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

12 In the Matter of the Accusation Against:

Case No. N2016-248

13 **RYAN L. QUINN ENTERPRISES, INC.,**  
14 **DBA ALL PHASES OUTDOOR LIVING,**  
9320 Willowgrove Ave Ste N  
Santee, CA 92071

**A C C U S A T I O N**

15 **LOUIS I. QUINN, CEO/PRESIDENT,**  
16 **JOSEPH EDWARD CASTANEDA, RMO**

17 **Contractor's License No. 993913, B/D06**

18 Respondent.

19 **AXCEL CONSTRUCTION,**  
20 **240 Woodlawn Avenue Ste 7**  
**Chula Vista, CA 91910**

21 **JOSEPH EDWARD CASTANEDA,**  
22 **QUALIFYING PARTNER,**  
**ALEX CELIS, GENERAL PARTNER**

23 **Contractor's License No. 969628, B**

24 Affiliated License.

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26 Complainant alleges:

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1 **PARTIES**

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

5 **License History**

6 **ALL PHASES OUTDOOR LIVING**

7 2. Ryan L. Quinn Enterprises, Inc., doing business as All Phases Outdoor Living  
8 (Respondent) submitted with the Board an application for a contractor's license in the B  
9 classification. With the application, Respondent applied for an exemption from Workers'  
10 Compensation Insurance coverage effective May 29, 2014. On June 24, 2014, the Registrar of  
11 Contractors (Registrar) issued Contractor's License Number 993913, Classification B (general  
12 building contractor) to Respondent, with Louis I. Quinn, as CEO and President, and Joseph  
13 Edward Castaneda, as RMO. On June 9, 2015, Joseph Edward Castaneda associated as a C-61  
14 (limited specialty classification) RMO in Subcategory D-6 (concrete related services). On June  
15 24, 2015, Respondent obtained Workers' Compensation Insurance coverage, to expire on June  
16 23, 2016. On October 30, 2015, Louis I. Quinn disassociated as CEO and President. The  
17 Contractor's License expired on June 30, 2016, and has not been renewed.

18 **Affiliated License History**

19 **AXCEL CONSTRUCTION**

20 3. On January 30, 2012, the Registrar of Contractors issued Contractor's License  
21 Number 969628, Classification B (general building contractor), to Joseph Edward Castaneda,  
22 Qualifying Partner, and Alex Celis, General Partner, partnership owner of Axcel Construction.  
23 The Contractor's License was in full force and effect at all times relevant to the charges brought  
24 herein, and will expire on January 31, 2018.

25 **JURISDICTION**

26 4. This Accusation is brought before the Registrar for the Board, under the authority  
27 of the following laws. All section references are to the Business and Professions Code (Code)  
28 unless otherwise indicated.

1           5.       Code section 118, subdivision (b), provides that the suspension, expiration,  
2 surrender, cancellation of a license shall not deprive the Registrar of jurisdiction to proceed with  
3 a disciplinary action during the period within which the license may be renewed, restored,  
4 reissued or reinstated.

5           6.       Code section 7076.5, subdivision (h) provides that the inactive status of a license  
6 shall not bar any disciplinary action by the board against a licensee for any of the causes stated in  
7 this chapter.

8           7.       Code section 7090 provides, in pertinent part, that the Registrar may suspend or  
9 revoke any license if the licensee is guilty of or commits any one or more of the acts or  
10 omissions constituting cause for disciplinary action.

11          8.       Code section 7095 states that the Registrar in making his order may:

12           (a)       Provide for the immediate complete suspension by the licensee of  
13 all operations as a contractor during the period fixed by the decision;

14           (b)       Permit the licensee to complete any or all contracts shown by  
15 competent evidence taken at the hearing to be then uncompleted; and

16           (c)       Impose upon the licensee compliance with such specific conditions  
17 as may be just in connection with his operations as a contractor disclosed at the  
18 hearing, and may further provide that until such conditions are complied with, no  
19 application for restoration of the suspended or revoked license shall be accepted  
20 by the Registrar.

21          9.       Code section 7096 states:

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

28          10.       Code section 7097 states:

          Notwithstanding the provisions of Sections 7121 and 7122, when any  
license has been suspended by a decision of the registrar pursuant to an accusation  
or pursuant to subdivision (b) of Section 7071.17, Section 7085.6 or 7090.1, any  
additional license issued under this chapter [the Contractors' State License Law] in  
the name of the licensee or for which the licensee furnished qualifying experience  
and appearance under the provisions of Section 7068, may be suspended by the  
registrar without further notice.

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11. Code section 7098 states:

Notwithstanding the provisions of Sections 7121 and 7122, when any license has been revoked under the provisions of this chapter [the Contractors' State License Law], any additional license issued under this chapter in the name of the licensee or for which the licensee furnished qualifying experience and appearance under the provisions of Section 7068, may be revoked by the registrar without further notice.

12. Code section 7106.5 provides 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 a license by a licensee 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. Under Code section 7141, a license may be renewed at any time within five years after its expiration.

13. Code section 7115 states:

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

14. Code section 7121 states:

Any 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 member, officer, director, or associate of any partnership, corporation, 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 member, officer, director, 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, or qualifying individual 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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1 15. Code section 7121.5 states:

2 Any person who was the qualifying individual on a revoked license, or of  
3 a license under suspension, or of a license that was not renewed while it was  
4 under suspension, shall be prohibited from serving as an officer, director,  
5 associate, partner, or qualifying individual of a licensee, whether or not the  
6 individual had knowledge of or participated in the prohibited acts or omissions for  
7 which the license was revoked, or suspended, and the employment, election, or  
8 association of such person by a licensee shall constitute grounds for disciplinary  
9 action.

10 16. Code section 7122.5 states:

11 The performance by any individual, partnership, corporation, firm, or  
12 association of any act or omission constituting a cause for disciplinary action,  
13 likewise constitutes a cause for disciplinary action against any licensee who at the  
14 time such act or omission occurred was the responsible managing employee,  
15 qualifying partner, responsible managing officer, or qualifying member of such  
16 individual, partnership, corporation, firm, or association, whether or not he had  
17 knowledge of or participated in the prohibited act or omission.

