Code of Regulations.

HISTORY

Founded in 2017, Lambda School ("Lambda") is a unique model of higher education in which the school invests in its students, instead of the other way around. Lambda requires no upfront tuition. Tuition payments do not begin until students find a job providing an annual salary of at least $50,000. This commitment from Lambda School supports its mission of finding untapped or underutilized talent and training that talent for in-demand jobs in technology. The school has offices in Lehi, UT and San Francisco, CA, and students attend remotely. The school has raised funds

EXHIBIT L

Human Capital: The Last Unoptimized Asset Class

Lambda School is a full-stack solution that helps people get better jobs and earn more money.

Today, if a person is working in the wrong job or making less than they otherwise could, the only solution we have is encouraging them to go into student debt, spend several years in a university, and hope they figure it out on the other side. It's is expensive, time consuming, and risky.

Lambda School, instead, identifies people who could be making more money, trains them for higher paying jobs at no upfront cost, helps them get those jobs, and takes a cut only when we're successful in doing so. It takes less time, is less expensive, and, most importantly, carries no financial risk for the customer.

We do so by means of a financial instrument called an "Income Share Agreement," which is a legally binding equity stake in a person's future earnings that only applies within certain thresholds. For example, today students only pay us back if they're making more than $50k/year. If they reach that rate they pay us 17% of salary for two years, capped at a maximum of $30k total.

Here's just a few categories of people who make more money via Lambda School

1. **College Graduates with Low-Paying Degrees.** Smart people who earned, say, an Arts History degree and now struggle to make decent money. These people also often have student loan balances which makes Lambda a great fit, since they don't take on additional financial risk.
2. **People Who Didn't Finish College.** The same as above except they didn't actually finish and therefore have no degree. They're often in worse jobs with even fewer options, and usually have student loans too.
3. **Mid Lifers.** People who've been working in the same field for 20+ years and know they need to change. This often comes from the self awareness that their current industry is dying, which can make them a smart choice for Lambda to bet on.
4. **Never Went to College.** Only 25% of American graduate from college, so this is a huge bucket. There are lots of smart, hard working people here who simply didn't have the opportunity to go to school.
5. **High School Graduates.** Recent grads who want a high-paying job without having to go through 4 years of irrelevant curriculum and take on 6 figures of student loans.

And there's enormous demand from employers. There were 3.7 million technology job postings in 2017 alone[1].

Full Stack

In order to make Lambda School work, we need to solve multiple problems at once:

1. **Underwriting**. Since we aren't paid upfront, we need to reliably identify people our programs can be successful for and match them to the correct programs.

We created a test that all students must pass to be admitted to Lambda. And

2. **Successful, free upfront, online courses**. Most schools will tell you fully online courses aren't successful. Most schools will tell you courses being entirely free upfront won't be successful. We do both at the same time.

85% of students that start Lambda, finish Lambda. That's 9 months of full time, remote instruction. We do it by building in social accountability. The school isn't just a bunch of videos that you watch on your own time. It's live, and every day students are interacting with their classmates, instructors, and other Lambda employees.

3. **Placement that scales**. Our students are in all 50 states and will be all over the world. We have to be able to reliably get them hired at scale wherever they are.

Employers are constantly pinging us to talk to our students. We just started an SDR program but otherwise all employer interest is inbound. While all the blue chips (Google, Amazon, Apple, Netflix, etc.) have hired our students, our bread and better is all the non-sexy tech jobs in places and cities you've never heard of. Today "every company is a tech company" and they all need engineers.

We're already seeing employers hire 1 Lambda student, then come back and hire 20 more.

And the students we've placed at those employers help advocate for and bring on even more students. Our alumni network will be a powerful moat.

4. **Finance**. Since students pay monthly after they're hired, we have to fund them to get there. Currently we sell some income share agreements to hedge funds. Over time we'll raise our own capital and hold everything on our books.

Not surprisingly, it's difficult to get all of the pieces working in sync. It's taken us two years of experimentation and iteration, but we now have the model working and ready to optimize.

Flywheel

Once the process is working, each piece can be optimized in order to provide a durable sustainable advantage.

We started by eliminating the upfront cost and putting the program entirely online, opening up access to Lambda School to many students who wouldn't be able to afford the upfront cost or risk of moving to and/or attending universities or code schools.

We then had to figure out how to make a free upfront, fully online course work. Making it work gives us good data, which lowers our cost of capital, and as we scale our cost per student goes down and our hiring network grows.

One competitive advantage of being online is we have zero physical classrooms. This helps in multiple ways:
-   Allows us to spin up "virtual classrooms" fast, grow more quickly, and adapt to where the actual student demand is (vs. being stuck with a building & location any time a new lease is signed)
-   Allows us to meet employer demand everywhere we have students
-   Eliminates leasing costs
-   Our costs per student are amortized across many more students

Unit economics for our full-time 9 month course, per *placed student*

Instructor Cost	$1,882
TA Cost	$3,197
Career Coach Cost	$790
Student Success Cost	$168
Total Cost Per Placed Grad	**$6,037**

As the cost of capital goes down, we can either take on more risk (by offering living stipends) or decrease the price.

