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8	BEFORE THE	
	REGISTRAR OF CONTRACTORS CONTRACTORS' STATE LICENSE BOARD	
9	DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA	
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11	In the Matter of the Accusation Against:	Case No. N2014-298
12	STRBAAK AIR SYSTEMS INC., HEZEKIAH KAREEM GRAY, RMO	·
13	850 South Van Ness Ave., Ste 6 San Francisco, CA 94110	ACCUSATION
14	Contractor's License No. 976603, B, C-20,	
15	and,	·
16	FREEWAY MECHANICAL, HEZEKIAH KAREEM GRAY, SOLE OWNER	
17	P.O. Box 4954 Oakland, CA 94605	
18	Contractor's License 979656, B, C-20,	
19	Respondents,	
20	FREEWAY MECHANICAL, HEZEKIAH KAREEM GRAY, RMO	
21	614 West Sunset Blvd. Hayward, CA 94541	
22	Contractor's License 847932, B, C-20,	
23	DENMULLER MECHANICAL, INC., EMMANUEL CHIWETA DENCHUKWU,	
24	RMO P.O. Box 5067	
25	Hercules, CA 94547 Contractor's License No. 910979, C-20,	
26	Contractor & License 110, 7107/7, C-20,	
27	and,	
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(STRBAAK AIR SYSTEMS INC. & FREEWAY MECHANICAL) ACCUSATION

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Q4 MECHANICAL CORPORATION, EMMANUEL CHIWETA DENCHUKWU, RMO/CEO/PRES.

850 South Van Ness Avenue, Ste. 24 San Francisco, CA 94110 Contractor's License No. 1006003, C-20,

Affiliated Licensees.

Complainant alleges:

PARTIES

- 1. Wood Robinson (Complainant) brings this Accusation solely in his official capacity as the Enforcement Supervisor I of the Contractors' State License Board, Department of Consumer Affairs.
- 2. On or about September 13, 2012, the Registrar of Contractors issued Contractor's License Number 976603, B, C-20, to Strbaak Air Systems, Inc., Hezekiah Kareem Gray, RMO (Respondent Strbaak). The Contractor's License will expire on September 30, 2016, unless renewed.
- 3. On or about December 19, 2012, the Registrar of Contractors issued Contractor's License Number 979656, B, C-20, to Freeway Mechanical, Hezekiah Kareem Gray, Sole Owner (Respondent New Freeway). The Contractor's License will expire on December 31, 2016, unless renewed.
- 4. On or about October 7, 2004, the Registrar of Contractors issued Contractor's License Number 847932, B, C-20, to Freeway Mechanical, Hezekiah Kareem Gray, Sole Owner (Affiliated Old Freeway). The Contractor's License was reassigned to a corporation, with Hezekiah Kareem Gray as RMO, on December 20, 2010. The Contractor's License was cancelled on November 5, 2012.
- 5. On or about February 20, 2008, the Registrar of Contractors issued Contractor's License Number 910979, C-20, to Denmuller Mechanical Inc., Emmanuel Chiweta Denchukwu, RMO (Affiliated Denmuller). The license was cancelled on February 6, 2010.
- 6. On or about July 30, 2015, the Registrar of Contractors issued Contractor's License Number 1006003, C-20, to Q4 Mechanical Corporation, Emmanuel Chiweta Denchukwu,

RMO/CEO/Pres. (Affiliated Q4). The license is in full force and effect and will expire on October 31, 2017, unless renewed.

PRIOR LICENSE

7. On or about October 4, 2007, the Registrar of Contractors issued Contractor's License Number 904376, C-20, to Superhall Mechanical Inc., Hezekiah Kareem Gray, RMO; Vivian Obiageli Denchukwu, Officer; Emmanuel Chiweta Denchukwu, Officer (Prior Licensee Superhall). All personnel of record have since disassociated. The Contractor's License was cancelled under suspensions on October 1, 2013.

