

1 KAMALA D. HARRIS  
Attorney General of California  
2 FRANK H. PACOE  
Supervising Deputy Attorney General  
3 MICHAEL B. FRANKLIN  
Deputy Attorney General  
4 State Bar No. 136524  
455 Golden Gate Avenue, Suite 11000  
5 San Francisco, CA 94102-7004  
Telephone: (415) 703-5622  
6 Facsimile: (415) 703-5480  
*Attorneys for Complainant*  
7

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

11 In the Matter of the Accusation Against:  
12  
13 **STROUP CONSTRUCTION**  
14 **JARROD RYAN STROUP, SOLE OWNER**  
P.O. Box 1418  
Ceres, CA 95307  
15 **Contractor's License No. 882595, B,**  
16 **Respondent.**

Case No. N2015-393

**ACCUSATION**

17  
18 Complainant alleges:

19 **PARTIES**

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

23 2. On or about August 14, 2006, the Registrar of Contractors issued Contractor's  
24 License Number 882595, B to Stroup Construction, Jarrod Ryan Stroup, sole owner  
25 (Respondent). The Contractor's License was in full force and effect at all times relevant to the  
26 charges brought herein and will expire on August 31, 2016, unless renewed.

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1 **JURISDICTION**

2 3. This Accusation is brought before the Registrar of Contractors (Registrar) for the  
3 Contractors' State License Board, Department of Consumer Affairs, under the authority of the  
4 following laws. All section references are to the Business and Professions Code unless otherwise  
5 indicated.

6 **STATUTORY PROVISIONS**

7 4. Section 7090 of the Business and Professions Code ("Code") provides, in pertinent  
8 part, that the Registrar may suspend or revoke any license or registration if the licensee or  
9 registrant is guilty of or commits any one or more of the acts or omissions constituting cause for  
10 disciplinary action.

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

16 6. Section 118(b) of the Code 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 7. Section 7076.5 of the Code provides, in pertinent part, that the inactive status of a  
22 license shall not bar any disciplinary action for violating provisions of the Contractors' State  
23 License Law (Bus. & Prof. Code, § 7000, et seq.).

24 8. Section 7083 of the Code states:

25 "(a) Notwithstanding any other law, licensees shall notify the registrar, on a form prescribed  
26 by the registrar, in writing within 90 days of any change to information recorded under this  
27 chapter. This notification requirement shall include, but not be limited to, changes in business  
28

1 address, personnel, business name, qualifying individual bond exemption pursuant to Section  
2 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

3 "(b) Failure of the licensee to notify the registrar of any change to information within 90  
4 days shall cause the change to be effective the date the written notification is received at the  
5 board's headquarters office.

6 "(c) Failure to notify the registrar of the changes within the 90 days is grounds for  
7 disciplinary action"

8 9. Section 7107 of the Code states that "[a]bandonment without legal excuse of any  
9 construction project or operation engaged in or undertaken by the licensee as a contractor  
10 constitutes a cause for disciplinary action."

11 10. Section 7109 of the Code states:

12 "(a) A willful departure in any material respect from accepted trade standards for good and  
13 workmanlike construction constitutes a cause for disciplinary action, unless the departure was in  
14 accordance with plans and specifications prepared by or under the direct supervision of an  
15 architect.

16 "(b) A willful departure from or disregard of plans or specifications in any material respect,  
17 which is prejudicial to another, without the consent of the owner or his or her duly authorized  
18 representative and without the consent of the person entitled to have the particular construction  
19 project or operation completed in accordance with such plans or specifications, constitutes a cause  
20 for disciplinary action."

21 11. Section 7113 of the Code states that "[f]ailure in a material respect on the part of a  
22 licensee to complete any construction project or operation for the price stated in the contract for  
23 such construction project or operation or in any modification of such contract constitutes a cause  
24 for disciplinary action."

25 12. Section 7116 of the Code states that "[t]he doing of any wilful or fraudulent act by the  
26 licensee as a contractor in consequence of which another is substantially injured constitutes a cause  
27 for disciplinary action."