As we do so it becomes increasingly difficult for other schools to compete. It's a completely different model.

Product Overview

The core value Lambda offers is to **get a job in a new field in the fastest time at the lowest risk.**

This is possible because of the following:
- Live, online, remote instruction that lets anyone with an internet connection participate
- Our pedagogy and Flex instruction model, which enables students to repeat curriculum until they understand it
- Our ISA, which aligns the incentives of the institution with those of the student
- Student-facing proprietary infrastructure that enables a modern, world class educational experience
- Our placement partners, who actively come to Lambda to recruit new hires
- An organic community where alumni and students help each other

Lambda School offers multiple courses:
- Full Stack Web Development
- iOS Development
- Android Development
- Data Science Development
- UX Design

Each course can be taken full time over 9 months or part time (nights and weekends) over 18 months.

Our training is live and online, meaning we can reach students everywhere and aren't required to build out physical infrastructure. Students learn live from world class instructors and break out teams of 8.

The main building piece of our curriculum is the 5-week block. All courses are built of 5-week blocks, and every block at Lambda starts on the same date.

By running the entire school in sync, we get synergies around admissions, instruction, and placement. For example, students can work on group projects with students in other courses because their project time always falls on the same week in the 5-week block. This allows things like Full Stack Web Development students working with Data Science and UX students on different parts of the same project, which more closely resembles real world working conditions.

Each course includes an integrated jobs curriculum which is taught alongside the technical curriculum. The core value we deliver is a risk-free technical education combined with an integrated job placement program.

Competition

	4-Year University	Trade Schools	Non-Accredited Tech Bootcamps
Companies	Harvard, UCLA, Notre Dame	Lake Area Technical Institute, Johnson College	Flatiron School, App Academy
Description	Traditional degree funded by student loans	Job training funded by loans	Very short technical training funded by upfront tuition or loans
Multiple Tracks	Yes	Yes	No
Risk Free ISA	No	No	No
Integrated Job Search	No	Sometimes	No
< 1 year	No	No	Yes
Modern Alumni Network	No	No	No
Mentor Program	No	No	No
Flex Learning	No	No	No
Remote	No	No	No

Relative to **4-year universities**, Lambda offers students a faster, risk-free way of getting training and ultimately getting a job. 4 years is a *long time* that potential students are now beginning to recognize comes with significant opportunity costs. And the entire country is obsessing over the downsides of non-dischargeable student loans. We have a school wide NPS of 68, higher than many of the most famous consumer brands in the world (Netflix, Amazon). People trust their universities, but they don't love them. Our students love Lambda, and have even gotten tattoos of our logo.

Relative to **trade schools**, Lambda is faster and carries less risk. You're required to pay for the trade school regardless of whether you get a job. And it can take significant time (> 2 years) to get through a trade school. At Lambda our full-time class is 9 months, which means in less than a year a student can start, graduate, and get a job. 9 months is short enough to allow students from all backgrounds to join, but long enough to give students enough time to learn detailed, difficult curriculum.

Relative to **non-accredited tech bootcamps** our school is long enough so that you can actually learn the material. Most tech bootcamps are 3 months because their costs don't allow them to teach any longer. And their market is fundamentally limited to people who can afford upfront tuition of $20,000. And because all our training is remote, we can reach anybody. These are small, niche players who don't have significant impact beyond their local geography in big cities.

Performance

New Students Enrolled

451
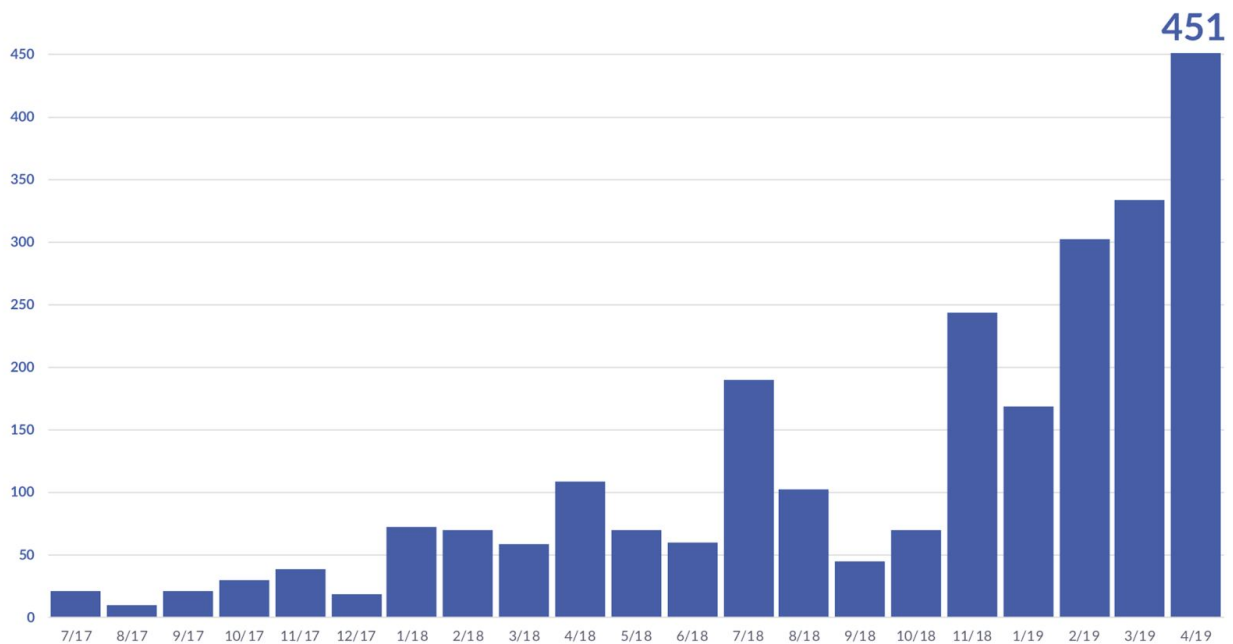
	April 2018	April 2019	% Change
Applications	1,985	5,936	199%
New Students	109	451	76%
Graduates	12 (Mar'18)	45 (Mar'18)	275%
Sections Graduated > 180 days w/ > 50% Placement	NA	100%	NA
Concurrent Students	302	1,602	640%

