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8 **BEFORE THE**
9 **REGISTRAR OF CONTRACTORS**
10 **CONTRACTORS' STATE LICENSE BOARD**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

Case No. N2015-350

14 **GREENIFY**

407 W. Imperial Hwy, Ste H-114
Brea, CA 92821

15 DARRELL ALLEN SHULTZ, RME, (10/5/15-9/9/17)
CARL ROBERT WELLS, RMO (7/11/16-Present),
ANGIE SANDOVAL, CEO/PRES

ACCUSATION

16 Contractor's License No. 1007894,

17 Respondent.

18 **ENERGY 3**

11329 Valle Vista Road
Lakeside, CA 92040

20 DARRELL ALLEN SHULTZ, Sole Owner

21 Contractor's License No. 728160

22 Affiliated Party

23
24 Complainant alleges:

25 **PARTIES**

26 1. Wood Robinson (Complainant) brings this Accusation solely in his official capacity
27 as the Enforcement Supervisor I of the Contractors' State License Board, Department of
28 Consumer Affairs (Board).

1 8. 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.

4 “(b) Permit the licensee to complete any or all contracts shown by competent evidence
5 taken 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.”

10 9. Sections 7097 and 7098 provide, in pertinent part, that when any license has been
11 suspended or revoked following a hearing, the Registrar may suspend or revoke any additional
12 license issued in the name of the licensee or for which the licensee furnished qualifying
13 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.

19 11. Section 7121 states:

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27 license, or whose license has been revoked, or whose license is under suspension, or who has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

1 director, manager, or associate had knowledge of or participated in any of the prohibited acts for
2 which the license was denied, suspended, or revoked, shall be prohibited from serving as an
3 officer, director, associate, partner, manager, qualifying individual, or member of the personnel of
4 record of a licensee, and the employment, election, or association of this type of person by a
5 licensee in any capacity other than as a nonsupervising bona fide employee shall constitute
6 grounds for disciplinary action."

7 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."

15 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."

23 14. Section 7122.5 states:

24 "The performance by an individual, partnership, corporation, limited liability company,
25 firm, or association of an act or omission constituting a cause for disciplinary action, likewise
26 constitutes a cause for disciplinary action against a licensee who at the time that the act or
27 omission occurred was the qualifying individual of that individual, partnership, corporation,

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1 limited liability company, firm, or association, whether or not he or she had knowledge of or
2 participated in the prohibited act or omission."

3 15. Section 7141 states:

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

19 "(c) If so renewed, the license shall continue in effect through the date provided in Section
20 7140 that next occurs after the effective date of the renewal, when it shall expire if it is not again
21 renewed.

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

24 **STATUTORY PROVISIONS**

25 16. Section 7030.5 states:

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

1 17. Section 7068.1 states:

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

3 **INVESTIGATION – OCTOBER 23, 2015**

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

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

14 24. Respondent’s RME, Shultz, informed the Board that he responded to a craigslist ad to
15 be a paid as a RME, and entered into a contract. Shultz lives in San Diego and goes to the office
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.

18 **FIRST CAUSE FOR DISCIPLINE**

19 **(Failure to Include License Number in Advertisement)**

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

22 **SECOND CAUSE FOR DISCIPLINE**

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

24 26. Respondent is subject to disciplinary action under section 7068.1, in that
25 Respondent’s RME failed to exercise direct supervision and control of construction operations
26 and was not involved in Respondent’s daily construction operations.

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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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As to All

9. Taking such other and further action as deemed necessary and proper.

DATED: 12-7-2017



WOOD ROBINSON
Enforcement Supervisor I
Contractors' State License Board
Department of Consumer Affairs
State of California
Complainant *3GW*

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DEC 07 2017
CSLB DSS

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