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7	Attorneys for Complainant	
8	BEFORE THE	
9	REGISTRAR OF CONTR CONTRACTORS' STATE LIC	ENSE BOARD
0	DEPARTMENT OF CONSUM STATE OF CALIFOR	
11	In the Matter of the Accuration Accient.	Com No. NO015 250
2	In the Matter of the Accusation Against:	Case No. N2015-350
3	GREENIFY 407 W. Imperial Hwy, Ste H-114	ACCUSATION
4	Brea, CA 92821 DARRELL ALLEN SHULTZ, RME, (10/5/15-9/9/17)	
5	CARL ROBERT WELLS, RMO (7/11/16-Present), ANGIE SANDOVAL, CEO/PRES	
6	Contractor's License No. 1007894,	
7	Respondent.	
18	ENERGY 3	
19	11329 Valle Vista Road Lakeside, CA 92040	
0	DARRELL ALLEN SHULTZ, Sole Owner	
1	Contractor's License No. 728160	Ĵ.
2	Affiliated Party	
3		
24	Complainant alleges:	
25	PARTIES	
6	1. Wood Robinson (Complainant) brings this Ac	cusation solely in his official capacity
27	as the Enforcement Supervisor I of the Contractors' State I	License Board, Department of
28	Consumer Affairs (Board).	
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ĺ	(GREENIFY, DARRELL ALLEN SHULTZ, CARL ROBERT '	WELLS, ANGIE SANDOVAL) ACCUSATION

1	License Histories
2	Greenify
3	2. On or about October 5, 2015, the Registrar of Contractors (Registrar) issued
4	Contractor's License No. 1007894 to Greenify, Darrell Allen Shultz, RME (10/5/15-9/9/17), Carl
5	Robert Wells, RMO (7/11/16-Present), Angie Sandoval, CEO/PRES (Respondent). The
6	Contractor's License was in full force and effect at all times relevant to the charges brought herein
7	and will expire on October 31, 2017, unless renewed.
8	Energy 3
9	3. On or about October 1, 1996, the Registrar issued Contractor's License No. 728160 to
10	Energy 3, Darrell Allen Shultz, Sole Owner (Affiliated Party). The Contractor's License expired
11	on October 31, 2014, and has not been renewed.
12	JURISDICTION
13	4. This Accusation is brought before the Registrar for the Board under the authority of
14	the following laws. All section references are to the Business and Professions Code unless
15	otherwise indicated.
16	5. Section 118, subdivision (b) provides, in pertinent part, that the expiration of a license
17	shall not deprive the Registrar of jurisdiction to proceed with a disciplinary action during the
18	period within which the license may be renewed, restored, reissued or reinstated. Under Code
19	section 7076.1, the Registrar may reinstate a cancelled license if the licensee pays all of the fees
20	and meets all of the qualifications and requirements for obtaining an original license.
21	6. Section 7076.5 provides, in pertinent part, that the inactive status of a license shall not
22	bar any disciplinary action for violating provisions of the Contractors' State License Law (Bus. &
23	Prof. Code, § 7000, et seq.).
24	7. Section 7090 provides, in pertinent part, that the Registrar may suspend or revoke any
25	license or registration if the licensee or registrant is guilty of or commits any one or more of the
26	acts or omissions constituting cause for disciplinary action.
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28	///
	(GREENIFY, DARRELL ALLEN SHULTZ, CARL ROBERT WELLS, ANGIE SANDOVAL) ACCUSATION

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

2 "(a) Provide for the immediate complete suspension by the licensee of all operations as a
3 contractor during the period fixed by the decision.

"(b) Permit the licensee to complete any or all contracts shown by competent evidencetaken at the hearing to be then uncompleted.

6 "(c) Impose upon the licensee compliance with such specific conditions as may be just in 7 connection with its operations as a contractor disclosed at the hearing, and may further provide 8 that until such conditions are complied with, no application for restoration of the suspended or 9 revoked licensee shall be accepted by the Registrar."

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

14 10. Section 7106.5 provides, in pertinent part, that the expiration, cancellation, forfeiture,
15 or suspension of a license by operation of law or by order or decision of the registrar, or a court of
16 law, or the voluntary surrender of the license shall not deprive the registrar of jurisdiction to
17 proceed with any investigation of or action or disciplinary proceeding against the license, or to
18 render a decision suspending or revoking the license.