Management Outlook

When a Lambda School student is hired for $75k/yr, they pay us back approximately $25k.

At 4,000 placed software engineers/year we'll hit a $100mm/yr run rate.

In 2019 we'll enroll over 3,000 students. In May 2019 well enroll over 500. We plan on enrolling more than 10,000 students in 2020.

International

In January of 2019 we launched in the European Union, we'll launch in Canada in Q2 of 2019, and we have pilots running in Africa and India. Once the entire engine is working it will scale internationally.

Other Fields

We recently launched programs for UX Design and Data Science, but this scales far beyond software.

Once the engine is working, it also scales to other verticals. Cyber security, product management, marketing to begin with, but after that job fields as disparate as Customer Service or Nursing are on our radar.

	2020	2021	2022	2023
US Developer Grads	8,000	15,000	27,000	49,000
EU Developer Grads	1,000	3,000	6,000	11,000
India Developer Grads	1,000	2,000	10,000	30,000
Total Developer Grads	**10,000**	**20,000**	**43,000**	**90,000**
US Non-Developer Grads	1,000	7,000	30,000	80,000
EU Non-Developer Grads	500	3,000	8,000	30,000
India Non-Developer Grads	500	2,000	5,000	20,000
Total Non-Developer Grads	**2,000**	**12,000**	**43,000**	**130,000**
Revenue US Dev Grads	$60,000,000	$172,500,000	$315,000,000	$570,000,000
Revenue EU Dev Grads	$6,000,000	$24,000,000	$54,000,000	$102,000,000
Revenue India Dev Grads	$4,000,000	$12,000,000	$48,000,000	$160,000,000
Total Revenue Dev Grads	**$70,000,000**	**$208,500,000**	**$417,000,000**	**$832,000,000**
Revenue US Non-Developer Grads	$3,500,000	$28,000,000	$129,500,000	$385,000,000

Revenue EU Non-Developer Grads	$1,500,000	$10,500,000	$33,000,000	$114,000,000
Revenue India Non-Developer Grads	$1,250,000	$6,250,000	$17,500,000	$62,500,000
Total Revenue Non-Dev Grads	**$6,250,000**	**$44,750,000**	**$180,000,000**	**$561,500,000**
Total Revenue	**$76,250,000**	**$253,250,000**	**$597,000,000**	**$1,393,500,000**

Strenghts

Alumni Community Creates a Powerful Moat
- Some partners have over 20 Lambda grads, triggered by their hiring of a single Lambda student
- Lambda graduates advocate for each other based on the school community alone.
- We're already seeing Lambda students promoted to positions of authority. With more time, we'll continue to see grads rise up the ranks and exert more influence on how their companies hire.

Higher NPS as Class Sizes Increase
- Our NPS score is higher by 20+% in our larger classes
    - Speaks to the power of the Lambda community, which is an important differentiator

Organic growth taking share from bootcamp competitors
- 314% increase in student starts from April'19 to April'18
- Competitors continue to market against Lambda (but not other schools) because students are moving away from the upfront tuition model

Retention
- 85% of students that start Lambda, finish Lambda. That's 9 months of full time, remote instruction. We do it by building in social accountability. The school isn't just a bunch of videos that you watch on your own time. It's live, and every day students are interacting with their classmates, instructors, and other Lambda employees.

Placement that Scales
- Inbound bluechip interest (Uber, Google, Amazon, etc.)
- "Every company is a tech company". Students getting hired in large batches in places like Minnesota.

