



The defunct Stratford University, which had campuses in Woodbridge, Alexandria and Baltimore, has filed for bankruptcy after its abrupt closure last fall. Pictured are students seeking answers during an information session last September. JARED FORETEK | INSIDENOVA

# Defunct Stratford University files for bankruptcy

President, vice president listed as biggest creditors

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Stratford University, the for-profit college whose abrupt closure last year left hundreds of students without a clear path to a degree, officially filed for Chapter 7 bankruptcy earlier this month.

In Feb. 2 filings with the Eastern District of Virginia's bankruptcy court in Alexandria, the defunct college claims to hold \$696,241 in assets but over \$8.5 million in debt. According to the filings, \$2.2 million of that debt is owed to the U.S. Department of Education for loans that the department had to discharge because of the school's closure.

Creditors will have until May 12 to file proof of claims.

The university quickly shuttered last September after its accreditor, ACICS, was decertified by the U.S. Department of Education for failing to meet federal standards and Stratford failed to find a new accrediting institution. The decertification meant that Stratford – which at the time operated campuses in Woodbridge, Alexandria and Baltimore – could no longer accept federal student loans, the main revenue source for for-profit colleges.

At the time, Stratford President Richard Shurtz said that without that revenue, the college could not continue to operate. The

college referred its roughly 800 nursing students to other nearby for-profit colleges to transfer, but representatives for those colleges said that most of their credits would not transfer with them. As a result, students were set back years – and out thousands of dollars – in their pursuit of a nursing degree. Some told InsideNoVa that they'd given up on nursing altogether, even as the nationwide shortage of nurses persists.

The filings detail what the Shurtz and Stratford's trustees claim are the college's remaining assets: about \$475,000 spread between two checking accounts and one bond account, \$174,000 in office furniture and fixtures, \$36,000 debts owed to the college and \$10,000 in other inventories, including what the filing calls "graduation regalia & supplies."

The documents also list the 120 unsecured creditors the university has counted so far, with more certain to make claims before the May deadline. The college claims to owe the DOE and the U.S. Department of Treasury over \$2.2 million and \$621,000, respectively, for "loans." It also lists over \$1 million in unpaid rents for its two Northern Virginia locations and \$375,000 for its terminated lease in Glen Allen, where the college ran a campus until 2019.

Shurtz also lists himself and his wife, Mary Ann Shurtz, as the biggest creditors, claiming that the university owes the

couple – who served as president and vice president of Stratford – \$2.5 million for eight promissory notes. If the court finds their claim legitimate, it could mean that Stratford's president and vice president get the biggest sum in their own college's liquidation.

## DWINDLING FUNDS

The filings also shed light on payments to university insiders in its final year of operation. The college paid out over \$30,000 in stipends to seven trustees in 2022, but the biggest financial recipients from the business were the Shurtzes. Though the filing doesn't differentiate which expenses were Richard's and which were Mary Ann's, the filings for 2022 alone show over \$18,000 in lease and insurance payments for the Shurtz's cars, over \$4.7 million in loan payments and "collateral return" to EagleBank on behalf of the Shurtzes, and over \$330,000 in business credit card payments. Richard and Mary Ann were paid \$145,384.62 and \$96,923.08, respectively, in salary for 2022.

At the same time, the college's revenues were declining rapidly, falling from over \$33 million in 2020 to \$20 million in 2021 and \$12.6 million last year, which was impacted by the closure with three months left in the year.

"Obviously, there's going to be questions about things like [the money going

to the Shurtzes]," Tal Franklin, an attorney representing some former Stratford students, told InsideNoVa., "where somebody ... took tuition for not delivering a product. Seems to me like it would be a better use of funds than paying for his car or whatever he was doing, to actually pay for the education or to refund that [tuition money]."

Franklin, who's represented other students in lawsuits against for-profit colleges that closed, said he and his colleagues are considering whether or not to bring litigation against the university and its board of trustees. His firm had already begun representing students in arbitration cases brought against the college, but all civil cases are automatically stayed while the bankruptcy proceeding takes place.

It's still unclear whether or not the university has insurance that would cover litigation. Franklin said he's waiting to hear whether or not Stratford's attorneys think the automatic stay should extend to potential action against the trustees. If they assert that the stay does extend to trustees, Franklin said he and his co-counsel will likely challenge that assertion in court.

