May 7, 2020

California Department of Justice  
455 Golden Gate Ave, 11th Fl.  
San Francisco, CA 94102

Dear [Name],

I write asking you to take action against a school that we believe is operating without proper authority in your state. Lambda Inc. (also known as Lambda School) is based in Pleasanton, California. On March 20, 2019, the California Bureau on Private Postsecondary Education (“BPPE”) ordered Lambda to cease operations. This order was later affirmed by the agency on July 24, 2019. Nonetheless, Lambda continues to operate. The California Attorney General should take action against Lambda because it is promising students an affordable, high-quality education but ultimately fails to deliver on its promises. If allowed to continue, Lambda will cause irreparable harm to California students.

[Name], an Army veteran who attended Lambda School’s UX Design program is one of those students. [Name] withdrew from Lambda due to its low quality education and brought forth several troubling concerns to Veterans Education Success regarding Lambda’s misleading advertising and unmet promises. [Name] was drawn to Lambda’s UX program by advertisements she saw online that guaranteed high-paying jobs. She enrolled with Lambda on June 14, 2019. To [Name]’s dismay, she discovered that Lambda’s UX program did not live up to these advertisements. She found a disorganized program that barely taught students basic tech skills with poor student outcomes. She also discovered that the California BPPE issued an order of abatement to Lambda to cease its operations on March 20, 2019, two months before she enrolled. Now that [Name] has withdrawn from the UX program, Lambda is trying to activate her ISA and force her to pay.

Lambda should have ceased its operations in April 2019 per the BPPE’s order of abatement, yet it continues to enroll students in its programs. [Name]’s enrollment was illegal. The California Attorney General should enforce the BPPE’s order of abatement against Lambda. As it stands today, students are being exploited by a program that is operating illegally and providing substandard training at high cost.
1. The California Attorney General should enforce the BPPE’s order of abatement

The BPPE’s order of abatement states that “[Lambda] must discontinue recruiting or enrolling students and cease all instruction 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 [Lambda].”¹ The BPPE’s order became effective on March 20, 2019. E saw advertisements in May 2019, signed her ISA on June 14, 2019, and started the UX program on September 9, 2019. Lambda continues to operate, enroll students, and advertise in direct violation of the BPPE’s order of abatement. E’s enrollment was in violation of the BPPE’s order.

Additionally, Lambda’s ISAs are unenforceable because Lambda has not been approved to operate in California. According to California Education Code § 94902, "[a]n enrollment agreement is not enforceable unless all of the following requirements are met... At the time of the execution of the enrollment agreement, the institution held a valid approval to operate."²

2. Lambda’s UX program violated BPPE’s order

Lambda School is a company that operates online coding bootcamps out of San Ramon, California. It offers to teach students “tech skills” through multiple programs, including a user interface (“UX”) program.³ Students finance their education at Lambda primarily through income sharing agreements (“ISA”). Veterans Education Success has received complaints from multiple students about Lambda’s quality of education and concerns about the legitimacy of its programs. Students have also complained about Lambda approaching them with restrictive ISA termination agreements. E first reached out to Veterans Education Success about her concerns with Lambda on January 31, 2020:

“My name is E, and I’m a disabled veteran. Currently, I’m enrolled in a UX Bootcamp called Lambda School, for the past 5 months I have been working through their full-time curriculum and I don’t feel like they've done 30k worth of work. I feel like I was misled. They’re not even legally allowed to operate due to licensing issues in the state they operate in. Everything about my enrollment is basically fraudulent.

And had I been privy to this information, I would not have enrolled as their lack of a license makes it hard to protect students like me from their predatory practices. I’m reaching out because I foresee a whole lot of issues with getting out of my ISA as I have spent about 50% of the program already studying under them.”