- "Land and expand" strategy already working organically w/o additional effort from Lambda
- Can work with employers anywhere because we're online

Market Leader in ISAs
- Largest originator of ISAs in the US
- "Lambda" name synonymous with ISAs

Unbundling Universities
- Colleges offer tons of services in 1 package: schooling, cultural learning, job placement help, sports, socializing, becoming an adult, etc.
- Lambda unbundles the university and offers what people are actually looking for: a high-paying job

Risks & Mitigants

We admit the wrong people (e.g. people who don't want jobs, people who won't succeed, etc.)
- Some students are "life long learners" and are genuinely interested in learning but don't want a job
- Some students are unable to succeed in a technical career

Mitigants:
- Improving jobs curriculum so that students cannot proceed in their technical education if they're not completing their jobs training and benchmarks
- Offering non-technical training + jobs (e.g. nursing) so that students can come to us, we offer them a test, and then recommend what we think they'd be best at

ISAs are made illegal or significantly limited
- Some political circles dislike ISAs and/or think they work against a "4 year free degree for everyone"
- Bad taste in their mouth from for-profit schools like Devry and University of Phoenix

Mitigants:
- Proactively lobbying in DC for ISA legislation that will create a framework that is reasonable
- Joined an ISA steering committee initiative to work with other companies in the ISA space to form ISA legislation

Collections could be too low

- Still unknown at scale what % of students will pay their ISAs

Mitigants:
- Working on legislation that allows for employers to make payments
- Legislation that allows credit reporting for ISA non-payment
- Legislation that creates better reporting mechanisms on student income

We're unable to place students at scale
- We're at roughly 50% placement for cohorts that are 6 months graduated
- Placement to date has been manual and one-off, which isn't possible at scale

Mitigants:
- Growing the alumni network.
- Building tools to help connect Lambda grads with current Lambda students
- Creating internal tools to make the job search as easy as possible for students
- Working with employment partners to get hiring and interview guarantees

Moving into new industries and geographies uses too few synergies from our US tech organization
- New geographies/industries require entirely new employer partnerships
- Management's network and expertise is in tech, how much will translate to industries like nursing?

Mitigants:
- Using our strong brand to hire world class general managers to run these new businesses
- Starting slow, growing purposefully when and where it makes sense

[1]: https://www.cyberstates.org

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY *(Name, State Bar number, and address)*:	FOR COURT USE ONLY
Justin T. Berger (SBN 250346); Cotchett, Pitre & McCarthy LLP 840 Malcolm Road, Burlingame CA 94010 TELEPHONE NO.: (650) 697-6000 FAX NO. *(Optional):* (650)697-0577 E-MAIL ADDRESS: jberger@cpmlegal.com ATTORNEY FOR *(Name):* Plaintiffs	**ELECTRONICALLY** **F I L E D** *Superior Court of California,* *County of San Francisco* **03/16/2023** **Clerk of the Court** BY: JEFFREY FLORES Deputy Clerk

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO
STREET ADDRESS: 400 McAllister St.
MAILING ADDRESS: 400 McAllister St.
CITY AND ZIP CODE: San Francisco, CA 94102
BRANCH NAME: Civic Center Courthouse

CASE NAME:
 Jessica Fuller et al. v. Bloom Institute of Technology, formerly d/b/a Lambda School et al.

CIVIL CASE COVER SHEET [x] **Unlimited** [ ] **Limited** (Amount (Amount demanded demanded is exceeds $25,000) $25,000 or less)	Complex Case Designation [ ] Counter [ ] Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	CASE NUMBER: **CGC-23-605179** JUDGE: DEPT.:

Items 1–6 below must be completed (see instructions on page 2).

1. Check **one** box below for the case type that best describes this case:

Auto Tort
[ ] Auto (22)
[ ] Uninsured motorist (46)
Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort
[ ] Asbestos (04)
[ ] Product liability (24)
[ ] Medical malpractice (45)
[ ] Other PI/PD/WD (23)
Non-PI/PD/WD (Other) Tort
[x] Business tort/unfair business practice (07)
[ ] Civil rights (08)
[ ] Defamation (13)
[ ] Fraud (16)
[ ] Intellectual property (19)
[ ] Professional negligence (25)
[ ] Other non-PI/PD/WD tort (35)
Employment
[ ] Wrongful termination (36)
[ ] Other employment (15)

Contract
[ ] Breach of contract/warranty (06)
[ ] Rule 3.740 collections (09)
[ ] Other collections (09)
[ ] Insurance coverage (18)
[ ] Other contract (37)
Real Property
[ ] Eminent domain/Inverse condemnation (14)
[ ] Wrongful eviction (33)
[ ] Other real property (26)
Unlawful Detainer
[ ] Commercial (31)
[ ] Residential (32)
[ ] Drugs (38)
Judicial Review
[ ] Asset forfeiture (05)
[ ] Petition re: arbitration award (11)
[ ] Writ of mandate (02)
[ ] Other judicial review (39)

Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400–3.403)
[ ] Antitrust/Trade regulation (03)
[ ] Construction defect (10)
[ ] Mass tort (40)
[ ] Securities litigation (28)
[ ] Environmental/Toxic tort (30)
[ ] Insurance coverage claims arising from the above listed provisionally complex case types (41)
Enforcement of Judgment
[ ] Enforcement of judgment (20)
Miscellaneous Civil Complaint
[ ] RICO (27)
[ ] Other complaint *(not specified above)* (42)
Miscellaneous Civil Petition
[ ] Partnership and corporate governance (21)
[ ] Other petition *(not specified above)* (43)