### 18 **STATUTORY PROVISIONS**

19 17. Code section 7068.1 states:

20 a) The person qualifying on behalf of an individual or firm under  
21 paragraph (1), (2), (3), or (4) of subdivision (b) of Section 7068 shall be  
22 responsible for exercising that direct supervision and control of his or her  
23 employer's or principal's construction operations to secure compliance with this  
24 chapter and the rules and regulations of the board. This person shall not act in the  
25 capacity of the qualifying person for an additional individual or firm unless one of  
26 the following conditions exists:

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

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

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

(b) Notwithstanding paragraphs (1) to (3), inclusive, of subdivision  
(a), a qualifying individual may act as the qualifier for no more than three firms in  
any one-year period.

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(c) The following definitions shall apply for purposes of this section:

(1) "Firm" means a partnership, a limited partnership, a corporation, a limited liability company, or any other combination or organization described in Section 7068.

(2) "Person" is limited to natural persons, notwithstanding the definition of "person" in Section 7025.

(d) The board shall require every applicant or licensee qualifying by the appearance of a qualifying individual to submit detailed information on the qualifying individual's duties and responsibilities for supervision and control of the applicant's construction operations.

(e) Violation of this section shall constitute a cause for disciplinary action and shall be punishable as a misdemeanor by imprisonment in a county jail not to exceed six months, by a fine of not less than three thousand dollars (\$3,000), but not to exceed five thousand dollars (\$5,000), or by both the fine and imprisonment.

18. Code section 7108.5 states:

(a) A prime contractor or subcontractor shall pay to any subcontractor, not later than seven days after receipt of each progress payment, unless otherwise agreed to in writing, the respective amounts allowed the contractor on account of the work performed by the subcontractors, to the extent of each subcontractor's interest therein. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from the prime contractor or subcontractor to a subcontractor, the prime contractor or subcontractor may withhold no more than 150 percent of the disputed amount.

(b) Any violation of this section shall constitute a cause for disciplinary action and shall subject the licensee to a penalty, payable to the subcontractor, of 2 percent of the amount due per month for every month that payment is not made.

(c) In any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs.

(d) The sanctions authorized under this section shall be separate from, and in addition to, all other remedies, either civil, administrative, or criminal.

(e) This section applies to all private works of improvement and to all public works of improvement, except where Section 10262 of the Public Contract Code applies.

19. Code section 7109 states, in pertinent part:

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

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20. Code section 7113 states:

Failure in a material respect on the part of a licensee to complete any construction project or operation for the price stated in the contract for such construction project or operation or in any modification of such contract constitutes a cause for disciplinary action.

21. Code section 7118 states:

Entering into a contract with a contractor while such contractor is not licensed as provided in this chapter constitutes a cause for disciplinary action.

22. Code section 7120 states:

Willful or deliberate failure by any licensee or agent or officer thereof, to pay any moneys, when due for any materials or services rendered in connection with his operations as a contractor, when he has the capacity to pay or when he has received sufficient funds therefor as payment for the particular construction work, project, or operation for which the services or materials were rendered or purchased constitutes a cause for disciplinary action, as does the false denial of any such amount due or the validity of the claim thereof with intent to secure for himself, his employer, or other person, any discount upon such indebtedness or with intent to hinder, delay, or defraud the person to whom such indebtedness is due.

23. Code section 7159 states:

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

(2) This section does not apply to service and repair contracts that are subject to Section 7159.10, if the contract for the applicable services complies with Sections 7159.10 to 7159.14, inclusive.

(3) This section does not apply to the sale, installation, and servicing of a fire alarm sold in conjunction with an alarm system, as defined in subdivision (n) of Section 7590.1, if all costs attributable to making the fire alarm system operable, including sale and installation costs, do not exceed five hundred dollars (\$500), and the licensee complies with the requirements set forth in Section 7159.9.

(4) This section does not apply to any costs associated with monitoring a burglar or fire alarm system.

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

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1 (b) For purposes of this section, "home improvement contract" means an  
2 agreement, whether oral or written, or contained in one or more documents,  
3 between a contractor and an owner or between a contractor and a tenant,  
4 regardless of the number of residence or dwelling units contained in the building  
5 in which the tenant resides, if the work is to be performed in, to, or upon the  
6 residence or dwelling unit of the tenant, for the performance of a home  
7 improvement, as defined in Section 7151, and includes all labor, services, and  
8 materials to be furnished and performed thereunder, if the aggregate contract price  
9 specified in one or more improvement contracts, including all labor, services, and  
10 materials to be furnished by the contractor, exceeds five hundred dollars (\$500).  
11 "Home improvement contract" also means an agreement, whether oral or written,  
12 or contained in one or more documents, between a salesperson, whether or not he  
13 or she is a home improvement salesperson, and an owner or a tenant, regardless of  
14 the number of residence or dwelling units contained in the building in which the  
15 tenant resides, which provides for the sale, installation, or furnishing of home  
16 improvement goods or services.

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

20 (1) The writing shall be legible.

21 (2) Any printed form shall be readable. Unless a larger typeface is  
22 specified in this article, text in any printed form shall be in at least 10-point  
23 typeface and the headings shall be in at least 10-point boldface type.

24 (3) (A) Before any work is started, the contractor shall give the buyer a  
25 copy of the contract signed and dated by both the contractor and the buyer. The  
26 buyer's receipt of the copy of the contract initiates the buyer's rights to cancel the  
27 contract pursuant to Sections 1689.5 to 1689.14, inclusive, of the Civil Code.

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

(i) The date the buyer signed the contract.

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

(4) The contract shall include a statement that, upon satisfactory  
payment being made for any portion of the work performed, the contractor, prior  
to any further payment being made, shall furnish to the person contracting for the  
home improvement or swimming pool work a full and unconditional release from  
any potential lien claimant claim or mechanics lien authorized pursuant to  
Sections 8400 and 8404 of the Civil Code for that portion of the work for which  
payment has been made.

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1 (5) A change-order form for changes or extra work shall be  
2 incorporated into the contract and shall become part of the contract only if it is in  
3 writing and signed by the parties prior to the commencement of any work covered  
4 by a change order.