JURISDICTION

- 8. This Accusation is brought before the Registrar of Contractors (Registrar) for the Contractors' State License Board, Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.
- 9. Section 7090 of the Code provides, in pertinent part, that the Registrar may suspend or revoke any license or registration if the licensee or registrant is guilty of or commits any one or more of the acts or omissions constituting cause for disciplinary action.
- 10. Section 7106.5 of the Code provides, in pertinent part, that the expiration, cancellation, forfeiture, or suspension of a license by operation of law or by order or decision of the registrar, or a court of law, or the voluntary surrender of the license shall not deprive the registrar of jurisdiction to proceed with any investigation of or action or disciplinary proceeding against the license, or to render a decision suspending or revoking the license.
- 11. Section 118(b) of the Code provides, in pertinent part, that the expiration of a license shall not deprive the Registrar of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated. Under Code section 7076.1, the Registrar may reinstate a cancelled license if the licensee pays all of the fees and meets all of the qualifications and requirements for obtaining an original license.

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12. Section 7076.5 of the Code provides, in pertinent part, that the inactive status of a license shall not bar any disciplinary action for violating provisions of the Contractors' State License Law.

STATUTORY PROVISIONS

13. Section 7083 of the Code states:

"All licensees shall notify the registrar in writing within 90 days of any change to information recorded under this chapter [the Contractors' State License Law]. This notification requirement shall include, but not be limited to, changes in address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

"Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received a the board's headquarters office.

"Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action."

14. Section 7096 of the Code states:

"For the purposes of this chapter, the term 'licensee' shall include an individual, partnership, corporation, limited liability company, joint venture, or any combination or organization licensed under this chapter, and shall also include any named responsible managing officer, responsible managing manager, responsible managing member, or personnel of that licentiate whose appearance has qualified the licentiate under the provisions of Section 7068."

- 15. Section 7112 of the Code states that "[o]mission or misrepresentation of a material fact by an applicant or a licensee in obtaining, or renewing a license, or in adding a classification to an existing license constitutes a cause for disciplinary action."
 - 16. Section 7114 of the Code states:
- "(a) Aiding or abetting an unlicensed person to evade the provisions of this chapter [the Contractors' State License Law] or combining or conspiring with an unlicensed person, or allowing one's license to be used by an unlicensed person, or acting as agent or partner or

associate, or otherwise, of an unlicensed person with the intent to evade the provisions of this chapter constitutes a cause for disciplinary action.

- "(b) A licensee who is found by the registrar to have violated subdivision (a) shall, in accordance with the provisions of this article, be subject to the registrar's authority to order payment of a specified sum to an injured party, including, but not limited to, payment for any injury resulting from the acts of the unlicensed person."
- 17. Section 7115 of the Code provides, in pertinent part, that failure in any material respect to comply with the provisions of the Contractors' State License Law (Business and Professions Code, § 7000, et seq.), or any rule or regulation adopted pursuant to this chapter, constitutes a cause for disciplinary action.
- 18. Section 7117 of the Code states that "[a]cting in the capacity of a contractor under any license issued hereunder except: (a) in the name of the licensee as set forth upon the license, or (b) in accordance with the personnel of the licensee as set forth in the application for such license, or as later changed as provided in this chapter [the Contractors' License Law], constitutes a cause for disciplinary action."
 - 19. Section 7117.5 of the Code states:
- "(a) Acting in the capacity of a contractor under any license which has been made inactive, as provided in Section 7076.5, constitutes a cause for disciplinary action.
- "(b) Acting in the capacity of a contractor under any license that has been suspended for any reason constitutes a cause for disciplinary action.
- "(c) Acting in the capacity of a contractor under any license that has expired constitutes a cause for disciplinary action if the license is subject to renewal pursuant to Section 7141. The actions authorized under this section shall be separate from, and in addition to, all other remedies either civil or criminal."
 - 20. Section 7121 of the Code states:

"A person who has been denied a license for a reason other than failure to document sufficient satisfactory experience for a supplemental classification for an existing license, or who has had his or her license revoked, or whose license is under suspension, or who has failed to

renew his or her license while it was under suspension, or who has been a partner, officer, director, manager, or associate of any partnership, corporation, limited liability company, firm, or association whose application for a license has been denied for a reason other than failure to document sufficient satisfactory experience for a supplemental classification for an existing license, or whose license has been revoked, or whose license is under suspension, or who has failed to renew a license while it was under suspension, and while acting as a partner, officer, director, manager, or associate had knowledge of or participated in any of the prohibited acts for which the license was denied, suspended, or revoked, shall be prohibited from serving as an officer, director, associate, partner, manager, qualifying individual, or member of the personnel of record of a licensee, and the employment, election, or association of this type of person by a licensee in any capacity other than as a nonsupervising bona fide employee shall constitute grounds for disciplinary action."

21. Section 7121.5 of the Code states:

"A person who was the qualifying individual on a revoked license, or of a license under suspension, or of a license that was not renewed while it was under suspension, shall be prohibited from serving as an officer, director, associate, manager, or qualifying individual of a licensee, whether or not the individual had knowledge of or participated in the prohibited acts or omissions for which the license was revoked, or suspended, and the employment, election, or association of that person by a licensee shall constitute grounds for disciplinary action."

22. Section 7145.5 of the Code states, in pertinent part:

- "(a) The registrar may refuse to issue, reinstate, reactivate, or renew a license or may suspend a license for the failure of the licensee to resolve all outstanding final liabilities, which include taxes, additions to tax, penalties, interest, and any fees that may be assessed by the board, the Department of Industrial Relations, the Employment Development Department, the Franchise Tax Board, or the State Board of Equalization.
- "(1) Until the debts covered by this section are satisfied, the qualifying person and any other personnel of record named on a license that has been suspended under this section shall be

B. Gray's License Applications, Unpaid Judgment, and Related Suspension

- 29. In the meantime, Gray operated under the Affiliated Old Freeway license.
- 30. On August 16, 2011, the Labor Commissioner obtained a judgment against Affiliated Old Freeway, in the amount of \$12,787.25. The judgment was not paid.
- 31. Gray then applied for a new license, for what would become Respondent Strbaak. On April 15, 2012, Gray signed the licensure application, certifying under penalty of perjury that all "statements, answers, and representations made in this application, including all supplementary statements attached hereto, are true and accurate."
- 32. Gray checked the box for "No" with respect to the question: "To the best of your knowledge, is anyone listed on this application (or any company the person is or was a part of, or any immediate family member of the applicant) named in or responsible for any entered and unsatisfied judgments, liens, and/or claims against any bond or cash deposit pertaining to a construction project?"
 - 33. On September 13, 2012, the Registrar issued the license for Respondent Strbaak.
- 34. Gray then applied for another new license, this time for Respondent New Freeway. On September 18, 2012, Gray signed the licensure application, certifying under penalty of perjury that all "statements, answers, and representations made in this application, including all supplementary statements attached hereto, are true and accurate."
- 35. Gray again checked the box for "No" with respect to the question: "To the best of your knowledge, is anyone listed on this application (or any company the person is or was a part of, or any immediate family member of the applicant) named in or responsible for any entered and unsatisfied judgments, liens, and/or claims against any bond or cash deposit pertaining to a construction project?"
- 36. On November 5, 2012, while the application for Respondent New Freeway was pending, Gray cancelled the license for Affiliated Old Freeway.
- 37. On December 19, 2012, the Registrar issued the license for Respondent New Freeway.