¹ https://www.bppe.ca.gov/enforcement/actions/lamba_ord.pdf
² CA Educ Code § 94910.
saw online advertisements for Lambda in May 2019. She found the online UX program appealing because she is a stay at home mom and wanted to get additional tech experience. She was also drawn in by advertisements promising a high paying job in the tech industry. signed an ISA with Lambda on , and started the UX program on . To ’s dismay, she discovered that Lambda’s UX program did not live up to its advertisements. She found a disorganized program that barely taught students basic tech skills with poor student outcomes. These issues prompted to do some research, and she discovered that California’s BPPE issued an order of abatement against Lambda on March 20, 2019 because it failed to register as a private postsecondary school. The order required Lambda to “discontinue recruiting or enrolling students and cease all instructional services and advertising in any form or type of media, including the [website] ...” She also found multiple articles discussing how Lambda is misrepresenting its quality of education and student outcomes. Lambda is also selling ISAs to investors and trying to get students to sign ISA termination agreements that absolve Lambda of liability, indicating that it cares more about profit than the success of its students. decided to withdraw from Lambda due to the low quality of education of its UX program and the BPPE’s order of abatement. Despite ’s withdrawal and the BPPE’s order of abatement, she still sees Lambda advertisements on her Facebook feed (one with 92.2 thousand views) and has had advertisements sent directly to her LinkedIn inbox.

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4 Citation: Assessment of Fine and Order of Abatement, BUREAU FOR PRIVATE POSTSECONDARY EDUCATION, available at https://www.bppe.ca.gov/enforcement/actions/lamba_ord.pdf (last visited March 17, 2020).
5 Id. at 2.
Lambda School

Jumpstart your career

Are you ready to start your new career today? With online classes taught by live instructors and one-on-one mentoring, Lambda School is your gateway to a new career in just 9 months. And the best part? You won’t pay a cent upfront until you land a high-paying job.

Learn more about the curriculum:
- Learn the skills you need to get hired
- Build real products and a beautiful portfolio
- Work daily with instructors and career coaches

All the best,
Lambda School
Apply Now →

[Image above: Lambda advertisement that was sent to [Redacted]’s LinkedIn inbox on February 24, 2020]
Additionally, Lambda continues to operate [https://lambdaschool.com](https://lambdaschool.com) and has not acknowledged the BPPE’s order of abatement on its website. It only states that its UX Design course is unavailable and that Lambda is “working on something new.” There is no mention of the BPPE’s order of abatement on Lambda’s legal and regulatory information page either.

![image above: notice that Lambda is not currently offering UX Design classes, downloaded March 13, 2020]

![image above: Lambda’s Legal and Regulatory Information page, downloaded March 13, 2020]

On March 23, 2020, Lambda informed students that it was putting its UX program on an indefinite hold.⁸ Lambda also gave students the option to file for arbitration by March 27, 2020.

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Lambda should have ceased all of its operations in April 2019 per the BPPE’s order of abatement, yet it continues to enroll students in its programs. It does not warn students on its website that it was issued an order of abatement by the BPPE. As it stands today, students are being exploited by a program that is operating without proper authority in California and providing substandard training at high cost.

3. **Lambda’s UX program is not what it is advertised to be**

identified the following problems with Lambda’s UX program:

- Lambda instructors barely taught foundational information and seemed unqualified to teach.
- Students were hired to teach and grade assignments as “facilitators.”
- Students were assigned “real world projects.” These projects were well-beyond the realm of what students could do.
- Lambda was highly disorganized, as students would work on one aspect of a UX project only to be told that they were meant to be working on another aspect a few weeks later.
- The head of the UX program was unresponsive to questions and “team leads” (other students in teaching positions) had to come up with material to teach “on the fly.”
- Students were given assignments that were meant to take six hours, but which took 15 minutes.
- A student was “kicked out of all of the learning environments” because they asked how to withdraw from Lambda and “get out” of their ISA on Lambda’s slack channel.  

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9 Slack is an instant messaging platform.
She also identified problems with Lambda’s career services and student outcomes:

- Lambda recruiters made it seem like “you could walk in anywhere and get a job.” Lambda’s career services office did not help students with resumes or help them find job opportunities. Students were often told to apply for jobs on LinkedIn.
- Saw advertisements claiming that students would learn how to code in 9 months and that graduates earn six figure incomes. She discovered that graduates with six figure incomes were tech professionals prior to beginning their education at Lambda.
- Lambda promised students an “illustrious UX design career,” but students complained online about their inability to find work.

4. Other Lambda students have come forward with complaints

Like , other students have come forward to Veterans Education Success with complaints about Lambda:

, US Army veteran

“United States Army 2006. I currently go to Lambda School for UX/UI design. A lot of articles have come out regarding some unsavory practices and lies that they have told us. I am a part of the first few groups of UX students and the curriculum is completely untested. It's constantly changed and I feel like I am being bamboozled for lack of a better word. I don't want to be on the hook for 30k for this dollar tree education that was copied and pasted from free resources and taught by unskilled instructors. My cohort started out as a very large group of 40+ and now we have 8.”

