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BEFORE THE
REGISTRAR OF CONTRACTORS
CONTRACTORS' STATE LICENSE BOARD
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

Case No. N2012-494

U SAVE REMODELING INC,
18340 Ventura Blvd., #208
Tarzana, CA 91356
STANLEY DESKOVICK, RMO,
NIR DAVID ASHKENAZI, CEO/President

ACCUSATION

Contractor's License No. 968850, Class B,
Respondent.

DECOR DESIGNS INC,
14051 Burbank Blvd., #300
Van Nuys, CA 91401
STANLEY DESKOVICK, RMO,
AMIT SIDOV, CEO/President

Contractor's License No. 966302, Class B,
and

STAN 'D' & CO,
15119 Rock Hill Ranch Road
Valley Center, CA 92082
STANLEY DESKOVICK, Sole Owner

Contractor's License No. 350396, Class B,
Affiliated Pa

Complainant alleges:

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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 (Board).

License Histories

U Save Remodeling Inc

7 2. On or about December 29, 2011, the Registrar of Contractors (Registrar) issued
8 Contractor's License No. 968850, Class B, to U Save Remodeling Inc, Stanley Deskovick,
9 Responsible Managing Officer (RMO), Nir David Ashkenazi, CEO/President (Respondent). The
10 Contractor's License was suspended, expired on December 31, 2013, and has not been renewed.

Decor Designs Inc

12 3. On or about October 3, 2011, the Registrar issued Contractor's License No. 966302,
13 Class B, to Decor Designs Inc, Stanley Deskovick, RMO, Amit Sidov, CEO/President (Affiliated
14 Party). The Contractor's License was suspended, expired on October 31, 2013, and has not been
15 renewed.

Stan 'D' & Co

17 4. On or about January 9, 1978, the Registrar issued Contractor's License No. 350396,
18 Class B, to Stan 'D' & Co, Stanley Deskovick, Sole Owner (Affiliated Party). The Contractor's
19 License was cancelled per request on October 24, 2012.

JURISDICTION

21 5. This Accusation is brought before the Registrar for the Board, under the authority of
22 the following laws. All section references are to the Business and Professions Code unless
23 otherwise indicated.

24 6. Section 118, subdivision (b), provides that the expiration of a license shall not deprive
25 the Registrar of jurisdiction to proceed with a disciplinary action during the period within which
26 the license may be renewed, restored, reissued or reinstated. Under Section 7076.1, the Registrar
27 may reinstate a cancelled license if the licensee pays all of the fees and meets all of the
28 qualifications and requirements for obtaining an original license.

1 7. Section 7076.5 provides that the inactive status of a license shall not bar any
2 disciplinary action for violating provisions of the Contractors' State License Law (Bus. & Prof.
3 Code, § 7000, et seq.).

4 8. Section 7090 provides that the Registrar may suspend or revoke any license or
5 registration if the licensee or registrant is guilty of or commits any one or more of the acts or
6 omissions constituting cause for disciplinary action.

7 9. Section 7095 states that the Registrar in making his order may:

8 “(a) Provide for the immediate complete suspension by the licensee of all operations as a
9 contractor during the period fixed by the decision.

10 “(b) Permit the licensee to complete any or all contracts shown by competent evidence
11 taken at the hearing to be then uncompleted.

12 “(c) Impose upon the licensee compliance with such specific conditions as may be just in
13 connection with its operations as a contractor disclosed at the hearing, and may further provide
14 that until such conditions are complied with no application for restoration of the suspended or
15 revoked licensee shall be accepted by the Registrar.”

16 10. Sections 7097 and 7098 provide that when any license has been suspended or revoked
17 following a hearing, the Registrar may suspend or revoke any additional license issued in the name
18 of the licensee or for which the licensee furnished qualifying experience and appearance under the
19 provisions of 7068, without further notice.

20 11. Section 7106.5 provides that the expiration, cancellation, forfeiture, revocation or
21 suspension of a license by operation of law or by order or decision of the registrar, or a court of
22 law, or the voluntary surrender of the license shall not deprive the registrar of jurisdiction to
23 proceed with any investigation of or action or disciplinary proceeding against the license, or to
24 render a decision suspending or revoking the license.