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- 38. On June 20, 2013, the Registrar sent Respondent New Freeway and Respondent Strbaak notices. The notices stated that the Contractors' State License Board had learned about the Labor Commissioner's outstanding judgment against Affiliated Old Freeway. The Registrar informed Gray, who was the qualifier for Affiliated Old Freeway, Respondent New Freeway, and Respondent Strbaak, that if proof of satisfaction of the liability against Affiliated Old Freeway was not received by August 20, 2013, Gray's other two licenses (Respondent New Freeway and Respondent Strbaak) would be suspended.
- 39. On August 20, 2013, the Registrar suspended the licenses of Respondent New Freeway and Respondent Strbaak.
- 40. On August 27, 2013, the Registrar received proof that Gray had entered a payment plan to pay off the Labor Commissioner's judgment. The Registrar lifted the suspensions that same day.
- 41. During the 7-day suspension, Respondent Strbaak continued work on a construction project at Finley Senior Center in Santa Rosa, California.

C. Emmanuel, Vivian, and Respondent Strbaak

- 42. After the Registrar issued the license for Respondent Strbaak, Gray placed Emmanuel in charge of running its operations. Emmanuel negotiated and executed, for example, the contract for Respondent Strbaak's work on the Finley Senior Center in Santa Rosa, California. Emmanuel signed that contract as "VP" of Respondent Strbaak.
- 43. Gray also hired Vivian as the Secretary and office manager of Respondent Strbaak.

 Gray took the approach that Emmanuel and Vivian would handle commercial construction using the Respondent Strbaak license, and Gray would handle residential construction using the Respondent New Freeway license.
- 44. Respondent Strbaak did not notify the Contractors' State License Board that Emmanuel and Vivian were now officers of -- and running the operations of -- Respondent Strbaak. Indeed, their employment other than as bona fide nonsupervisory employees was prohibited, due to their history with Prior Licensee Superhall.

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Center in Santa Rosa, California, from August 20-27, 2013, while the license was suspended.

The circumstances are more fully described above in "Background."

FOURTH CAUSE FOR DISCIPLINE

AGAINST RESPONDENT STRBAAK

(Improper Employment -- Unpaid Liability)

50. Respondent Strbaak is subject to disciplinary action under Code sections 7145.5(a)(1) and 7115 in that Respondent Strbaak employed, in a capacity other than as a "nonsupervising bona fide employee," the qualified person of a licensee suspended for failure to pay an outstanding final liability. Specifically, Respondent Strbaak permitted Emmanuel to run the operations of, and/or to act as an officer of, Respondent Strbaak. Emmanuel was the qualifier for Prior Licensee Superhall, which license had been suspended for failure to pay multiple outstanding final liabilities. The circumstances are more fully described above in "Background."

FIFTH CAUSE FOR DISCIPLINE

AGAINST RESPONDENT STRBAAK

(Improper Employment -- Suspended Qualifier)

51. Respondent Strbaak is subject to discipline under Code sections 7121 and/or 7121.5 in that Respondent Strbaak employed Emmanuel in a capacity other than as a "nonsupervising bona fide employee." Emmanuel was the qualifying individual for Prior Licensee Superhall, which license was under suspension for various reasons. The circumstances are more fully described above in "Background."

SIXTH CAUSE FOR DISCIPLINE

AGAINST RESPONDENT STRBAAK

(Personnel Variation)

52. Respondent Strbaak is subject to disciplinary action under Code section 7117(b) in that Respondent Strbaak acted in the capacity of a contractor other than in accordance with the personnel of the record on the license as reported to the Contractors' State License Board. Specifically, Respondent Strbaak operated (A) with Emmanuel as VP and in charge of the operations of Respondent Strbaak, and/or (B) with Vivian as the Secretary. Neither Emmanuel nor Vivian were listed as personnel of record for Respondent Strbaak. The circumstances are more fully described above in "Background."