5 (6) The contract shall contain, in close proximity to the signatures of  
6 the owner and contractor, a notice stating that the owner or tenant has the right to  
7 require the contractor to have a performance and payment bond.

8 (7) If the contract provides for a contractor to furnish joint control, the  
9 contractor shall not have any financial or other interest in the joint control.

10 (8) The provisions of this section are not exclusive and do not relieve  
11 the contractor from compliance with any other applicable provision of law.

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

17 (1) The name, business address, and license number of the contractor.

18 (2) If applicable, the name and registration number of the home  
19 improvement salesperson that solicited or negotiated the contract.

20 (3) The following heading on the contract form that identifies the type  
21 of contract in at least 10-point boldface type: "Home Improvement."

22 (4) The following statement in at least 12-point boldface type: "You  
23 are entitled to a completely filled in copy of this agreement, signed by both you  
24 and the contractor, before any work may be started."

25 (5) The heading: "Contract Price," followed by the amount of the  
26 contract in dollars and cents.

27 (6) If a finance charge will be charged, the heading: "Finance Charge,"  
28 followed by the amount in dollars and cents. The finance charge is to be set out  
separately from the contract amount.

(7) The heading: "Description of the Project and Description of the  
Significant Materials to be Used and Equipment to be Installed," followed by a  
description of the project and a description of the significant materials to be used  
and equipment to be installed. For swimming pools, the project description  
required under this paragraph also shall include a plan and scale drawing showing  
the shape, size, dimensions, and the construction and equipment specifications.

(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):

(A) The heading: "Downpayment."

(B) A space where the actual downpayment appears.

(C) The following statement in at least 12-point boldface type:

1 "THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR  
2 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

3 (9) If payments, other than the downpayment, are to be made before  
4 the project is completed, the details of these payments, known as progress  
5 payments, shall be expressed in substantially the following form, and shall  
6 include the text of the statement as specified in subparagraph (C):

7 (A) A schedule of progress payments shall be preceded by the  
8 heading: "Schedule of Progress Payments."

9 (B) Each progress payment shall be stated in dollars and cents and  
10 specifically reference the amount of work or services to be performed and  
11 materials and equipment to be supplied.

12 (C) The section of the contract reserved for the progress payments  
13 shall include the following statement in at least 12-point boldface type:

14 "The schedule of progress payments must specifically describe  
15 each phase of work, including the type and amount of work or services scheduled  
16 to be supplied in each phase, along with the amount of each proposed progress  
17 payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT  
18 PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS  
19 NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A  
20 DOWNPAYMENT."

21 (10) The contract shall address the commencement of work to be  
22 performed in substantially the following form:

23 (A) A statement that describes what constitutes substantial  
24 commencement of work under the contract.

25 (B) The heading: "Approximate Start Date."

26 (C) The approximate date on which work will be commenced.

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

(A) The heading: "Approximate Completion Date."

(B) The approximate date of completion.

(12) If applicable, the heading: "List of Documents to be Incorporated  
into the Contract," followed by the list of documents incorporated into the  
contract.

(13) The heading: "Note About Extra Work and Change Orders,"  
followed by the following statement:

"Extra Work and Change Orders become part of the contract once the  
order is prepared in writing and signed by the parties prior to the commencement  
of work covered by the new change order. The order must describe the scope of  
the extra work or change, the cost to be added or subtracted from the contract, and  
the effect the order will have on the schedule of progress payments."

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1 (e) Except as provided in paragraph (8) of subdivision (a) of Section  
2 7159.5, all of the following notices shall be provided to the owner as part of the  
3 contract form as specified or, if otherwise authorized under this subdivision, may  
4 be provided as an attachment to the contract:

5 (1) A notice concerning commercial general liability insurance. This  
6 notice may be provided as an attachment to the contract if the contract includes  
7 the following statement: "A notice concerning commercial general liability  
8 insurance is attached to this contract." The notice shall include the heading  
9 "Commercial General Liability Insurance (CGL)," followed by whichever of the  
10 following statements is both relevant and correct:

11 (A) "(The name on the license or 'This contractor') does not carry  
12 commercial general liability insurance."

13 (B) "(The name on the license or 'This contractor') carries  
14 commercial general liability insurance written by (the insurance company). You  
15 may call (the insurance company) at \_\_\_\_\_ to check the contractor's  
16 insurance coverage."

17 (C) "(The name on the license or 'This contractor') is self-  
18 insured."

19 (D) "(The name on the license or 'This contractor') is a limited  
20 liability company that carries liability insurance or maintains other security as  
21 required by law. You may call (the insurance company or trust company or bank)  
22 at \_\_\_\_ to check on the contractor's insurance coverage or security."

23 (2) A notice concerning workers' compensation insurance. This notice  
24 may be provided as an attachment to the contract if the contract includes the  
25 statement: "A notice concerning workers' compensation insurance is attached to  
26 this contract." The notice shall include the heading "Workers' Compensation  
27 Insurance" followed by whichever of the following statements is correct:

28 (A) "(The name on the license or 'This contractor') has no  
employees and is exempt from workers' compensation requirements."

(B) "(The name on the license or 'This contractor') carries  
workers' compensation insurance for all employees."

(3) A notice that provides the buyer with the following information  
about the performance of extra or change-order work:

(A) A statement that the buyer may not require a contractor to  
perform extra or change-order work without providing written authorization prior  
to the commencement of work covered by the new change order.

(B) A statement informing the buyer that extra work or a change  
order is not enforceable against a buyer unless the change order also identifies all  
of the following in writing prior to the commencement of work covered by the  
new change order:

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- (i) The scope of work encompassed by the order.
- (ii) The amount to be added or subtracted from the contract.
- (iii) The effect the order will make in the progress payments or the completion date.

(C) A statement informing the buyer that the contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

(4) A notice with the heading "Mechanics Lien Warning" written as follows:

**"MECHANICS LIEN WARNING:**

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics lien on your property. A mechanics lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a 'Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

**BE CAREFUL.** The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

**PROTECT YOURSELF FROM LIENS.** You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

**PAY WITH JOINT CHECKS.** One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

1 For other ways to prevent liens, visit CSLB's Internet Web site at  
2 www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

3 REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A  
4 LIEN PLACED ON YOUR HOME. This can mean that you may have to pay  
5 twice, or face the forced sale of your home to pay what you owe."