“My issues with Lambda were that I received an education that was surface level and disorganized. Untrained students were handling a large portion of the teaching. As a result, I filed a complaint with them. They offered me the option to withdraw completely from the school and have my Income Share Agreement cancelled. Almost a month later, I still have not received my confirmation from them that my contract has been successfully cancelled through their ISA partner, Leif. However, I signed a legal document expressly stating that I should have this cancelled. The school has assured me it has been cancelled, but due to a ‘technical difficulty’ it is still not showing up officially on paper. I suspect this is because they may have pawned off my contract despite advertising they do not get paid until I do.”
“I am a student (UXPT2) at Lambda School and am currently in the process of withdrawal. My experience was very disappointing especially since they did not deliver what was advertised to us. There has been many changes to the program and the school took advantage of us test subjects to test their program before it was even ready to launch. I signed an ISA for 17% of my income upon landing a job in a relevant position making at least $50K a year. I signed the agreement March 16th, 2019. However, due to the distasteful experience, myself and others tried to negotiate our ISA due to the fact that it was a sham of an experience. They refused to negotiate the ISA and said I rather withdraw from the program, or continue on in my current track/switch tracks. I would like to leave the program and not waste any more time than the 7-8 months that I’ve already wasted here, which I will never get back. I have been in contact with others who were essentially given an NDA to sign stating the exiting student basically was never there in order to withdraw from the program and be released from the ISA. I have not made it that far in the process yet, but I am expecting to receive the same offer, for which I am concerned about as they want to silence us about our experience there. Therefore, I am here asking for your help.”

“I am a student (UXPT2) at Lambda School and am currently in the process of withdrawal. My experience was not up to par with what was advertised and told to us.”

US Army veteran

“In the beginning, everything seemed fine, we had great instructors in the beginning. There was a turning point when we were assigned a project of designing an app to prevent sexual assault victims in conjunction with a non-profit company. We were really looking forward to this as most (if not all) of our projects had been based on hypothetical food apps or sites, and this would be a real product we're bringing into the world to help people. A week into interviewing sexual assault victims and having them re-live the experience and promising them that we're making an app to help, our interim-program manager stops the project immediately saying: ‘We've been conducting a review of our student projects and realized that the project provided to UXPT2 was not officially vetted by the Co-op team, which manages all outside projects. In working with Student Success, we have decided to change the project effective immediately.’ Our instructor just disappeared and we never heard from her again. This canceled project, in turn, got replaced with yet another hypothetical food-based app. A team of students
proposed an actual replacement project (a mobile app based on the school’s current learning kit) which ended up getting approved, which was great.

Everything went downhill from here. The ‘Training Kit’ (the written learning materials) was changed to include updates and re-organize it. Nothing was ever communicated with us clearly and any communication was always last-minute and we usually had to learn on our own from free and publicly available documentation on the subjects. From here on out, our ‘instructors’ rarely even showed up to teach us. When they did show up, they just read a script provided in the slideshow and Training Kit by Lambda and never provided their own insight. It was like they didn’t even know what they were teaching. When asked questions, the instructors never actually answered the questions and provided very vague responses and to look online through free and publicly available topics to find the answer ourselves....

The excuse that staff typically provided to anything we felt wrong was: ‘This is how the real world is, suck it up’. While I agree that that is for the most part how the real world is, we are paying students (upward to $30k) to be in an effective learning environment.”

As shown by the complaints above, Lambda students were concerned about Lambda’s quality of education, its misleading advertising, a disorganized learning environment, and its ISA termination agreements functioning as non-disclosure agreements.

5. Lambda makes misleading claims about its ISAs online

Lambda offers students ISAs as a means to fund their education. ISAs are “a financing mechanism in which a school or other entity pays for all or a portion of the upfront tuition costs, and in return the students commit to pay a percentage of their future earnings over a period of time after completion of the program.”\textsuperscript{10} For example, Lambda’s tuition for its UX program is $30,000, but ISA students do not pay upfront. After graduation, a percentage of their income (in our case, 17%) is sent to Lambda in order to pay for tuition.\textsuperscript{11} With many ISAs, if students are not earning a certain amount by a certain point after graduation, they do not have to pay for their tuition. For example, Lambda’s ISA states that if a student does not earn a “minimum monthly amount” of $4,166.67 for 60 months, then his or her


\textsuperscript{11} Lambda ISA (attached), p.2.
payment obligations under the ISA are terminated. Theoretically, this provides schools with an incentive to ensure that ISA students are gainfully employed.