1	SEVENTH CAUSE FOR DISCIPLINE	
2	AGAINST RESPONDENT STRBAAK	
3	(Aiding and Abetting Unlicensed Activity)	
4	53. Respondent Strbaak is subject to disciplinary action under Code section 7114 in that	
5	Gray aided or abetted Emmanuel and/or Vivian to evade the provisions of the Contractor's Law,	
6	and/or combined with Emmanuel and/or Vivian, and/or allowed Emmanuel and/or Vivian to use	
7	Gray's license. Specifically, Gray permitted Emmanuel and Vivian to run and manage the	
8	operations of Respondent Strbaak. The circumstances are more fully described above in	
9	"Background."	
10	EIGHTH CAUSE FOR DISCIPLINE	
11	AGAINST RESPONDENT STRBAAK	
12	(Improper Employment Officer of Suspended Licensee)	
13	54. Respondent Strbaak is subject to disciplinary action under Code section 7121 in that	
14	Respondent Strbaak employed Vivian other than as a nonsupervising bona fide employee. Vivian	
15	had been an officer of Prior Licensee Superhall when its license was initially suspended, and the	
16	license remained under suspension until its cancellation. The circumstances are more fully	
17	described above in "Background."	
18	NINTH CAUSE FOR DISCIPLINE	
19	AGAINST RESPONDENT STRBAAK	
20	(Failure to Notify Registrar of Change in Personnel)	
21	55. Respondent Strbaak is subject to disciplinary action under Code section 7083 in that	
22	Respondent Strbaak failed to notify the Registrar within 90 days of a change to information	
23	recorded with the Registrar. Specifically, Respondent Strbaak failed to notify the Registrar within	
24	90 days of the change in personnel to include (A) Emmanuel and/or (B) Vivian, as officers. The	
25	circumstances are more fully described above in "Background."	
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OTHER MATTERS

- 56. Pursuant to sections 7097 and 7098 of the Code, if license number 976603, B, C-20, issued to Respondent Strbaak is suspended or revoked, the Registrar may suspend or revoke, without notice, any other license issued in the name of Gray or for which Gray furnished the qualifying experience and appearance.
- 57. Pursuant to sections 7097 and 7098 of the Code, if license number 979656, B, C-20, issued to Respondent New Freeway is suspended or revoked, the Registrar may suspend or revoke, without notice, any other license issued in the name of Gray or for which Gray furnished the qualifying experience and appearance.
- 58. Pursuant to Sections 7121 and/or 7121.5 of the Code, if discipline is imposed on license number 976603, B, C-20, issued to Respondent Strbaak, Gray shall be prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual of any licensee during the time the discipline is imposed, whether or not he had knowledge or participated in the acts or omissions constituting grounds for discipline, and any licensee which employs, elects, or associates Gray shall be subject to disciplinary action.
- 59. Pursuant to Sections 7121 and/or 7121.5 of the Code, if discipline is imposed on license number 979656, B, C-20, issued to Respondent New Freeway, Gray shall be prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual of any licensee during the time the discipline is imposed, whether or not he had knowledge or participated in the acts or omissions constituting grounds for discipline, and any licensee which employs, elects, or associates Gray shall be subject to disciplinary action.
- 60. Emmanuel, while serving as Vice President and/or a manager of Respondent Strbaak, had knowledge of or participated in the acts or omissions which constitute cause for discipline against Respondent Strbaak.
- 61. Pursuant to section 7121 of the Code, if discipline is imposed on license number 976603, B, C-20, issued to Respondent Strbaak, Emmanuel shall be prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual, or member of the personnel

of record of a licensee of any licensee during the time the discipline is imposed, and any licensee which employs, elects, or associates Emmanuel shall be subject to disciplinary action.

- 62. Vivian, while serving as Secretary and/or a manager of Respondent Strbaak, had knowledge of or participated in the acts or omissions which constitute cause for discipline against Respondent Strbaak.
- 63. Pursuant to section 7121 of the Code, if discipline is imposed on license number 976603, B, C-20, issued to Respondent Strbaak, Vivian shall be prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual, or member of the personnel of record of a licensee of any licensee during the time the discipline is imposed, and any licensee which employs, elects, or associates Vivian shall be subject to disciplinary action.
- 64. Pursuant to Section 7122.5 of the Code, the causes for discipline established as to Respondent Strbaak likewise constitutes cause for discipline against Respondent New Freeway, regardless of whether Gray had knowledge of or participated in the acts or omissions which constitute cause for discipline against Respondent Strbaak.
- 65. Section 7095 of the Code provides, in pertinent part, that the Registrar in making his order may:
- (a) Provide for the immediate complete suspension by the licensee of all operations as a contractor during the period fixed by the decision.
- (b) Permit the licensee to complete any or all contracts shown by competent evidence taken at the hearing to be then uncompleted.
- (c) Impose upon the licensee compliance with such specific conditions as may be just in connection with its operations as a contractor disclosed at the hearing, and may further provide that until such conditions are complied with, no application for restoration of the suspended or revoked licensee shall be accepted by the Registrar.