2. This case [ ] is [x] is not   complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
   a. [ ] Large number of separately represented parties
   b. [ ] Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve
   c. [ ] Substantial amount of documentary evidence
   d. [ ] Large number of witnesses
   e. [ ] Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
   f. [ ] Substantial postjudgment judicial supervision

3. Remedies sought *(check all that apply):* a. [ ] monetary b. [x] nonmonetary; declaratory or injunctive relief c. [ ] punitive
4. Number of causes of action *(specify):* See Attachment 1
5. This case [x] is [ ] is not   a class action suit.
6. If there are any known related cases, file and serve a notice of related case. *(You may use form CM-015.)*
Date: March 16, 2023
Justin T. Berger
_____   ► _____
(TYPE OR PRINT NAME)   (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE
- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

Form Adopted for Mandatory Use Judicial Council of California CM-010 [Rev.September 1, 2021]	**CIVIL CASE COVER SHEET**	Cal. Rules of Court, rules 2.30, 3.220, 3.400–3.403, 3.740; Cal. Standards of Judicial Administration, std. 3.10 *www.courts.ca.gov*

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET   CM-010

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the Civil Case Cover Sheet contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than $25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the Civil Case Cover Sheet to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort
Auto (22)–Personal Injury/Property
  Damage/Wrongful Death
Uninsured Motorist (46) *(if the
  case involves an uninsured
  motorist claim subject to
  arbitration, check this item
  instead of Auto)*

**Other PI/PD/WD (Personal Injury/
Property Damage/Wrongful Death)
Tort**
Asbestos (04)
  Asbestos Property Damage
  Asbestos Personal Injury/
    Wrongful Death
Product Liability *(not asbestos or
  toxic/environmental)* (24)
Medical Malpractice (45)
  Medical Malpractice–
    Physicians & Surgeons
  Other Professional Health Care
    Malpractice
Other PI/PD/WD (23)
  Premises Liability (e.g., slip
    and fall)
  Intentional Bodily Injury/PD/WD
    (e.g., assault, vandalism)
  Intentional Infliction of
    Emotional Distress
  Negligent Infliction of
    Emotional Distress
  Other PI/PD/WD

Non-PI/PD/WD (Other) Tort
Business Tort/Unfair Business
  Practice (07)
Civil Rights (e.g., discrimination,
  false arrest) *(not civil
  harassment)* (08)
Defamation (e.g., slander, libel)
  (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
  Legal Malpractice
  Other Professional Malpractice
    (not medical or legal)
Other Non-PI/PD/WD Tort (35)

Employment
Wrongful Termination (36)
Other Employment (15)

Contract
Breach of Contract/Warranty (06)
  Breach of Rental/Lease
    Contract *(not unlawful detainer
      or wrongful eviction)*
  Contract/Warranty Breach–Seller
    Plaintiff *(not fraud or negligence)*
  Negligent Breach of Contract/
    Warranty
  Other Breach of Contract/Warranty
Collections (e.g., money owed, open
  book accounts) (09)
  Collection Case–Seller Plaintiff
  Other Promissory Note/Collections
    Case
Insurance Coverage *(not provisionally
  complex)* (18)
  Auto Subrogation
  Other Coverage
Other Contract (37)
  Contractual Fraud
  Other Contract Dispute

Real Property
Eminent Domain/Inverse
  Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
  Writ of Possession of Real Property
  Mortgage Foreclosure
  Quiet Title
  Other Real Property *(not eminent
    domain, landlord/tenant, or
    foreclosure)*

Unlawful Detainer
Commercial (31)
Residential (32)
Drugs (38) *(if the case involves illegal
  drugs, check this item; otherwise,
  report as Commercial or Residential)*

Judicial Review
Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
  Writ–Administrative Mandamus
  Writ–Mandamus on Limited Court
    Case Matter
  Writ–Other Limited Court Case
    Review
Other Judicial Review (39)
  Review of Health Officer Order
  Notice of Appeal–Labor
    Commissioner Appeals

**Provisionally Complex Civil Litigation (Cal.
Rules of Court Rules 3.400–3.403)**
Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims
  *(arising from provisionally complex
  case type listed above)* (41)

Enforcement of Judgment
Enforcement of Judgment (20)
  Abstract of Judgment (Out of
    County)
  Confession of Judgment *(non-
    domestic relations)*
  Sister State Judgment
  Administrative Agency Award
    (not unpaid taxes)
  Petition/Certification of Entry of
    Judgment on Unpaid Taxes
  Other Enforcement of Judgment
    Case

Miscellaneous Civil Complaint
RICO (27)
Other Complaint *(not specified
  above)* (42)
  Declaratory Relief Only
  Injunctive Relief Only *(non-
    harassment)*
  Mechanics Lien
  Other Commercial Complaint
    Case *(non-tort/non-complex)*
  Other Civil Complaint
    (non-tort/non-complex)