25 12. Section 7121 states:

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

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

13 13. Section 7121.5 states:

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

20 14. Section 7122 states:

21 "The performance by an individual, partnership, corporation, limited liability company, firm,
22 or association of an act or omission constituting a cause for disciplinary action, likewise constitutes
23 a cause for disciplinary action against a licensee other than the individual qualifying on behalf of
24 the individual or entity, if the licensee was a partner, officer, director, manager, or associate of that
25 individual, partnership, corporation, limited liability company, firm, or association at the time the
26 act or omission occurred, and had knowledge of or participated in the prohibited act or omission."

27 15. Section 7122.5 states:

28 "The performance by an individual, partnership, corporation, limited liability company, firm,

1 or association of an act or omission constituting a cause for disciplinary action, likewise constitutes
2 a cause for disciplinary action against a licensee who at the time that the act or omission occurred
3 was the qualifying individual of that individual, partnership, corporation, limited liability company,
4 firm, or association, whether or not he or she had knowledge of or participated in the prohibited
5 act or omission."

6 16. Section 7141 states:

7 "Except as otherwise provided in this chapter [the Contractors' State License Law], a license
8 that has expired may be renewed at any time within five years after its expiration by filing an
9 application for renewal on a form prescribed by the registrar, and payment of the appropriate
10 renewal fee. Renewal under this section shall be effective on the date an acceptable renewal
11 application is filed with the board. The licensee shall be considered unlicensed and there will be a
12 break in the licensing time between the expiration date and the date the renewal becomes effective.
13 If the license is renewed after the expiration date, the licensee shall also pay the delinquency fee
14 prescribed by this chapter [the Contractors' State License Law]. If so renewed, the license shall
15 continue in effect through the date provided in Section 7140 which next occurs after the effective
16 date of the renewal, when it shall expire if it is not again renewed.

17 "If a license is not renewed within five years, the licensee shall make application for a license
18 pursuant to Section 7066."

19 **STATUTORY PROVISIONS**

20 17. Section 7030.5 states:

21 "Every person licensed pursuant to this chapter [the Contractors' State License Law] shall
22 include his license number in: (a) all construction contracts; (b) subcontracts and calls for bid;
23 and (c) all forms of advertising, as prescribed by the registrar of contractors, used by such a
24 person."

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26 ///

27 18. Section 7068.1 states:

28 "The person qualifying on behalf of an individual or firm under paragraph (1), (2), (3), or (4)

1 of subdivision (b) of Section 7068 shall be responsible for exercising that direct supervision and
2 control of his or her employer's or principal's construction operations as is necessary to secure full
3 compliance with this chapter and the rules and regulations of the board relating to the construction
4 operations. This person shall not act in the capacity of the qualifying person for an additional
5 individual or firm unless one of the following conditions exists:

6 “(a) There is a common ownership of at least 20 percent of the equity of each individual or
7 firm for which the person acts in a qualifying capacity.

8 “(b) The additional firm is a subsidiary of or a joint venture with the first. "Subsidiary," as
9 used in this subdivision, means any firm at least 20 percent of the equity of which is owned by the
10 other firm.

11 “(c) With respect to a firm under paragraph (2), (3), or (4) of subdivision (b) of Section
12 7068, the majority of the partners, officers, or managers are the same.

13 “(d) Notwithstanding subdivisions (a), (b), and (c), a qualifying individual may act as the
14 qualifier for no more than three firms in any one-year period.

15 “ "Firm," as used in this section, means a partnership, a limited partnership, a corporation, a
16 limited liability company, or any other combination or organization described in Section 7068.

17 “ "Person," as used in this section, is limited to natural persons, notwithstanding the
18 definition of "person" in Section 7025.

19 “The board shall require every applicant or licensee qualifying by the appearance of a
20 qualifying individual to submit detailed information on the qualifying individual's duties and
21 responsibilities for supervision and control of the applicant's construction operations.”

22 19. Section 7110 states:

23 “Willful or deliberate disregard and violation of the building laws of the state, or of any
24 political subdivision thereof, or of Section 8550 or 8556 of this code, or of Sections 1689.5 to
25 1689.15, inclusive, or Sections 1689.10 to 1689.13, inclusive, of the Civil Code, or of the safety
26 laws or labor laws or compensation insurance laws or Unemployment Insurance Code of the state,
27 or violation by any licensee of any provision of the Health and Safety Code or Water Code,
28 relating to the digging, boring, or drilling of water wells, or Article 2 (commencing with Section

1 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code, constitutes a cause for
2 disciplinary action."