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11. Section 7121 states:

"A person who has been denied a license for a reason other than failure to document 20sufficient satisfactory experience for a supplemental classification for an existing license, or who 21 has had his or her license revoked, or whose license is under suspension, or who has failed to 22 renew his or her license while it was under suspension, or who has been a partner, officer, 23 24 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 25 document sufficient satisfactory experience for a supplemental classification for an existing 26 license, or whose license has been revoked, or whose license is under suspension, or who has 27 failed to renew a license while it was under suspension, and while acting as a partner, officer, 28

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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."

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12. Section 7121.5 states:

8 "A person who was the qualifying individual on a revoked license, or of a license under 9 suspension, or of a license that was not renewed while it was under suspension, shall be 10 prohibited from serving as an officer, director, associate, partner, manager, or qualifying 11 individual of a licensee, whether or not the individual had knowledge of or participated in the 12 prohibited acts or omissions for which the license was revoked, or suspended, and the 13 employment, election, or association of that person by a licensee shall constitute grounds for 14 disciplinary action."

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13. Section 7122 states:

16 "The performance by an individual, partnership, corporation, limited liability company, 17 firm, or association of an act or omission constituting a cause for disciplinary action, likewise 18 constitutes a cause for disciplinary action against a licensee other than the individual qualifying 19 on behalf of the individual or entity, if the licensee was a partner, officer, director, manager, or 20 associate of that individual, partnership, corporation, limited liability company, firm, or 21 association at the time the act or omission occurred, and had knowledge of or participated in the 22 prohibited act or omission."

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14. Section 7122.5 states:

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

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15. Section 7141 states:

"(a) Except as otherwise provided in this chapter, a license that has expired may be 4 5 renewed at any time within five years after its expiration by filing an application for renewal on a form prescribed by the registrar and payment of the appropriate renewal fee. Renewal under this 6 section shall be effective on the date an acceptable renewal application is filed with the board. 7 8 The licensee shall be considered unlicensed and there will be a break in the licensing time 9 between the expiration date and the date the renewal becomes effective. Except as provided in subdivision (b), if the license is renewed after the expiration date, the licensee shall also pay the 10 11 delinquency fee prescribed by this chapter.

12 "(b) An incomplete renewal application that had originally been submitted on or before 13 the license expiration date shall be returned to the licensee by the registrar with an explanation of 14 the reasons for its rejection. If a corrected and acceptable renewal application is not returned 15 within 30 days after the license expiration date, the delinquency fee shall apply. The 30 day grace 16 period shall apply only to the delinquency fee. The license shall reflect an expired status for any 17 period between the expiration date and the date of submission of a correct and acceptable renewal 18 application.

"(c) If so renewed, the license shall continue in effect through the date provided in Section
7140 that next occurs after the effective date of the renewal, when it shall expire if it is not again
renewed.

"(d) If a license is not renewed within five years, the licensee shall make an application for
a license pursuant to Section 7066."

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STATUTORY PROVISIONS

16. Section 7030.5 states:

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

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(GREENIFY, DARRELL ALLEN SHULTZ, CARL ROBERT WELLS, ANGIE SANDOVAL) ACCUSATION

17. Section 7068.1 states:

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2	"(a) The person qualifying on behalf of an individual or firm under paragraph (1), (2), (3),
3	or (4) of subdivision (b) of Section 7068 shall be responsible for exercising that direct supervision
4	and control of his or her employer's or principal's construction operations to secure compliance
5	with this chapter and the rules and regulations of the board. This person shall not act in the
6	capacity of the qualifying person for an additional individual or firm unless one of the following
7	conditions exists:
8	(1) There is a common ownership of at least 20 percent of the equity of each individual
9	or firm for which the person acts in a qualifying capacity.
10	"(2) The additional firm is a subsidiary of or a joint venture with the first. 'Subsidiary,' as
11	used in this subdivision, means any firm at least 20 percent of the equity of which is owned by the
12	other firm.
13	"(3) With respect to a firm under paragraph (2), (3), or (4) of subdivision (b) of Section
14	7068, the majority of the partners, officers, or managers are the same.
15	"(b) Notwithstanding paragraphs (1) to (3), inclusive, of subdivision (a), a qualifying
16	individual may act as the qualifier for no more than three firms in any one-year period.
17	"(c) The following definitions shall apply for purposes of this section:(1) 'Firm' means a
18	partnership, a limited partnership, a corporation, a limited liability company, or any other
19	combination or organization described in Section 7068.(2) 'Person' is limited to natural persons,
20	notwithstanding the definition of 'person' in Section 7025.
21	"(d) The board shall require every applicant or licensee qualifying by the appearance of a
22	qualifying individual to submit detailed information on the qualifying individual's duties and
23	responsibilities for supervision and control of the applicant's construction operations.
24	"(e) Violation of this section shall constitute a cause for disciplinary action and shall be
25	punishable as a misdemeanor by imprisonment in a county jail not to exceed six months, by a fine
26	of not less than three thousand dollars (\$3,000), but not to exceed five thousand dollars (\$5,000),
27	or by both the fine and imprisonment."
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	(GREENIFY, DARRELL ALLEN SHULTZ, CARL ROBERT WELLS, ANGIE SANDOVAL) ACCUSATION