Miscellaneous Civil Petition
Partnership and Corporate
  Governance (21)
Other Petition *(not specified
  above)* (43)
  Civil Harassment
  Workplace Violence
  Elder/Dependent Adult
    Abuse
  Election Contest
  Petition for Name Change
  Petition for Relief From Late
    Claim
  Other Civil Petition

CM-010 [Rev. September 1, 2021]   **CIVIL CASE COVER SHEET**   **Page 2 of 2**

MC-025

SHORT TITLE: Jessica Fuller et al. v. Bloom Institute of Technology, formerly d/b/a Lambda School et al.	CASE NUMBER:

ATTACHMENT *(Number):* 1_____

(This Attachment may be used with any Judicial Council form.)

(1) VIOLATIONS OF THE CONSUMER LEGAL REMEDIES ACT (Cal. Civ. Code §§ 1750, et seq.)

(2) VIOLATIONS OF THE UNFAIR COMPETITION LAW (Cal. Bus. & Prof. Code §§ 17200, et seq.)

(3) VIOLATIONS OF THE FALSE ADVERTISING LAW (Cal. Bus. & Prof. Code §§ 17500, et seq.)

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 1 of 1

(Add pages as required)

NOTICE TO PLAINTIFF

A Case Management Conference is set for:

DATE: **AUG 16, 2023**

TIME: **10:30 am**

PLACE: **Department 610**
400 McAllister Street
San Francisco, CA 94102-3680

All parties must appear and comply with Local Rule 3.

CRC 3.725 requires the filing and service of a case management statement form CM-110 no later than 15 days before the case management conference. However, it would facilitate the issuance of a case management order   **without an appearance**   at the case management conference if the case management statement is filed and served twenty-five days before the case management conference.

Plaintiff must serve a copy of this notice upon each party to this action with the summons and complaint. Proof of service subsequently filed with this court shall so state.   **This case is eligible for electronic filing and service per Local Rule 2.11. For more information, please visit the Court's website at www.sfsuperiorcourt.org under Online Services.**

[DEFENDANTS: Attending the Case Management Conference does not take the place of filing a written response to the complaint. You must file a written response with the court within the time limit required by law. See Summons.]

ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS

IT IS THE POLICY OF THE SUPERIOR COURT THAT EVERY CIVIL CASE SHOULD PARTICIPATE IN MEDIATION, ARBITRATION, NEUTRAL EVALUATION, AN EARLY SETTLEMENT CONFERENCE, OR OTHER APPROPRIATE FORM OF ALTERNATIVE DISPUTE RESOLUTION PRIOR TO A TRIAL.

(SEE LOCAL RULE 4)

Plaintiff **must** serve a copy of the Alternative Dispute Resolution (ADR) Information Package on each defendant along with the complaint. (CRC 3.221.) The ADR package may be accessed at www.sfsuperiorcourt.org/divisions/civil/dispute-resolution or you may request a paper copy from the filing clerk. All counsel must discuss ADR with clients and opposing counsel and provide clients with a copy of the ADR Information Package prior to filing the Case Management Statement.

Superior Court Alternative Dispute Resolution Administrator
400 McAllister Street, Room 103-A
San Francisco, CA 94102
(415) 551-3869

See Local Rules 3.3, 6.0 C and 10 B re stipulation to judge pro tem.

SUM-100

SUMMONS
(CITACION JUDICIAL)

	FOR COURT USE ONLY
	(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):
BLOOM INSTITUTE OF TECHNOLOGY, formerly d/b/a Lambda School; AUSTEN ALLRED, in his individual capacity; and DOES 1 through 9,

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):
JESSICA FULLER; ALEXANDER GONCALVES; BRETT MCADAMS; and QUINN MOLINA,

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

   You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (*www.courtinfo.ca.gov/selfhelp*), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

   There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (*www.lawhelpcalifornia.org*), the California Courts Online Self-Help Center (*www.courtinfo.ca.gov/selfhelp*), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of $10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

   ¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

   Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

   Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de $10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):
San Francisco County Superior Court
400 McAllister St. San Francisco, CA 94102

CASE NUMBER: *(Número del Caso):*

CGC-23-605179

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is: *(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):*
Justin T. Berger; Cotchett, Pitre & McCarthy LLP, 840 Malcolm Rd. Burlingame CA 94010; 650-697-6000

DATE:
(Fecha) **03/17/2023**

Clerk, by
(Secretario) **JEFFREY FLORES**

, Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons *(form POS-010).)*
(Para prueba de entrega de esta citatión use el formulario Proof of Service of Summons, *(POS-010)).*

[SEAL]
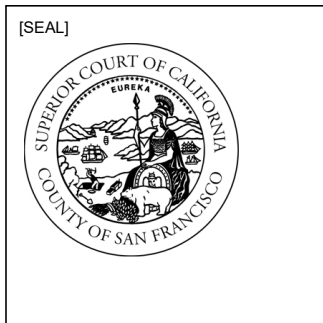
NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.