6 (5) The following notice shall be provided in at least 12-point  
7 typeface:

8 "Information about the Contractors' State License Board (CSLB):  
9 CSLB is the state consumer protection agency that licenses and regulates  
10 construction contractors.

11 Contact CSLB for information about the licensed contractor you  
12 are considering, including information about disclosable complaints, disciplinary  
13 actions, and civil judgments that are reported to CSLB.

14 Use only licensed contractors. If you file a complaint against a  
15 licensed contractor within the legal deadline (usually four years), CSLB has  
16 authority to investigate the complaint. If you use an unlicensed contractor, CSLB  
17 may not be able to help you resolve your complaint. Your only remedy may be in  
18 civil court, and you may be liable for damages arising out of any injuries to the  
19 unlicensed contractor or the unlicensed contractor's employees.

20 For more information:

21 Visit CSLB's Internet Web site at [www.cslb.ca.gov](http://www.cslb.ca.gov)

22 Call CSLB at 800-321-CSLB (2752)

23 Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

24 (6) (A) The notice set forth in subparagraph (B) and entitled "Three-  
25 Day Right to Cancel," shall be provided to the buyer unless the contract is:

26 (i) Negotiated at the contractor's place of business.

27 (ii) Subject to the "Seven-Day Right to Cancel," as set forth in  
28 paragraph (7).

(iii) Subject to licensure under the Alarm Company Act  
(Chapter 11.6 (commencing with Section 7590)), provided the alarm company  
licensee complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as  
applicable.

(B) "Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within  
three business days. You may cancel by e-mailing, mailing, faxing, or delivering a  
written notice to the contractor at the contractor's place of business by midnight  
of the third business day after you received a signed and dated copy of the  
contract that includes this notice. Include your name, your address, and the date  
you received the signed copy of the contract and this notice.

///

///

1 If you cancel, the contractor must return to you anything you  
2 paid within 10 days of receiving the notice of cancellation. For your part, you  
3 must make available to the contractor at your residence, in substantially as good  
4 condition as you received them, goods delivered to you under this contract or sale.  
5 Or, you may, if you wish, comply with the contractor's instructions on how to  
6 return the goods at the contractor's expense and risk. If you do make the goods  
7 available to the contractor and the contractor does not pick them up within 20  
8 days of the date of your notice of cancellation, you may keep them without any  
9 further obligation. If you fail to make the goods available to the contractor, or if  
10 you agree to return the goods to the contractor and fail to do so, then you remain  
11 liable for performance of all obligations under the contract."

12 (C) The "Three-Day Right to Cancel" notice required by this  
13 paragraph shall comply with all of the following:

14 (i) The text of the notice is at least 12-point boldface type.

15 (ii) The notice is in immediate proximity to a space reserved for  
16 the owner's signature.

17 (iii) The owner acknowledges receipt of the notice by signing and  
18 dating the notice form in the signature space.

19 (iv) The notice is written in the same language, e.g., Spanish, as  
20 that principally used in any oral sales presentation.

21 (v) The notice may be attached to the contract if the contract  
22 includes, in at least 12-point boldface type, a checkbox with the following  
23 statement: "The law requires that the contractor give you a notice explaining your  
24 right to cancel. Initial the checkbox if the contractor has given you a 'Notice of  
25 the Three-Day Right to Cancel.' "

26 (vi) The notice shall be accompanied by a completed form in  
27 duplicate, captioned "Notice of Cancellation," which also shall be attached to the  
28 agreement or offer to purchase and be easily detachable, and which shall contain  
the following statement written in the same language, e.g., Spanish, as used in the  
contract:

"Notice of Cancellation"	
	/enter date of transaction/
	(Date)

"You may cancel this transaction, without any penalty or  
obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you  
under the contract or sale, and any negotiable instrument executed by you will be  
returned within 10 days following receipt by the seller of your cancellation notice,  
and any security interest arising out of the transaction will be canceled.

1 If you cancel, you must make available to the seller at your  
2 residence, in substantially as good condition as when received, any goods  
3 delivered to you under this contract or sale, or you may, if you wish, comply with  
4 the instructions of the seller regarding the return shipment of the goods at the  
5 seller's expense and risk.

6 If you do make the goods available to the seller and the seller does  
7 not pick them up within 20 days of the date of your notice of cancellation, you  
8 may retain or dispose of the goods without any further obligation. If you fail to  
9 make the goods available to the seller, or if you agree to return the goods to the  
10 seller and fail to do so, then you remain liable for performance of all obligations  
11 under the contract."

12 To cancel this transaction, mail or deliver a signed and dated copy of this  
13 cancellation notice, or any other written notice, or send a telegram

14 to ,

15 /name of seller/

16 at

17 /address of seller's place of business/

18 not later than midnight of .

19 (Date)

20 I hereby cancel this transaction.

21 (Date)

22 (Buyer's signature)

23 (7) (A) The following notice entitled "Seven-Day Right to Cancel" shall  
24 be provided to the buyer for any contract that is written for the repair or  
25 restoration of residential premises damaged by any sudden or catastrophic event  
26 for which a state of emergency has been declared by the President of the United  
27 States or the Governor, or for which a local emergency has been declared by the  
28 executive officer or governing body of any city, county, or city and county:

"Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven  
business days. You may cancel by e-mailing, mailing, faxing, or delivering a  
written notice to the contractor at the contractor's place of business by midnight  
of the seventh business day after you received a signed and dated copy of the  
contract that includes this notice. Include your name, your address, and the date  
you received the signed copy of the contract and this notice.

///

1 If you cancel, the contractor must return to you anything you paid  
2 within 10 days of receiving the notice of cancellation. For your part, you must  
3 make available to the contractor at your residence, in substantially as good  
4 condition as you received them, goods delivered to you under this contract or sale.  
5 Or, you may, if you wish, comply with the contractor's instructions on how to  
6 return the goods at the contractor's expense and risk. If you do make the goods  
7 available to the contractor and the contractor does not pick them up within 20  
8 days of the date of your notice of cancellation, you may keep them without any  
9 further obligation. If you fail to make the goods available to the contractor, or if  
10 you agree to return the goods to the contractor and fail to do so, then you remain  
11 liable for performance of all obligations under the contract."