Lambda advertises on its website the fact that it relies on ISAs for payment is proof that it “invests” in its students’ success.

Lambda goes as far to claim that it “only succeed[s] when you do,” promising that it will “help get you hired.”

Multiple students stated that the fact Lambda offered ISAs gave them confidence about its quality of education. stated that Lambda’s reliance on ISAs “made me feel like

\[\text{image above: Lambda ISA claim, downloaded March 13, 2020}\]

\[\text{image above: Lambda job placement promise, downloaded March 13, 2020}\]

\[^{12}\text{Lambda ISA, p.4.}\]
their education was top notch, that it was so good how could I not find a job.” stated:

“Lambda’s ISA was the main reason I enrolled in the school because I was led to believe they don’t get paid until I do, which means they would work to ensure I am ready for the UX industry to secure the best paying job possible. When the quality of education proved to be subpar, I became a bit skeptical of the program. When I found out they were selling off contracts for quick funds, I was not surprised. That was the dealbreaker for me because it meant they had been falsely advertising.”

Again, based off the student complaints listed previously, Lambda did not fulfill its promise of providing a quality education, and ISAs were part of how it misled students into believing the education was high quality.

Lambda has offered multiple students seeking to terminate their ISA agreements release from their ISAs in exchange for immunity from civil liability. In pertinent part, the agreement states:

“I release Lambda School...from any and all claims (including liabilities, actions, causes of action, obligations, costs, attorneys’ fees, damages, losses and demand of every character, nature, kind, and source, whether legal, equitable or otherwise)...which are or could have been asserted against Lambda School including but not limited to Claims regarding my attendance, instruction, and/or participation in the Lambda School program, my Lambda School ISA, any dispute regarding the content or quality of the program in which I was enrolled, and/or otherwise. This release includes all claims under state, federal, and local laws and regulations.”

Many Lambda students were reluctant to discuss their complaints with Veterans Education Success after signing this termination agreement, likening it to a non-disclosure agreement. They are worried that these ISA termination agreements are a means to keep students quiet about their quality of education concerns at Lambda. These termination agreements, and the ISA agreements signed after the BPPE’s order of abatement, are likely illegal and therefore unenforceable. Again, Lambda was ordered to stop operating on March 20, 2019, yet Lambda continued enrolling students and then tried to shield itself from liability for doing so using these termination agreements.

Overall, Lambda’s claims regarding its ISAs on its website are deceptive because they imply that its programs are higher quality than they really are and that Lambda helps students find post-graduate employment, which it does not. According to the student complaints received by Veterans Education Success, the programs it offers are low quality and many

13 ISA termination agreement (attached).
14 ISA termination agreement.
Lambda students are unable to find post-graduate employment. Again, [redacted] stated that she saw students complain online about not being able to find work and being referred to LinkedIn by Lambda. For students who have found jobs in their field, many left early in order to find employment using their previous tech experience. For example, [redacted] was able to find a job after leaving the UX program early based off tech experience she had prior to attending Lambda. Additionally, the fact that Lambda is offering to terminate aggrieved students’ ISA agreements in exchange for immunity from civil liability indicates that it misrepresented the quality of its programs. This all demonstrates that Lambda’s ISA claims are deceptive.

6. Lambda is making misleading post-graduate employment claims

Lambda is making misleading claims about the connections it has with employers. On its career placement page, Lambda claims that it “advocates” for its students and that it reaches out directly to hiring managers to help students find work. A screenshot of a Lambda representative reaching out to an employer is displayed next to this claim.

[Image above: Lambda job placement promise, downloaded March 13, 2020]
Lambda also implies that its graduates secure jobs at large tech companies, including Amazon, Google, and Microsoft on its “Hire a Lambda Grad” page.¹⁵

Lambda has also made misleading claims about job placement rates. The Lambda School CEO claimed a group of students had a 100% hiring rate when that group was comprised of exactly one person.\(^\text{16}\) The UX program manager revealed how small this sample size was on Lambda’s Slack channel.