18. Section 7112 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."

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19. Section 7154 states:

6 "(a) A home improvement contractor licensed under this chapter shall notify the registrar
6 in writing, on a form prescribed by the registrar, about the employment of a registered home
7 improvement salesperson, pursuant to the terms of this article. This notification requirement shall
8 include, but not be limited to, the name and registration number of the home improvement
9 salesperson who is employed by the contractor. The form shall be submitted prior to the home
10 improvement salesperson beginning work for the contractor.

11 "(b) A home improvement contractor shall notify the registrar in writing, on a form 12 prescribed by the registrar, when a registered home improvement salesperson ceases to be 13 employed by the contractor. This notification requirement shall include, but not be limited to, the 14 name and registration number of the home improvement salesperson who had been employed by 15 the contractor. The form shall be submitted within 90 days after the home improvement 16 salesperson ceases to be employed by the contractor.

17 "(c) A home improvement contractor who employs a registered home improvement
18 salesperson to sell home improvement contracts, but who fails to report to the registrar pursuant
19 to subdivision (a) or (b), is subject to disciplinary action by the registrar.

"(d) A home improvement contractor who employs a person to sell home improvement
contracts while that person is not registered by the registrar as a home improvement salesperson
as provided in this article, is subject to disciplinary action by the registrar."

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COST RECOVERY/RESTITUTION

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

27 21. Government Code section 11519, subdivision (d), provides that specified terms of
28 probation may include an order of restitution, and where restitution is ordered and paid pursuant

to the provisions of this subdivision, the amount paid shall be credited to any subsequent 1 judgment in a civil action. 2

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INVESTIGATION – OCTOBER 23, 2015

On or about October 19, 2015, Respondent thru its unregistered salesperson, Larry 22. 4 Van Woerkom (Van Woerkom), solicited and agreed to meet and provide information on a solar system. During the meeting, Van Woerkom provided a business card that failed to provide the 6 7 license number of the business.

23. A Board representative conducted a subsequent interview with Van Woerkom, and 8 found that Respondent filed a "Certificate for Work Experience" with a fraudulent certification by 9 Van Woerkom. Van Woerkom declared the signature on the document was his, and stated he did 10 not know Respondent's RME, "Darrell Allen Shultz" (Shultz), for whom he was supposed to be 11 certifying the qualifying experience. Van Woerkom is not a contractor licensed by the Board and 12 13 has no authority to certify experience.

14 24. Respondent's RME, Shultz, informed the Board that he responded to a craigslist ad to be a paid as a RME, and entered into a contract. Shultz lives in San Diego and goes to the office 15 16 once every two to three months, and rarely goes to jobsites, but is paid \$2,500.00 bi-weekly and 17 yearly about \$80,000.00 for the use of his license.

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FIRST CAUSE FOR DISCIPLINE

(Failure to Include License Number in Advertisement)

25. Respondent is subject to disciplinary action under section 7030.5, in that Respondent 20failed to include its contractor's license number on its business card. 21

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SECOND CAUSE FOR DISCIPLINE

(Failure to Exercise Direct Supervision - Duty of Qualifier)

26. Respondent is subject to disciplinary action under section 7068.1, in that

Respondent's RME failed to exercise direct supervision and control of construction operations 25

26 and was not involved in Respondent's daily construction operations.