12 (B) The "Seven-Day Right to Cancel" notice required by this  
13 subdivision shall comply with all of the following:

14 (i) The text of the notice is at least 12-point boldface type.

15 (ii) The notice is in immediate proximity to a space reserved for  
16 the owner's signature.

17 (iii) The owner acknowledges receipt of the notice by signing and  
18 dating the notice form in the signature space.

19 (iv) The notice is written in the same language, e.g., Spanish, as  
20 that principally used in any oral sales presentation.

21 (v) The notice may be attached to the contract if the contract  
22 includes, in at least 12-point boldface type, a checkbox with the following  
23 statement: "The law requires that the contractor give you a notice explaining your  
24 right to cancel. Initial the checkbox if the contractor has given you a 'Notice of  
25 the Seven-Day Right to Cancel.' "

26 (vi) The notice shall be accompanied by a completed form in  
27 duplicate, captioned "Notice of Cancellation," which shall also be attached to the  
28 agreement or offer to purchase and be easily detachable, and which shall contain  
the following statement written in the same language, e.g., Spanish, as used in the  
contract:

"Notice of Cancellation"	
	/enter date of transaction/
	(Date)

"You may cancel this transaction, without any penalty or  
obligation, within seven business days from the above date.

If you cancel, any property traded in, any payments made by you  
under the contract or sale, and any negotiable instrument executed by you will be  
returned within 10 days following receipt by the seller of your cancellation notice,  
and any security interest arising out of the transaction will be canceled.



1 If you cancel, you must make available to the seller at your  
2 residence, in substantially as good condition as when received, any goods  
3 delivered to you under this contract or sale, or you may, if you wish, comply with  
4 the instructions of the seller regarding the return shipment of the goods at the  
5 seller's expense and risk.

6 If you do make the goods available to the seller and the seller does  
7 not pick them up within 20 days of the date of your notice of cancellation, you  
8 may retain or dispose of the goods without any further obligation. If you fail to  
9 make the goods available to the seller, or if you agree to return the goods to the  
10 seller and fail to do so, then you remain liable for performance of all obligations  
11 under the contract."

12 To cancel this transaction, mail or deliver a signed and dated copy of this  
13 cancellation notice, or any other written notice, or send a telegram

14 to ,

15 /name of seller/

16 at

17 /address of seller's place of business/

18 not later than midnight of .

19 (Date)

20 I hereby cancel this transaction.

21 (Date)

22 (Buyer's signature)

### 23 COST RECOVERY

24 24. **Cost Recovery:** Code Section 125.3 provides, in pertinent part, that the Board may  
25 request the administrative law judge to direct a licentiate found to have committed a violation or  
26 violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation  
27 and enforcement of the case, with failure of the licentiate to comply subjecting the license to not  
28 being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may  
be included in a stipulated settlement.

29 25. **Restitution:** Government Code section 11519, subdivision (d), provides, in  
pertinent part, that the Registrar may require restitution of damages suffered as a condition of  
probation in the event probation is ordered.

**JJJ PROJECT**

1  
2           26.     JJJ first heard through another contractor's referral about Ryan L. Quinn  
3 Enterprises, Inc., doing business as All Phases Outdoor Living (Respondent), with Contractor's  
4 License Number 993913, Classification B (general building contractor) and Classification D-6  
5 (concrete related services). JJJ explained to Respondent's CEO Louis I. Quinn (Quinn) that the  
6 home improvement project would be financed by a company that helps veterans.

7           27.     On August 24, 2015, Respondent signed a written contract with JJJ for a home  
8 improvement project to be completed in 35 days at the backyard of JJJ's home in San Diego,  
9 California for a total price of \$38,919.00. The scope of the agreed work included installation of  
10 six Catalina stone pavers with sealer, application of grout to existing pavers, obtaining permit  
11 and installation of a 20 feet by 16 feet patio cover, installation of a drip system, obtaining permit  
12 and installation of a 12 feet by 12 feet open patio cover, and the installation of synthetic lawn in  
13 the gravel area.

14           28.     On August 24, 2015, Respondent received from JJJ a deposit of \$1,000.00. On  
15 August 28, 2015, Respondent received from JJJ a progress payment of \$4,000.00. Both credit  
16 card payments were made to Ryan L. Quinn Enterprises. On September 5, 2015, Respondent  
17 received a check payment for \$8,000.00, issued to the name "All Phases." On November 15,  
18 2015, Respondent received from the finance company \$38,919.00. Respondent had received a  
19 total payment of \$51,919.00.

20           29.     On September 1, 2015, the first written change order raised the cost by \$3,550.00.  
21 On September 9, 2015, the second written change order increased the cost by \$10,000.00, and  
22 the third written change order increased the cost by an additional \$1,800.00. On October 5, 2015,  
23 a fourth written change order increased the cost by \$1,795.00, and a fifth change order lowered  
24 the cost by \$8,000.00. On November 23, 2015, a sixth change order increased the cost by  
25 \$3,700.00, for a total increase of \$12,845.00 to the original contract price of \$38,919.00, for a  
26 final total contract price of \$51,764.00.

27           30.     On September 1, 2015, work began on the JJJ Project. Respondent subcontracted  
28 the patio work to Ace Patio, Inc. (API), a licensed contractor. Respondent also initially

1 subcontracted the electrical work on the project to unlicensed contractors. On October 23, 2015,  
2 the finance company funded JJJ's home improvement loan. After Respondent received the lump  
3 sum payment of \$38,919.00, its CEO and work crew stopped showing up at the project site. On  
4 November 6, 2015, API complained to JJJ that Respondent had not been paying for the work on  
5 the patio cover. JJJ paid API \$3,000.00. Between November 6, and 19, 2015, Respondent's CEO  
6 would not respond to JJJ's telephone call. On November 19, 2015, JJJ's lawyer sent Respondent  
7 a letter. On December 1, 2015, Respondent's CEO returned to the project site with some  
8 workers, which were directly paid by JJJ. On December 14, 2015, JJJ received a lien notice for  
9 \$5,876.28 from Respondent's supplier MBSI. JJJ paid MBSI \$4,000.00 to have the lien  
10 removed.