3 20. Section 7115 provides that:

4 "Failure in any material respect to comply with the provisions of this chapter, or any rule or
5 regulation adopted pursuant to this chapter, or to comply with the provisions of Section 7106 of
6 the Public Contract Code, constitutes a cause for disciplinary action."

7 21. Section 7116 states that "[t]he doing of any wilful or fraudulent act by the licensee as a
8 contractor in consequence of which another is substantially injured constitutes a cause for
9 disciplinary action."

10 22. Section 7159 states, in pertinent part:

11 "(a)(1) This section identifies the projects for which a home improvement contract is
12 required, outlines the contract requirements, and lists the items that shall be included in the
13 contract, or may be provided as an attachment.

14 . . .

15 "(5) Failure by the licensee, his or her agent or salesperson, or by a person subject to be
16 licensed under this chapter, to provide the specified information, notices, and disclosure in the
17 contract, or to otherwise fail to comply with any provision of this section, is cause for discipline.

18 . . .

19 "(c) In addition to the specific requirements listed under this section, every home
20 improvement contract and any person subject to licensure under this chapter or his or her agent or
21 salesperson shall comply with all of the following:

22 . . .

23 "(B) The contract shall contain on the first page, in a typeface no smaller than generally
24 used in the body of the document, both of the following:

25 . . .

26 "(ii) The name and address of the contractor to which the applicable "Notice of
27 Cancellation" is to be mailed, immediately preceded by a statement advising the buyer that the
28 "Notice of Cancellation" may be sent to the contractor at the address noted on the contract.

“(d) A home improvement contract and any changes to the contract shall be in writing and signed by the parties to the contract prior to the commencement of work covered by the contract or applicable change order and, except as provided in paragraph (8) of subdivision (a) of Section 7159.5, shall include or comply with all of the following:

“(8) If a downpayment will be charged, the details of the downpayment shall be expressed in substantially the following form, and shall include the text of the notice as specified in subparagraph (C):

• • • •

“(C) The following statement in at least 12-point bold-faced type”

"THE DOWN PAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

• • • •

"(11) The estimated completion date of the work shall be referenced in the contract in substantially the following form:

• • • •

“(B) The approximate date of completion. . .”

COST RECOVERY / RESTITUTION

23. Section 125.3 provides that the Registrar may request the administrative law judge to direct a licentiate found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

24. Government Code section 11519, subdivision (d), provides that the Registrar may require restitution of damages suffered as a condition of probation in the event probation is ordered.

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BACKGROUND

25. In or about 2011, Respondent's RMO, Stanley Deskovick, age 79, received a mailer

1 from "RMO Agency, LLC" advertising income of \$200 per month for licensed contractors in
2 exchange for being the RMO on contractor's licenses needing a RMO. Deskovick was introduced
3 to Nir Ashkenazi, or his business partner, who asked him to be the RMO of their company.
4 Respondent agreed to be the RMO on U Save Remodeling, Inc. and Design Décor, Inc.
5 Respondent's RMO received monthly payments of \$400 from RMO Agency, LLC in exchange for
6 serving as the RMO of U Save Remodeling, Inc. and Design Décor, Inc. Deskovick alleges that
7 he is not an owner or shareholder of Respondent, has not performed any job duties on any of
8 Respondent's construction projects, and does not have any job duties that relate to the operation
9 or management of Respondent's contracting business. Deskovick contends he does not have any
10 knowledge about, nor did he participate, in a construction project performed by Respondent for
11 Emma Hill (discussed below in the following paragraph). On or about February 2, 2012, Stanley
12 Deskovick resigned as Respondent's RMO.

13 **HILL PROJECT**

14 26. On or about July 10, 2012, Respondent entered into a written contract with Emma
15 Hill, an 86-year-old disabled woman, to install windows at her residence, located at 940 4th Street,
16 Fillmore, California 93015, for \$4,850.00 (Hill Project). The homeowner did not ask for
17 Respondent's services, but a sales representative solicited her at her home. Using high pressure
18 sales tactics employed by an unidentified sales representative and after initially declining his
19 requests four times, Hill was pressured into entering into a contract with Respondent for the
20 installation of three average-size windows, two small windows, and a railing on a small three-step
21 patio at her 900 square foot home. Respondent promised the homeowner that she would only
22 have to pay a \$300 downpayment, and \$50 a month on the contract via an interest-free loan, until
23 the balance was paid in full. Hill paid a \$300.00 down payment to Respondent, and work on the
24 Hill Project began on or about July 13, 2012, and ended on or about July 16, 2012.