![image above: Lambda slack channel conversation, downloaded March 25, 2020](image)

As mentioned previously, stated that Lambda students complain about their ability to find work after graduation, and that students received minimal career services help, often being told to use LinkedIn to find post-graduate employment. This is a far cry from the promises made on Lambda’s career placement page.

Additionally, Lambda’s claim that its graduates are trusted by “top companies” like Amazon, Microsoft, and Google is similar to conduct that the Federal Trade Commission has determined to be illegal in the past. The Commission recently entered into a settlement with

the University of Phoenix over similar claims about connections with employers.\textsuperscript{17} According to the complaint, “[University of Phoenix] misrepresented to consumers that...UOP’s relationships with companies, such as Adobe, Microsoft, and Twitter, create career or employment opportunities specifically for UOP students.”\textsuperscript{18} University of Phoenix ran advertisements that implied that it had connections with those companies and guaranteed students jobs.\textsuperscript{19}

Similarly, Lambda is implying that its graduates are hired by companies like Amazon, Google, and Microsoft by featuring their logos on its “Hire a Lambda Grad” page. While Lambda does not explicitly claim so, a reasonable consumer could draw the conclusion that Lambda is promising students that it can get them jobs with the “top companies” it features on its “Hire a Lambda Grad” page, especially considering that Lambda claims that it “reaches out to hiring managers directly” on its career placement page, and that it has a “nationwide network of hiring partners.”\textsuperscript{20} In light of student complaints about job placement and career services support, Lambda’s claims are misleading.

7. Lambda makes misleading claims about the competitiveness of its programs and the qualifications of its teachers

Lambda makes potentially misleading claims about how difficult it is to get admitted into Lambda and the qualifications of its instructors. For example, Lambda claims that it accepts only 7% of applicants to each cohort “to ensure that every student has the grit.”

\[\text{image above: claim on Lambda website making it seem like admissions is more difficult than it really is, downloaded March 13, 2020}\]


\textsuperscript{18} U.S. v. The University of Phoenix, Inc., et. al, Complaint, December 10, 2019, 3.

\textsuperscript{19} Id. at 6.

Based off the student complaints listed above, this is unlikely to be true. The fact that Lambda promised students a quality education, but then provided a disorganized learning environment and taught material that could be found for free online, indicates that Lambda’s claim is likely false. This is further supported by the fact that finished assignments that were meant to take students six hours to complete in 15 minutes. Lambda likely made this claim to make its program seem more prestigious than it really is.

Lambda also claims that its instructors have “an educational or professional background in practical engineering, data science, or UX, often combined with teaching experience.”

The student complaints listed above demonstrate that this is misleading. complained that instructors seemed unqualified, described instructors as being “unskilled,” and stated that instructors relied heavily on “slideshows” and referred students to free and online sources to teach themselves when they asked questions. Additionally, “team leads,” which are merely students with no prior teaching or work experience, teach at Lambda. Lambda’s claim about the qualifications of its teachers is misleading because it implies that everyone teaching at Lambda has an educational or professional background in the tech industry. Student complaints indicate that instructors lack qualifications and that Lambda relies on students with limited or no experience to teach material.

The fact that Lambda is likely making misleading claims about how difficult it is to be admitted into its program and the qualifications of its teachers is significant because both are techniques used by predatory colleges to induce students to enroll. The Department of Education has recognized both practices as being fraudulent. On the Department of Education’s application for borrower defense and loan repayment, a student applying for relief is asked “did the school mislead you (or fail to tell you important information) about...how difficult it was to be admitted” and “[the] qualifications of teachers, instructional methods, or
other types of educational services." It is likely that Lambda is using these deceptive enrollment techniques to induce students to enroll into its programs.

Conclusion

Students throughout the United States continue to be harmed by Lambda, and more consumers will be harmed if the California Attorney General stands by and does nothing. With thousands quarantined and out of work due to the COVID-19 pandemic, consumers are especially vulnerable to Lambda’s deceptive promises of an affordable online education and high paying jobs. As demonstrated by the complaints listed above, Lambda did not deliver on its promises and put students on the line for tens of thousands of dollars. The California Attorney General should enforce the BPPE’s order of abatement to protect students from Lambda’s unscrupulous business practices.

Should you have any questions, I can be reached at (202) 838-5050 or Alex@VetsEdSuccess.Org

Very Respectfully,

Alex Kish
Attorney