11 31. On December 22, 2015, JJJ filed a complaint with the Board against Respondent.  
12 On or around December 25, 2015, Respondent's CEO told JJJ that he could not finish the home  
13 improvement project, to file a complaint against Respondent's surety bond, and that Respondent  
14 was filing for bankruptcy. At the end of December 2015, a city inspector pointed out electrical  
15 issues with the project and issued correction notices. JJJ subsequently filed a complaint against  
16 Respondent's surety company. JJJ also contacted a news station and several contractors helped  
17 JJJ complete the project and address identified issues. In April 2016, Respondent's RMO went to  
18 JJJ's home. By then, home improvement issues had been addressed and unfinished work on the  
19 project had been completed.

20 **FIRST CAUSE FOR DISCIPLINE**

21 **(Failure to Pay Subcontractor)**

22 32. Respondent has subjected its Contractor's License to disciplinary action under  
23 Code section 7108.5 in that, Respondent failed to pay subcontractor API within seven days of  
24 receiving sufficient funds to do so, as detailed in paragraphs 26-31, above, which are incorporated  
25 herein.

26 ///

27 ///

28 ///

1 **SECOND CAUSE FOR DISCIPLINE**

2 **(Departure In a Material Respect from Accepted Trade Standards)**

3 33. Respondent has subjected its Contractor's License to disciplinary action under  
4 Code section 7109, subdivision (a) in that on the JJJ Project, it willfully departed from accepted  
5 trade standards for good and workmanlike construction in the following respects:

- 6 a. Respondent failed to use straps and metal brackets on nine pipe  
7 installations.
- 8 b. Respondent failed to install an insulated ground in the conduit for the  
9 Jacuzzi tub.
- 10 c. Respondent failed to contain a pipe inside a conduit in the main electrical  
11 panel.
- 12 d. Respondent failed to install the pavers to slope away from the house.
- 13 e. Respondent failed to install sufficient number of water runoff drains in  
14 pavers in the backyard.
- 15 f. Respondent failed to strap at least two electrical conduits to the wall.
- 16 g. Respondent failed to patch and fill hole penetrations in stucco wall.
- 17 h. Respondent failed to install plumber's tape on the barbeque island hose  
18 bib.
- 19 i. Respondent failed to allocate space in the barbeque island cinderblock for  
20 appliances to be installed.

21 **THIRD CAUSE FOR DISCIPLINE**

22 **(Duty of Qualifier - Failure to Exercise Direct Supervision and Control)**

23 34. Respondent has subjected its Contractor's License to disciplinary action under  
24 Code section 7115, in that on the JJJ Project, Joseph Edward Castaneda, the Responsible  
25 Managing Officer of Respondent, failed to comply with Code section 7068.1, by failing to  
26 exercise direct supervision and control of the installation operations of the business to secure full  
27 compliance with the provisions and the rules and regulations of the Board, as set forth in  
28 paragraphs 26-31, above, which are incorporated herein.

1 **FOURTH CAUSE FOR DISCIPLINE**

2 **(Entering Into a Contract with an Unlicensed Contractor)**

3 35. Respondent has subjected its Contractor's License to disciplinary action under  
4 Code section 7118, in that on the JJJ Project, it hired unlicensed contractors to work on the JJJ  
5 Project, as detailed in paragraph 30, above, which is incorporated herein.

6 **FIFTH CAUSE FOR DISCIPLINE**

7 **(Failure to Pay for Materials)**

8 36. Respondent has subjected its Contractor's License to disciplinary action under  
9 Code section 7120 in that it failed to pay \$5,876.28, when due for materials and services provided  
10 by its supplier in connection with its operations as a contractor, when it had the capacity to pay.  
11 Respondent received funds for the materials and services for the JJJ Project and intentionally did  
12 not pay its supplier that provided the materials, as set forth in paragraphs 26-31, above, which are  
13 incorporated herein.

14 **SIXTH CAUSE FOR DISCIPLINE**

15 **(Violation of the Home Improvement Contract Provisions)**

16 37. Respondent has subjected its Contractor's License to disciplinary action under  
17 Code section 7159, in that on the JJJ Project, it failed to comply with provisions of that section,  
18 as follows:

19 a. **Subdivision (d)(8)(A)**: Respondent failed to provide the heading:  
20 "Downpayment."

21 b. **Subdivision (d)(8)(B)**: Respondent failed to provide a space where the  
22 actual downpayment appears.

23 c. **Subdivision (d)(8)(C)**: Respondent failed to provide the following  
24 statement in at least 12-point boldface type: "THE DOWNPAYMENT MAY NOT EXCEED  
25 \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

26 d. **Subdivision (d)(9)(A)**: Respondent failed to provide the required format  
27 as to additional payments known as progress payments as identified below:

28 A heading: "Schedule of Progress Payments."

1 e. **Subdivision (d)(9)(B)**: Respondent failed to provide the required details  
2 as to progress payments in dollars and cents and specifically reference the amount of work or  
3 services to be performed and materials and equipment to be supplied.

4 f. **Subdivision (d)(9)(C)**: Respondent failed to include on the contract the  
5 following statement in at least 12-point boldface type:

6 “The schedule of progress payments must specifically describe each phase  
7 of work, including the type and amount of work or services scheduled to be  
8 supplied in each phase, along with the amount of each proposed progress  
9 payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT  
10 PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS  
11 NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A  
12 DOWNPAYMENT.”

13 g. **Subdivision (d)(10)(A)**: Respondent failed to include on the contract a  
14 statement describing what constitutes substantial commencement of work under the contract.

15 h. **Subdivision (d)(10)(B)**: Respondent failed to include on the contract the  
16 heading: “Approximate Start Date.”

17 i. **Subdivision (d)(10)(C)**: Respondent failed to include on the contract the  
18 approximate date on which work will be commenced.

19 j. **Subdivision (d)(11)(A)**: Respondent failed to include on the contract the  
20 heading: “Approximate Completion Date.”

21 k. **Subdivision (d)(11)(B)**: Respondent failed to include on the contract the  
22 approximate date of completion.