2. ☐ as the person sued under the fictitious name of *(specify)*:

3. ☐ on behalf of (specify):

   under: ☐ CCP 416.10 (corporation)   ☐ CCP 416.60 (minor)
          ☐ CCP 416.20 (defunct corporation)   ☐ CCP 416.70 (conservatee)
          ☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
          ☐ other *(specify)*:

4. ☐ by personal delivery on *(date)*:

Page 1 of 1

Form Adopted for Mandatory Use
Judicial Council of California
SUM-100 [Rev. July 1, 2009]

SUMMONS

Code of Civil Procedure §§ 412.20, 465
www.courts.ca.gov

POS-015

ATTORNEY OR PARTY WITHOUT ATTORNEY: STATE BAR NO: 250346	FOR COURT USE ONLY

NAME: Justin T. Berger

FIRM NAME: COTCHETT, PITRE & McCarthy, LLC

STREET ADDRESS: 840 Malcolm Road

CITY: Burlingame   STATE: CA   ZIP CODE: 94010

TELEPHONE NO.: (650) 697-6000   FAX NO. : (650) 697-0577

E-MAIL ADDRESS: jberger@cpmlegal.com

ATTORNEY FOR (Name): Plaintiffs Jessica Fuller; Alexander Goncalves; et al.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO

STREET ADDRESS:

MAILING ADDRESS: 400 McAllister Street

CITY AND ZIP CODE: San Francisco, CA 94102

BRANCH NAME: Civil Center Courthouse

Plaintiff/Petitioner: Jessica Fuller et al.

Defendant/Respondent: Bloom Institute of Technology, a formerly d/b/a Lambda et al.

**ELECTRONICALLY
F I L E D**
*Superior Court of California,
County of San Francisco*

**03/22/2023
Clerk of the Court
BY: RONNIE OTERO
Deputy Clerk**

NOTICE AND ACKNOWLEDGMENT OF RECEIPT—CIVIL	CASE NUMBER: CGC-23-605179

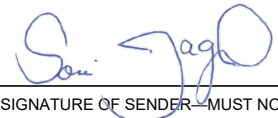TO *(insert name of party being served):* AUSTEN ALLRED

NOTICE

The summons and other documents identified below are being served pursuant to section 415.30 of the California Code of Civil Procedure. Your failure to complete this form and return it within 20 days from the date of mailing shown below may subject you (or the party on whose behalf you are being served) to liability for the payment of any expenses incurred in serving a summons on you in any other manner permitted by law.

If you are being served on behalf of a corporation, an unincorporated association (including a partnership), or other entity, this form must be signed by you in the name of such entity or by a person authorized to receive service of process on behalf of such entity. In all other cases, this form must be signed by you personally or by a person authorized by you to acknowledge receipt of summons. If you return this form to the sender, service of a summons is deemed complete on the day you sign the acknowledgment of receipt below.

Date of mailing: March 21, 2023

Sonia Zaghari
(TYPE OR PRINT NAME)

► _____
(SIGNATURE OF SENDER—MUST NOT BE A PARTY IN THIS CASE)

ACKNOWLEDGMENT OF RECEIPT

This acknowledges receipt of *(to be completed by sender before mailing):*

1. [ê] A copy of the summons and of the complaint.

2. [ê] Other *(specify):*

        (1) Superior Court of California, County of San Francisco Alternative Dispute Resolution Information Package;
        (2) Notice to Plaintiff;
        (3) Civil Case Cover Sheet.

(To be completed by recipient):

Date this form is signed: March 22, 2023

Patrick Hammon
(TYPE OR PRINT YOUR NAME AND NAME OF ENTITY, IF ANY,
ON WHOSE BEHALF THIS FORM IS SIGNED)

► *Patrick Hammon*
(SIGNATURE OF PERSON ACKNOWLEDGING RECEIPT, WITH TITLE IF
ACKNOWLEDGMENT IS MADE ON BEHALF OF ANOTHER PERSON OR ENTITY)

Page 1 of 1

Form Adopted for Mandatory Use
Judicial Council of California
POS-015 [Rev. January 1, 2005]

NOTICE AND ACKNOWLEDGMENT OF RECEIPT — CIVIL

Code of Civil Procedure,
§§ 415.30, 417.10
www.courtinfo.ca.gov

POS-015

ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NO: 250346	FOR COURT USE ONLY
NAME: Justin T. Berger			
FIRM NAME: COTCHETT, PITRE & McCarthy, LLC			
STREET ADDRESS: 840 Malcolm Road			
CITY: Burlingame	STATE: CA ZIP CODE: 94010		**ELECTRONICALLY**
TELEPHONE NO.: (650) 697-6000	FAX NO. : (650) 697-0577		**F I L E D**
E-MAIL ADDRESS: jberger@cpmlegal.com			*Superior Court of California,*
ATTORNEY FOR (Name): Plaintiffs Jessica Fuller; Alexander Goncalves; et al.			*County of San Francisco*

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO

STREET ADDRESS:
MAILING ADDRESS: 400 McAllister Street
CITY AND ZIP CODE: San Francisco, CA 94102
BRANCH NAME: Civil Center Courthouse

03/22/2023
Clerk of the Court
BY: RONNIE OTERO
Deputy Clerk

Plaintiff/Petitioner: Jessica Fuller et al.