25 27. Respondent performed the work without a building permit. The cheap vinyl windows
26 which were installed by Respondent's subcontractor, B H Kruper Renovation, were substandard
27 and did not comply with the energy code in the City of Fillmore. The windows have only a .3 "U
28 Factor", but they are required by Fillmore to have a minimum of a .4 "U Factor" and a .4 SHGC

1 (Solar Heat Gain Coefficient).

2 28. On or about August 14, 2012, the homeowner received loan paperwork with a pre-
3 assigned account number for an EnerBank USA loan, which contained the following terms:
4 \$4,550.00 principal, 17.05% interest, and finance charges of \$3,781.96, for a total amount of
5 \$9,331.96 for Respondent's window installations. Subsequently, Respondent's representative(s)
6 continued to make contact with the homeowner to have her sign the loan paperwork, through daily
7 phone calls to Hill, repeated telephone calls and intimidating and threatening text messages to her
8 relatives, and personal appearances at her home. EnerBank was advised by CSLB's investigator
9 of the bank fraud, and EnerBank agreed not to attempt to collect the balance of the fraudulent loan
10 from the homeowner.

11 **FIRST CAUSE FOR DISCIPLINE**

12 **(Failure to Include License Number in Contract)**

13 29. Respondent is subject to disciplinary action under Section 7030.5, in that on the Hill
14 Project, Respondent failed to include its contractor's license number on the contract.

15 **SECOND CAUSE FOR DISCIPLINE**

16 **(Failure to Exercise Direct Supervision - Duty of Qualifier)**

17 30. Respondent is subject to disciplinary action under Sections 7115 and 7068.1, in that
18 on the Hill Project, Respondent's RMO failed to exercise direct supervision and control of
19 construction operations. Complainant incorporates by reference the allegations set forth above in
20 Paragraphs 25 through 28, as though set forth fully herein.

21 **THIRD CAUSE FOR DISCIPLINE**

22 **(Building Code Violation - No Permit)**

23 31. Respondent is subject to disciplinary action under Section 7110, in that on the Hill
24 Project, Respondent willfully or deliberately disregarded the building code when it failed to obtain
25 the required permit(s). Complainant incorporates by reference the allegations set forth above in
26 Paragraphs 25 through 28, as though set forth fully herein.

27 **FOURTH CAUSE FOR DISCIPLINE**

28 **(Willful or Fraudulent Act)**

1 32. Respondent is subject to disciplinary action under Section 7116, in that on the Hill
2 Project, Respondent committed willful and/or fraudulent acts when it harassed Hill, an elderly
3 disabled woman, into agreeing to allow Respondent to install new windows and a railing at her
4 residence, based upon fraudulent promises to Hill of a non-interest bearing loan, and then
5 pressuring her into signing a pre-approved interest-bearing bank loan for project payment
6 amounting to more than twice as much as the original contract amount.

FIFTH CAUSE FOR DISCIPLINE

(Violations of Home Improvement Contract Form Requirements)

9 33. Respondent is subject to disciplinary action under Section 7159, in that on the Hill
10 Project, Respondent violated home improvement contract drafting requirements, as follows:

11 a. Section 7159(d)(8)(C). Respondent failed to provide a statement in the contract with
12 Hill in at least 12-point bold -type about down payment limitations.

13 b. Section 7159(d)(11)(B). Respondent failed to include the approximate date of
14 completion of the project in the contract with Hill.

15 c. Section 7159(c)(B)(ii). Respondent failed to include on the first page the name and
16 address of the contractor to which the applicable “Notice of Cancellation” is to be mailed,
17 immediately preceded by a statement advising the buyer that the “Notice of Cancellation” may be
18 sent to the contractor at the address noted on the contract.

19 d. Complainant incorporates by reference the allegations set forth above in Paragraphs
20 25 through 28, as though set forth fully herein.

OTHER MATTERS

34. Pursuant to Sections 7097 and 7098, if License No. 968850 issued to Respondent is
suspended or revoked, the Registrar may suspend or revoke, without notice, any other license
issued in the name of Stanley Deskovick and/or Nir David Ashkenazi or for which Stanley
Deskovick and/or Nir David Ashkenazi furnished the qualifying experience and appearance.