28 13. Section 7159 of the Code states:

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

4           ...

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

8           ...

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

13           ..."

14           14. Section 7159.5 of the Code states:

15           "This section applies to all home improvement contracts, as defined in Section 7151.2,  
16 between an owner or tenant and a contractor, whether a general contractor or a specialty  
17 contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the  
18 transaction.

19           (a) Failure by the licensee or a person subject to be licensed under this chapter, or by his or  
20 her agent or salesperson to comply with the following provisions is cause for discipline:

21           ...

22           (3) If a downpayment will be charged, the downpayment may not exceed one thousand  
23 dollars (\$1,000) or 10 percent of the contract amount, whichever is less.

24           ...

25           (5) Except for a downpayment, the contractor may neither request nor accept payment that  
26 exceeds the value of the work performed or material delivered.

27           ..."

28           ///

1 **COST RECOVERY/RESTITUTION**

2 15. Section 125.3 of the Code provides, in pertinent part, that the Registrar may request  
3 the administrative law judge to direct a licentiate found to have committed a violation or violations  
4 of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and  
5 enforcement of the case.

6 16. Section 11519(d) of the Government Code provides, in pertinent part, that the  
7 Registrar may require restitution of damages suffered as a condition of probation in the event  
8 probation is ordered.

9 **SAN JOSE PROJECT**

10 17. On or about December 18, 2014, Respondent entered into a contract with S.S. to  
11 perform a complete remodel of a home in San Jose, California (hereinafter "San Jose project").  
12 The contract price was for \$76,000.00. Respondent asked for and received a down payment in the  
13 amount of \$7,776.00 on December 18, 2014. Work began on December 23, 2014. Respondent  
14 stopped performing work on the San Jose project in April 2015, after multiple attempts to have  
15 Respondent resume, and was formally terminated by S.S. on May 8, 2015. Respondent received a  
16 total of \$63,611.00 for the San Jose project prior to being terminated.

17 **FIRST CAUSE FOR DISCIPLINE**

18 **(Abandonment)**

19 18. Respondent's license is subject to discipline under Code section 7107, in that  
20 Respondent abandoned the San Jose project without legal excuse by failing to complete the  
21 following items:

- 22 a. Failed to install insulation.  
23 b. Failed to complete sheetrock installation.  
24 c. Failed to texture and paint walls.  
25 d. Failed to complete installation of flooring material.  
26 e. Failed to complete installation of cabinets.  
27 f. Failed to complete installation of electrical and plumbing fixtures.  
28 g. Failed to complete tank-less water heater installation.

1 h. Failed to install new gas line to water heater.

2 **SECOND CAUSE FOR DISCIPLINE**

3 **(Departure From Accepted Trade Standards)**

4 19. Respondent's license is subject to discipline under Code section 7109, subdivision (a),  
5 in that on the San Jose project, Respondent willfully departed from accepted trade standards for  
6 good and workmanlike construction in the following respects:

7 a. Failed to install sufficient length exterior sheeting.

8 b. Failed to install dedicated neutral wiring which caused arc faults.

9 **THIRD CAUSE FOR DISCIPLINE**

10 **(Deviation from Plans and Specifications)**

11 20. Respondent's license is subject to discipline under Code section 7109, subdivision (b),  
12 in that on the San Jose project, Respondent willfully departed from or disregarded plans or  
13 specifications in the following respects:

14 a. Failed to construct roof according to specified pre-approved engineered truss system.

15 **FOURTH CAUSE FOR DISCIPLINE**

16 **(Failure to Complete the Project for the Contract Price)**

17 21. Respondent's license is subject to discipline under Code section 7113, in that on the  
18 San Jose project, Respondent failed in a material respect to complete the project for the contract  
19 price and the property owner was required to spend a substantial sum in excess of the contract  
20 price to complete the project in accordance with the contract.

21 **FIFTH CAUSE FOR DISCIPLINE**

22 **(Failure to Comply with the Provisions of the Contractors' State License Law)**

23 22. Respondent's license is subject to discipline under Code section 7159, in that on the  
24 San Jose project, Respondent did not comply with the following provisions:

25 a. Subdivision (d). Respondent failed to provide a written change order prior to the  
26 commencement of additional work.