"We'd much rather do this in a cooperative manner and, frankly, you couldn't find a more sympathetic group of people who are asking, I think, legitimate questions about where their funds went. And time is their enemy," Franklin said of the college's students.



# OmniRide operators strike, causing major disruptions

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OmniRide bus and paratransit operators went on strike Monday, forcing the system to suspend service on all commuter routes and disrupting some local and Metro express lines.

In a news release, Teamsters Local 639 – which represents the drivers – said that about 150 operators went on strike starting at 3 a.m. Monday. The union alleged that Keolis, the private company that operates OmniRide service, was engaging in “unfair labor practice,” driving the Teamsters to authorize a strike last week.

“Keolis has been purposefully dragging its feet for six months, refusing to agree to anything at the bargaining table. This is a violation of federal labor law, and our members have no other option but to strike over these violations,” Teamsters Local 639 Secretary-Treasurer Bill Davis said in the statement. “Teamsters drivers are proud of the important transportation services they provide to their communities, but they were forced to take action because Keolis hasn’t been willing to change its illegal behavior.”

The press release did not say what violations were being alleged or what issues are currently being bargained over.

On Monday morning, OmniRide announced that all OmniRide Express commuter routes and the 60 Manassas Metro Express line were suspended. Frequencies on all five local OmniRide routes were reduced, with buses running every 90 minutes.

“Keolis continues to prioritize providing safe and reliable transit services for our passengers and supporting our team,” Keolis said in a statement. “We look forward to continuing productive negotiations with our labor partners on a contract that supports the professional and personal development of our valued team members.”

OmniRide, meanwhile, said in a statement that it and the Potomac Rappahannock Transportation Commission – the system’s governing body – were “confused” by the action. PRTC’s preliminary fiscal 2024 budget was recently approved and referred to member localities for sign-off and includes additional funding for Keolis to negotiate with.



Teamsters Local 639 Secretary-Treasurer Bill Davis speaks at a rally outside the Loudoun County government center Feb. 14. Teamsters and Amalgamated Transit Union Local 689 were rallying against Keolis, the France-based company that operates both OmniRide in Prince William County and Loudoun County Transit. **TREVOR BARATKO | INSIDENOVA**

“That preliminary budget includes additional monies for Keolis to put on the bargaining table with the operators’ union,” OmniRide said in its statement. “All driver wages/benefits come directly from the state and localities, or more specifically the taxpayers. One hundred percent of any additional funds for wages are being provided through subsidies from the General Assembly or locality budgets. PRTC is only a conduit.”

Keolis took over as OmniRide’s service provider in 2020. It also operates Loudoun County Transit, where operators with Amalgamated Transit Union Local 689 have been on strike since January, unable to reach an agreement with the company on a new agreement. Workers there say

the company has offered low wages and cut company 401k contributions.

On Tuesday, workers from both unions held a rally in Loudoun County, saying that the wages and health insurance Keolis was offering was insufficient.

Davis, ATU Local 689’s lead negotiator on the contract, boiled down the asks to three items: decent wages, health care and retirement.

“It’s disrespectful what they’re doing to us. They’re asking us to work for low wages, long hours, and just expect us to get by ... We’re just not gonna do it anymore,” he told the crowd Tuesday. “We’re not working for nothing no more.”

Speaking with InsideNoVa, Davis said Tuesday’s negotiations didn’t bring much

progress.

“The company didn’t do much at all, so we’re going to remain on strike until we get a fair contract,” he said. “We’re looking for a liveable wage that has a pathway to a top-scale wage. And right now, they’re offering a decade to get a decent wage and we’re just not going to agree to that ... And we’re not going to agree to higher health care costs, we’re not going to do that. And we want a decent retirement.”

In an announcement Wednesday, OmniRide extended the service suspensions and reductions at least through Friday, when the sides plan to meet again. According to OmniRide’s announcement, “Keolis presented a revised wages/benefits proposal, but no agreement was made.”

## Prince William County planning \$123M in capital projects

» BY NOLAN STOUT  
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Prince William County officials hope to put about \$123.2 million toward capital projects in the upcoming fiscal year.

Officials presented the proposed \$1.26 billion Capital Improvement Program to the Board of County Supervisors on Tuesday.