23 l. **Subdivision (e)(1)(A)**: Respondent failed to include on the contract the  
24 heading “Commercial General Liability Insurance (CGL),” and the relevant and correct  
25 statements:

26 “(The name on the license or ‘This contractor’) does not carry commercial  
27 general liability insurance.”

28 m. **Subdivision (e)(1)(B)**: Respondent failed to include on the contract the  
heading “Commercial General Liability Insurance (CGL),” and the relevant and correct  
statements:

1                   “(The name on the license or ‘This contractor’) carries commercial general  
2 liability insurance written by (the insurance company). You may call (the  
3 insurance company) at \_\_\_\_\_ to check the contractor’s insurance coverage.”

4                   n.       **Subdivision (e)(1)(C)**: Respondent failed to include on the contract the  
5 heading “Commercial General Liability Insurance (CGL),” and the relevant and correct  
6 statements:

7                   “(The name on the license or ‘This contractor’) is self-insured.”

8                   o.       **Subdivision (e)(1)(D)**: Respondent failed to include on the contract the  
9 heading “Commercial General Liability Insurance (CGL),” and the relevant and correct  
10 statements:

11                   “(The name on the license or ‘This contractor’) is a limited liability  
12 company that carries liability insurance or maintains other security as required by  
13 law. You may call (the insurance company or trust company or bank) at \_\_\_\_\_ to  
14 check on the contractor’s insurance coverage or security.”

15                   p.       **Subdivision (e)(2)(A)**: Respondent failed to include in the contract the  
16 notice concerning workers’ compensation insurance that includes the heading “Workers’  
17 Compensation Insurance” followed by:

18                   “(The name on the license or ‘This contractor’) has no employees and is  
19 exempt from workers’ compensation requirements.”

20                   q.       **Subdivision (e)(2)(B)**: Respondent failed to include in the contract the  
21 notice concerning workers’ compensation insurance that includes the heading “Workers’  
22 Compensation Insurance” followed by:

23                   “(The name on the license or ‘This contractor’) carries workers’  
24 compensation insurance for all employees.”

25                   r.       **Subdivision (e)(5)**: Respondent failed to provide in at least 12-point type,  
26 bold face print, within the contract, the required notice regarding the Contractors’ State License  
27 Board.

28                   s.       **Subdivision (e)(6)(A)**: Respondent failed to provide the notice of “Three-  
Day Right to Cancel” as required by law, in paragraph B of the section.

1 t. **Subdivision (e)(6)(B)**: Respondent failed to provide the required language  
2 of the “Three-Day Right to Cancel.”

3 u. **Subdivision (e)(6)(C)**: Respondent failed to provide the following  
4 statement in the notice of “Three-Day Right to Cancel” in at least 12-point boldface type:

5 “You may cancel this transaction, without any penalty or obligation,  
6 within three business days from the above date.

7 If you cancel, any property traded in, any payments made by you under  
8 the contract or sale, and any negotiable instrument executed by you will be  
9 returned within 10 days following receipt by the seller of your cancellation notice,  
10 and any security interest arising out of the transaction will be canceled.

11 If you cancel, you must make available to the seller at your residence, in  
12 substantially as good condition as when received, any goods delivered to you  
13 under this contract or sale, or you may, if you wish, comply with the instructions  
14 of the seller regarding the return shipment of the goods at the seller’s expense and  
15 risk.

16 If you do make the goods available to the seller and the seller does not  
17 pick them up within 20 days of the date of your notice of cancellation, you may  
18 retain or dispose of the goods without any further obligation. If you fail to make  
19 the goods available to the seller, or if you agree to return the goods to the seller  
20 and fail to do so, then you remain liable for performance of all obligations under  
21 the contract.”

## 22 **EKB PROJECT**

23 38. EKB first heard about Ryan L. Quinn Enterprises, Inc., doing business as All  
24 Phases Outdoor Living (Respondent), with Contractor’s License Number 993913, Classification  
25 B (general building contractor) and Classification D-6 (concrete related services), through  
26 Respondent’s CEO Louis I. Quinn (Quinn). Quinn happened to pass by while EKB was  
27 landscaping at his home in Chula Vista, California. On October 30, 2015, Respondent signed a  
28 written contract with EKB for a home improvement project at the front yard of EKB’s home for  
a total price of \$5,900.00. The scope of the agreed work included installation of 234 square feet  
of grey concrete in EKB’s driveway.

39. On October 30, 2015, Respondent received from EKB a deposit of \$590.00. On  
November 2, 2015, Respondent received from EKB a progress payment of \$2,000.00 and work  
began on the EKB Project. On November 3, 2015, Respondent received another progress  
payment for \$2,000.00. On November 4, 2015, Respondent completed the EKB Project and



1 Respondent received from EKB a final payment of \$1,310.00. All check payments were issued  
2 to "All Phases."

3 40. In February 2016, EKB received a lien notice for \$503.50 from Respondent's  
4 materials supplier. The supplier alleged Respondent's non-payment of the materials that were  
5 ordered for the EKB Project. EKB contacted Respondent's CEO, who assured EKB that the  
6 materials supplier would immediately be paid \$503.50. The payment was not made and  
7 Respondent could no longer be contacted. EKB paid the supplier \$503.50 to have the lien  
8 removed on his home.

9 **SEVENTH CAUSE FOR DISCIPLINE**

10 **(Failure to Complete Project for Contract Price)**

11 41. Respondent has subjected its Contractor's License to disciplinary action under  
12 Code section 7113 in that, it failed to complete the EKB Project for the contract price stated in the  
13 contract, as set forth in paragraphs 38 to 39, above. EKB was required to pay for materials  
14 supplied for the EKB Project resulting in a cost of \$503.50 in excess of the contract amount, as  
15 set forth in paragraphs 38-40, above, which are incorporated herein.

16 **EIGHTH CAUSE FOR DISCIPLINE**

17 **(Duty of Qualifier - Failure to Exercise Direct Supervision and Control)**

18 42. Respondent has subjected its Contractor's License to disciplinary action under  
19 Code section 7115, in that on the EKB Project, Joseph Edward Castaneda, the Responsible  
20 Managing Officer of Respondent, failed to comply with Code section 7068.1, by failing to  
21 exercise direct supervision and control of the installation operations of the business to secure full  
22 compliance with the provisions and the rules and regulations of the Board.