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1	THIRD CAUSE FOR DISCIPLINE
2	(Misrepresentation of Material Facts in Contractor's License Application)
3	27. Respondent is subject to disciplinary action under section 7112, in that Respondent
4	falsified Certifications of Work Experience attachments to its application filed with the Board.
5	FOURTH CAUSE FOR DISCIPLINE
6	(Employment of Unregistered Home Improvement Salesperson)
7	28. Respondent is subject to disciplinary action under section 7154, in that Respondent
8	employed Larry Van Woerkom to sell a home improvement contract when Larry Van Woerkom
9	was not registered with the Board as a home improvement salesperson.
10	OTHER MATTERS
11	29. Pursuant to sections 7097 and 7098, if license no. 1007894 issued to Respondent is
12	suspended or revoked, the Registrar may suspend or revoke, without notice, any other license
13	issued in the name of Darrell Allen Shultz or for which Darrell Allen Shultz furnished the
14	qualifying experience and appearance.
15	30. Pursuant to section 7121, 7121.5, 7122, and/or 7122.5, if discipline is imposed on
16	license No. 1007894 issued to Respondent, Darrell Allen Shultz and/or Angie Sandoval shall be
17	prohibited from serving as an officer, director, associate, partner, manager, or qualifying
18	individual, or member of the personnel of record of a licensee of any licensee during the time the
19	discipline is imposed, and any licensee which employs, elects, or associates Darrell Allen Shultz
20	and/or Angie Sandoval shall be subject to disciplinary action.
21	<u>PRAYER</u>
22	WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
23	and that following the hearing, the Registrar of Contractors issue a decision:
24	As to Greenify
25	1. Revoking or suspending Contractor's License No. 1007894 issued to Greenify,
26	Darrell Allen Shultz, RME (10/5/15-9/9/17), Carl Robert Wells, RMO (7/11/16-Present), Angie
27	Sandoval, CEO/PRES;
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	(GREENIFY, DARRELL ALLEN SHULTZ, CARL ROBERT WELLS, ANGIE SANDOVAL) ACCUSATION

(GREENIFY, DARRELL ALLEN SHULTZ, CARL ROBERT WELLS, ANGIE SANDOVAL) ACCUSATION

1	2. Prohibiting Darrell Allen Shultz and/or Angie Sandoval from serving as an officer,	
2	director, associate, partner, or qualifying individual of any licensee during the period that	
3	discipline is imposed on license No. 1007894, issued to Greenify, Darrell Allen Shultz, RME	
4	(10/5/15-9/9/17), Carl Robert Wells, RMO (7/11/16-Present), Angie Sandoval, CEO/PRES;	
5	3. Revoking or suspending any other license for which Darrell Allen Shultz and/or	
6	Angie Sandoval is furnishing the qualifying experience or appearance;	
7	4. Ordering Greenify, Darrell Allen Shultz, RME (10/5/15-9/9/17), Carl Robert Wells,	
8	RMO (7/11/16-Present), Angie Sandoval, CEO/Pres. to pay the Registrar of Contractors his costs	
9	in the investigation and enforcement of the case according to proof at the hearing, pursuant to	
10	Business and Professions Code section 125.3;	
11	5. Ordering Greenify, Darrell Allen Shultz, RME (10/5/15-9/9/17), Carl Robert Wells,	
12	RMO (7/11/16-Present), Angie Sandoval, CEO/Pres. to provide the Registrar with a listing of all	
13	contracting projects in progress and the anticipated completion date of each;	
14	As to Energy 3	
15	6. Revoking or suspending Contractor's License No. 728160 issued to Energy 3, Darrell	
16	Allen Shultz, Sole Owner;	
17	7. Prohibiting Darrell Allen Shultz from serving as an officer, director, associate,	
18	partner, or qualifying individual of any licensee during the period that discipline is imposed on	
19	license No. 728160 issued to Energy 3, Darrell Allen Shultz, Sole Owner;	
20	8. Revoking or suspending any other license for which Darrell Allen Shultz is furnishing	
21	the qualifying experience or appearance; and	
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24	///	
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1	<u>As to All</u>
2	9. Taking such other and further action as deemed necessary and proper.
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5	DATED: 12-7-2017 Nac 12
6	WOOD ROBINSON Enforcement Supervisor I
7	Contractors' State License Board Department of Consumer Affairs
8	DEC 0 7 2017 State of California Complainant
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I	(GREENIFY, DARRELL ALLEN SHULTZ, CARL ROBERT WELLS, ANGIE SANDOVAL) ACCUSATION