35. Pursuant to Sections 7121, 7121.5, 7122 and / or 7122.5, if discipline is imposed on
License No. 968850 issued to Respondent, Stanley Deskovick and/or Nir David Ashkenazi shall be
prohibited from serving as an officer, director, associate, partner, manager, or qualifying

1 individual, or member of the personnel of record of a licensee of any licensee during the time the
2 discipline is imposed, and any licensee which employs, elects, or associates Stanley Deskovick
3 and/or Nir David Ashkenazi shall be subject to disciplinary action.

4 **PRAYER**

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

7 As to U Save Remodeling Inc

8 1. Revoking or suspending Contractor's License No. 968850 issued to U Save
9 Remodeling Inc, Stanley Deskovick, RMO, Nir David Ashkenazi, CEO/President;

10 2. Prohibiting Stanley Deskovick and / or Nir David Ashkenazi from serving as an
11 officer, director, associate, partner, or qualifying individual of any licensee during the period that
12 discipline is imposed on License No. 968850, issued to U Save Remodeling Inc, Stanley
13 Deskovick, RMO, Nir David Ashkenazi, CEO/President;

14 3. Revoking or suspending any other license for which Stanley Deskovick and/or Nir
15 David Ashkenazi is furnishing the qualifying experience or appearance;

16 4. Ordering restitution of all damages according to proof suffered by Emma Hill, as a
17 condition of probation in the event probation is ordered;

18 5. Ordering restitution of all damages suffered by Emma Hill as a result of Stanley
19 Deskovick and/or Nir David Ashkenazi's conduct as a contractor, as a condition of restoration of
20 License No. 968850, issued to U Save Remodeling Inc, Stanley Deskovick, RMO, Nir David
21 Ashkenazi, CEO/President;

22 6. Ordering U Save Remodeling Inc, Stanley Deskovick, RMO, Nir David Ashkenazi,
23 CEO/President to pay the Registrar his costs in the investigation and enforcement of the case
24 according to proof at the hearing, pursuant to section 125.3;

25 7. Ordering U Save Remodeling Inc, Stanley Deskovick, RMO, Nir David Ashkenazi,
26 CEO/President to provide the Registrar with a listing of all contracting projects in progress and the
27 anticipated completion date of each;

28 As to Decor Designs Inc

1 8. Revoking or suspending Contractor's License No. 966302 issued to Decor Designs
2 Inc, Stanley Deskovick, RMO, Amit Sidov, CEO/President;
3 9. Prohibiting Stanley Deskovick and / or Amit Sidov from serving as an officer, director,
4 associate, partner, or qualifying individual of any licensee during the period that discipline is
5 imposed on License No. 966302, issued to Decor Designs Inc, Stanley Deskovick, RMO, Amit
6 Sidov, CEO/President;
7 10. Revoking or suspending any other license for which Stanley Deskovick and / or Amit
8 Sidov is furnishing the qualifying experience or appearance;

9 11. Ordering Decor Designs Inc, Stanley Deskovick, RMO, Amit Sidov, CEO/President
10 to provide the Registrar with a listing of all contracting projects in progress and the anticipated
11 completion date of each;

12 As to Stan 'D' & Co

13 12. Revoking or suspending Contractor's License No. 350396 issued to Stan 'D' & Co,
14 Stanley Deskovick, Sole Owner;

15 13. Prohibiting Stanley Deskovick from serving as an officer, director, associate, partner,
16 or qualifying individual of any licensee during the period that discipline is imposed on License No.
17 350396, issued to Stan 'D' & Co, Stanley Deskovick, Sole Owner;

18 14. Revoking or suspending any other license for which Stanley Deskovick is furnishing
19 the qualifying experience or appearance;

20 15. Ordering Stan 'D' & Co, Stanley Deskovick, Sole Owner to provide the Registrar with
21 a listing of all contracting projects in progress and the anticipated completion date of each; and

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27 As to All

28 16. Taking such other and further action as deemed necessary and proper.

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3 DATED: 3/10/2014

for *Yvonne*
4 WOOD ROBINSON
5 Enforcement Supervisor I
6 Contractors' State License Board
7 Department of Consumer Affairs
8 State of California
9 *Complainant*

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