The CIP, a six-year plan for capital projects, is approved annually, but funding is allocated only one year at a time.

The allocation proposed for fiscal 2024, which starts July 1, is \$123.2 million.

The county is operating on a \$1.48 billion budget for fiscal 2023 and \$334.8 million budgeted toward the CIP.

The biggest single allocation is \$22.3 million toward construction of a homeless navigation services

center on the eastern end of the county. It would be a 30,000-square-foot facility on the existing drop-in center site.

The second biggest project is \$18.5 million toward construction of a new fire and rescue station in the Potomac District. The proposal also would create a new \$4 million annual program to fund major renovations or replacements of existing fire stations. The program would be funded by the fire levy and distributed by the fire and rescue system executive committee.

The third biggest project is design and beginning work on an upgrade to the county’s judicial center, home to the shared court system of the county, Manassas and Manassas Park, offices of the commonwealth’s attorney and sheriff and is attached to the county jail.

In total, a consultant said the facility needs a \$488

million expansion to more than double its size.

The proposed CIP has \$16.6 million for design and construction of parking and courtroom space. The plan includes a 950-space parking garage on an existing lot, taking the number of parking spots from 1,191 to 1,933.

Other projects proposed to receive funding in the upcoming year are:

- \$24.1 million for various parks and recreation project
- \$7.4 million to the landfill cap and liner project
- \$3.2 million toward stormwater management

The CIP will be considered along with the county’s annual spending plan. County Executive Chris Shorter is scheduled to present his proposed budget on Feb. 28.

The first public hearing is scheduled for March 21, and the budget is expected to be approved on April 25.



# B&B Theatres coming to downtown Manassas Park

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Manassas Park has found a new movie theater franchise to take over downtown.

On May 12, the city announced that B&B Theatres and Norton Scott LLC, the developer for the city's new downtown city hall building and townhomes, have signed a letter of intent to build a new eight-screen movie theater adjacent to the city hall complex.

"The theater will feature heated recliner seats, wall-to-wall curved screens, a full bar, an expanded theater menu and Sterling's Bar and Grille," the city said in a press release.

The announcement comes after the city's original theater partner, Cinema Cafe, backed out of a similar plan to build the movie complex in September. The theater is seen as the entertainment anchor of Manassas Park's phase three downtown redevelopment project, which includes the 300 townhomes and the new city hall and library building with ground-floor restaurant space.

City Manager Laszlo Palko attributed Cinema Cafe's move to rising costs with inflation. The initial plan was for Cinema Cafe to build and own the theater complex, but after the chain pulled out, Norton Scott and the city decided it made most sense for the developer to build, own and lease the theater complex out. Last week, Palko told InsideNoVa that B&B and Nor-



Kansas City-based B&B Theatres has agreed to run a new eight-screen theater complex in Manassas Park.

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ton Scott had agreed to terms for a lease agreement and would begin design work this summer.

Palko declined to say how long the lease would be, but said that "it's a long-term strategy for all parties."

"They've negotiated all the terms, they have an agreement on terms now on all the financial elements of a lease, and now their attorneys will actually work on a lease agreement to knock out the legalese," Palko said.

After downsizing the designs for the city hall building during the pandemic, Palko said the city is still planning to occupy a top-floor "city hall annex" above the the-

ater building. According to Palko, Norton Scott is planning to hold off on finalizing a lease with B&B until the details of the annex plan are hashed out.

After all the leases are agreed to, Norton Scott will still have to wait for site plan approval of the city's phase four downtown plan and for the planned Virginia Railway Express parking deck to be nearing completion before it can break ground on the theater complex. Last year, Palko and other city leaders were still hoping that the theaters might come on line in 2024, but they said it would more likely open in 2025.

"I'm praying that [a 2024 opening] can

happen, I'm just being realistic. These things take time, so I think it's more likely 2025, but we'll do our best to get it," Palko said.

The fifth-largest theater chain in the country, Kansas City-based B&B operates 529 screens in 57 locations, according to the city's press release. It runs only one movie theater in Virginia, in Blacksburg.

"The addition of this entertainment venue will fulfill the City of Manassas Park's transformative vision for creation of a vibrant downtown through its Public Private Partnership with Norton Scott LLC," the release reads. "We are excited to be bringing B&B to our Downtown."