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Registrar of Contractors issue a decision:

- 1. Revoking or suspending Contractor's License Number 976603, B, C-20, issued to Strbaak Air Systems, Inc., Hezekiah Kareem Gray, RMO;
- 2. Revoking or suspending Contractor's License Number 979656, B, C-20, issued to Freeway Mechanical, Hezekiah Kareem Gray, Sole Owner;
- 3. Revoking or suspending Contractor's License Number 847932, B, C-20, issued to Freeway Mechanical, Hezekiah Kareem Gray, RMO;
- 4. Revoking or suspending Contractor's License Number 910979, C-20, issued to Denmuller Mechanical Inc., Emmanuel Chiweta Denchukwu, RMO;
- 5. Revoking or suspending Contractor's License Number 1006003, C-20, issued to Q4 Mechanical Corporation, Emmanuel Chiweta Denchukwu, RMO/CEO/Pres.;
- 6. Revoking or suspending any other license for which Hezekiah Kareem Gray is furnishing the qualifying experience or appearance;
- 7. Prohibiting Hezekiah Kareem Gray from serving as an officer, director, associate, partner, or qualifying individual of any licensee during the period that discipline is imposed on Contractor's License Number 976603, B, C-20, issued to Strbaak Air Systems, Inc., Hezekiah Kareem Gray, RMO;
- 8. Prohibiting Hezekiah Kareem Gray from serving as an officer, director, associate, partner, or qualifying individual of any licensee during the period that discipline is imposed on Contractor's License Number 979656, B, C-20, issued to Freeway Mechanical, Hezekiah Kareem Gray, Sole Owner;
- 9. Prohibiting Emmanuel Chiweta Denchukwu from serving as an officer, director, associate, partner, or qualifying individual of any licensee during the period that discipline is imposed on Contractor's License Number 976603, B, C-20, issued to Strbaak Air Systems, Inc., Hezekiah Kareem Gray, RMO;

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10. Prohibiting Vivian Obiageli Denchukwu from serving as an officer, director,
associate, partner, or qualifying individual of any licensee during the period that discipline is
imposed on Contractor's License Number 976603, B, C-20, issued to Strbaak Air Systems, Inc.
Hezekiah Kareem Gray, RMO;

- 11. Ordering Strbaak Air Systems, Inc., Hezekiah Kareem Gray, RMO, to pay the Registrar of Contractors her costs in the investigation and enforcement of the case according to proof at the hearing, pursuant to Business and Professions Code section 125.3;
- 12. Ordering Freeway Mechanical, Hezekiah Kareem Gray, Sole Owner, to pay the Registrar of Contractors her costs in the investigation and enforcement of the case according to proof at the hearing, pursuant to Business and Professions Code section 125.3;
- 13. Ordering Strbaak Air Systems, Inc., Hezekiah Kareem Gray, RMO, to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each;
- 14. Ordering Freeway Mechanical, Hezekiah Kareem Gray, Sole Owner, to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each;
- 15. Ordering Q4 Mechanical Corporation, Emmanuel Chiweta Denchukwu, RMO/CEO/Pres., to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each;
 - 16. Taking such other and further action as deemed necessary and proper.

DATED: March 11, 20/10

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WOOD ROBINSON

Enforcement Supervisor I

Contractors' State License Board Department of Consumer Affairs

State of California Complainant

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