Defendant/Respondent: Bloom Institute of Technology, a formerly d/b/a Lambda et al.

NOTICE AND ACKNOWLEDGMENT OF RECEIPT—CIVIL	CASE NUMBER: CGC-23-605179

TO *(insert name of party being served):* BLOOM INSTITUTE OF TECHNOLOGY, formerly d/b/a Lambda School
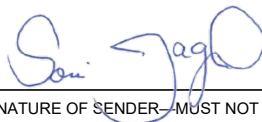

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Date of mailing: March 21, 2023

Sonia Zaghari
(TYPE OR PRINT NAME)

► *(signature)*
(SIGNATURE OF SENDER—MUST NOT BE A PARTY IN THIS CASE)

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> (2) Notice to Plaintiff;
> (3) Civil Case Cover Sheet.

(To be completed by recipient):

Date this form is signed: March 22, 2023

Patrick Hammon
(TYPE OR PRINT YOUR NAME AND NAME OF ENTITY, IF ANY,
ON WHOSE BEHALF THIS FORM IS SIGNED)

► *Patrick Hammon*
(SIGNATURE OF PERSON ACKNOWLEDGING RECEIPT, WITH TITLE IF
ACKNOWLEDGMENT IS MADE ON BEHALF OF ANOTHER PERSON OR ENTITY)

Page 1 of 1

Form Adopted for Mandatory Use Judicial Council of California POS-015 [Rev. January 1, 2005]	**NOTICE AND ACKNOWLEDGMENT OF RECEIPT — CIVIL**	Code of Civil Procedure, §§ 415.30, 417.10 www.courtinfo.ca.gov

Contact Us

THE SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO

Case Number: CGC23605179
Title: JESSICA FULLER ET AL VS. BLOOM INSTITUTE OF TECHNOLOGY, ET AL
Cause of Action: BUSINESS TORT
Generated: 2023-03-27 6:37 pm

Register of Actions   Parties   Attorneys   Calendar   Payments   Documents

Please Note: The "View" document links on this web page are valid until 6:47:39 pm
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Register of Actions

Show 10 ⌄ entries   Search: [   ]

Date	Proceedings	Document	Fee
2023-03-22	SUMMONS ON COMPLAINT (TRANSACTION ID # 100194520) FILED BY PLAINTIFF FULLER, JESSICA GONCALVES, ALEXANDER MCADAMS, BRETT MOLINA, QUINN SERVED MAR-21-2023, MAIL AND ACKNOWLEDGEMENT, ACKNOWLEDGMENT DATE MAR-22-2023 AS TO DEFENDANT ALLRED, AUSTEN IN HIS INDIVIDUAL CAPACITY	View	
2023-03-22	SUMMONS ON COMPLAINT (TRANSACTION ID # 100194519) FILED BY PLAINTIFF FULLER, JESSICA GONCALVES, ALEXANDER MCADAMS, BRETT MOLINA, QUINN SERVED MAR-21-2023, MAIL AND ACKNOWLEDGEMENT, ACKNOWLEDGMENT DATE MAR-22-2023 AS TO DEFENDANT BLOOM INSTITUTE OF TECHNOLOGY, FORMERLY D/B/A LAMBDA SCHOOL	View	
2023-03-17	SUMMONS ISSUED (TRANSACTION ID # 100193926) TO PLAINTIFF FULLER, JESSICA GONCALVES, ALEXANDER MCADAMS, BRETT MOLINA, QUINN	View	
2023-03-16	NOTICE TO PLAINTIFF	View	
2023-03-16	CIVIL CASE COVERSHEET FILED (TRANSACTION ID # 100193926) FILED BY PLAINTIFF FULLER, JESSICA GONCALVES, ALEXANDER MCADAMS, BRETT MOLINA, QUINN	View	
2023-03-16	BUSINESS TORT, COMPLAINT (TRANSACTION ID # 100193926) FILED BY PLAINTIFF FULLER, JESSICA GONCALVES, ALEXANDER MCADAMS, BRETT MOLINA, QUINN AS TO DEFENDANT BLOOM INSTITUTE OF TECHNOLOGY, FORMERLY D/B/A LAMBDA SCHOOL ALLRED, AUSTEN IN HIS INDIVIDUAL CAPACITY DOES 1 THROUGH 9 NO SUMMONS ISSUED, JUDICIAL COUNCIL CIVIL CASE COVER SHEET NOT FILED CASE MANAGEMENT CONFERENCE SCHEDULED FOR AUG-16-2023 PROOF OF SERVICE DUE ON MAY-15-2023 CASE MANAGEMENT STATEMENT DUE ON JUL-24-2023	View	$435.00

Showing 1 to 6 of 6 entries   Previous   1   Next