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28 ///



1 **NINTH CAUSE FOR DISCIPLINE**

2 **(Failure to Comply with the Provisions of the Contractors' State License Law)**

3 27. Respondent's license is subject to discipline under Code section 7159.5, in that on the  
4 Castro Valley project, Respondent did not comply with the following provisions of Code section  
5 7159.5:

6 a. Subdivision (a)(3). Respondent requested and received an excessive down payment in  
7 the amount of \$3,842.00.

8 a. Subdivision (a)(5). Respondent requested and received \$5,721.50 which exceeded the  
9 value of the work performed or materials delivered to the Castro Valley project.

10 **TENTH CAUSE FOR DISCIPLINE**

11 **(Failure to Maintain Current Address with the Board)**

12 28. Respondent's license is subject to discipline under Code section 7083, in that  
13 Respondent failed to maintain a current address with the Board.

14 **OTHER MATTERS**

15 29. Pursuant to sections 7097 and 7098 of the Code, if license number 882595, B issued  
16 to Respondent is suspended or revoked, the Registrar may suspend or revoke, without notice, any  
17 other license issued in the name of Jarrod Ryan Stroup or for which Jarrod Ryan Stroup furnished  
18 the qualifying experience and appearance.

19 30. Pursuant to section 7121 of the Code, if discipline is imposed on license number  
20 882595, B issued to Respondent, Jarrod Ryan Stroup shall be prohibited from serving as an  
21 officer, director, associate, partner, manager, or qualifying individual, or member of the personnel  
22 of record of any licensee during the time the discipline is imposed, and any licensee which employs,  
23 elects, or associates Jarrod Ryan Stroup shall be subject to disciplinary action.

24 31. Pursuant to Section 7121.5 of the Code, if discipline is imposed on license number  
25 882595, B issued to Respondent, Jarrod Ryan Stroup shall be prohibited from serving as an  
26 officer, director, associate, partner, manager, or qualifying individual of any licensee during the  
27 time the discipline is imposed, whether or not he had knowledge or participated in the acts or  
28

1 omissions constituting grounds for discipline, and any licensee which employs, elects, or associates  
2 Jarrod Ryan Stroup shall be subject to disciplinary action.

3 32. Section 7095 of the Code provides, in pertinent part, that the Registrar in making her  
4 order may:

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

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

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

13 **PRAYER**

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

16 1. Revoking or suspending Contractor's License Number 882595, B issued to Stroup  
17 Construction, Jarrod Ryan Stroup, sole owner;

18 2. Prohibiting Jarrod Ryan Stroup from serving as an officer, director, associate, partner,  
19 or qualifying individual of any licensee during the period that discipline is imposed on license  
20 Number 882595, B, issued to Stroup Construction, Jarrod Ryan Stroup, sole owner;

21 3. Revoking or suspending any other license for which Jarrod Ryan Stroup is furnishing  
22 the qualifying experience or appearance;

23 4. Ordering restitution of all damages according to proof suffered by S.S. and/or G.S.,  
24 the homeowners in these projects, as a condition of probation in the event probation is ordered;

25 5. Ordering restitution of all damages suffered by S.S. and/or G.S., the homeowners in  
26 these projects, based on Respondent's conduct as a contractor, as a condition of restoration of  
27 license Number 882595, B, issued to Stroup Construction, Jarrod Ryan Stroup, sole owner;

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1           6.     Ordering Respondent to pay the Registrar of Contractors her costs in the investigation  
2 and enforcement of the case according to proof at the hearing, pursuant to Business and  
3 Professions Code section 125.3;

4           7.     Ordering Respondent to provide the Registrar with a listing of all contracting projects  
5 in progress and the anticipated completion date of each;

6           8.     Taking such other and further action as deemed necessary and proper.

7  
8  
9 DATED:

*July 8, 2016*

*for Heather Robinson*

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

**FILED**

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