23 **NINTH CAUSE FOR DISCIPLINE**

24 **(Failure to Pay for Materials)**

25 43. Respondent has subjected its Contractor's License to disciplinary action under  
26 Code section 7120 in that it failed to pay \$503.50, when due for materials and services provided  
27 by its supplier in connection with its operations as a contractor, when it had the capacity to pay.  
28 Respondent received funds for the materials and services for the EKB Project and intentionally

1 did not pay its supplier that provided the materials, as set forth in paragraphs 38-40, above, which  
2 are incorporated herein.

3 **ELEVENTH CAUSE FOR DISCIPLINE**

4 **(Violation of the Home Improvement Contract Provisions)**

5 44. Respondent has subjected its Contractor's License to disciplinary action under  
6 Code section 7159, in that on the JJJ Project, it failed to comply with provisions of that section,  
7 as follows:

8 a. **Subdivision (d)(8)(A)**: Respondent failed to provide the heading:  
9 "Downpayment."

10 b. **Subdivision (d)(8)(B)**: Respondent failed to provide a space where the  
11 actual downpayment appears.

12 c. **Subdivision (d)(8)(C)**: Respondent failed to provide the following  
13 statement in at least 12-point boldface type: "THE DOWNPAYMENT MAY NOT EXCEED  
14 \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

15 d. **Subdivision (d)(9)(A)**: Respondent failed to provide the required format  
16 as to additional payments known as progress payments as identified below:

17 A heading: "Schedule of Progress Payments."

18 e. **Subdivision (d)(9)(B)**: Respondent failed to provide the required details  
19 as to progress payments in dollars and cents and specifically reference the amount of work or  
20 services to be performed and materials and equipment to be supplied.

21 f. **Subdivision (d)(9)(C)**: Respondent failed to include on the contract the  
22 following statement in at least 12-point boldface type:

23 "The schedule of progress payments must specifically describe  
24 each phase of work, including the type and amount of work or services  
25 scheduled to be supplied in each phase, along with the amount of each  
26 proposed progress payment. IT IS AGAINST THE LAW FOR A  
27 CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET  
28 COMPLETED, OR FOR MATERIALS NOT YET DELIVERED.  
HOWEVER, A CONTRACTOR MAY REQUIRE A  
DOWNPAYMENT."

///

1 g. **Subdivision (d)(10)(A)**: Respondent failed to include on the contract a  
2 statement describing what constitutes substantial commencement of work under the contract.

3 h. **Subdivision (d)(10)(B)**: Respondent failed to include on the contract the  
4 heading: "Approximate Start Date."

5 i. **Subdivision (d)(10)(C)**: Respondent failed to include on the contract the  
6 approximate date on which work will be commenced.

7 j. **Subdivision (d)(11)(A)**: Respondent failed to include on the contract the  
8 heading: "Approximate Completion Date."

9 k. **Subdivision (d)(11)(B)**: Respondent failed to include on the contract the  
10 approximate date of completion.

11 l. **Subdivision (e)(1)(A)**: Respondent failed to include on the contract the  
12 heading "Commercial General Liability Insurance (CGL)," and the relevant and correct  
13 statements:

14 "The name on the license or 'This contractor' does not carry commercial  
15 general liability insurance."

16 m. **Subdivision (e)(1)(B)**: Respondent failed to include on the contract the  
17 heading "Commercial General Liability Insurance (CGL)," and the relevant and correct  
18 statements:

19 "The name on the license or 'This contractor' carries commercial general  
20 liability insurance written by (the insurance company). You may call (the  
21 insurance company) at \_\_\_\_\_ to check the contractor's insurance coverage."

22 n. **Subdivision (e)(1)(C)**: Respondent failed to include on the contract the  
23 heading "Commercial General Liability Insurance (CGL)," and the relevant and correct  
24 statements:

25 "The name on the license or 'This contractor' is self-insured."

26 o. **Subdivision (e)(1)(D)**: Respondent failed to include on the contract the  
27 heading "Commercial General Liability Insurance (CGL)," and the relevant and correct  
28 statements:

1                   “(The name on the license or ‘This contractor’) is a limited liability  
2 company that carries liability insurance or maintains other security as required by  
3 law. You may call (the insurance company or trust company or bank) at \_\_\_\_ to  
4 check on the contractor’s insurance coverage or security.”

5           p.       **Subdivision (e)(2)(A)**: Respondent failed to include in the contract the  
6 notice concerning workers’ compensation insurance that includes the heading “Workers’  
7 Compensation Insurance” followed by:

8                   “(The name on the license or ‘This contractor’) has no employees and is  
9 exempt from workers’ compensation requirements.”

10           q.       **Subdivision (e)(2)(B)**: Respondent failed to include in the contract the  
11 notice concerning workers’ compensation insurance that includes the heading “Workers’  
12 Compensation Insurance” followed by:

13                   “(The name on the license or ‘This contractor’) carries workers’  
14 compensation insurance for all employees.”

15           r.       **Subdivision (e)(5)**: Respondent failed to provide in at least 12-point type,  
16 bold face print, within the contract, the required notice regarding the Contractors’ State License  
17 Board.

18           s.       **Subdivision (e)(6)(A)**: Respondent failed to provide the notice of “Three-  
19 Day Right to Cancel” as required by law, in paragraph B of the section.

20           t.       **Subdivision (e)(6)(B)**: Respondent failed to provide the required language  
21 of the “Three-Day Right to Cancel.”

22           u.       **Subdivision (e)(6)(C)**: Respondent failed to provide the following  
23 statement in the notice of “Three-Day Right to Cancel” in at least 12-point boldface type:

24                   “You may cancel this transaction, without any penalty or obligation,  
25 within three business days from the above date.

26                   If you cancel, any property traded in, any payments made by you under  
27 the contract or sale, and any negotiable instrument executed by you will be  
28 returned within 10 days following receipt by the seller of your cancellation notice,  
and any security interest arising out of the transaction will be canceled.

                  If you cancel, you must make available to the seller at your residence, in  
substantially as good condition as when received, any goods delivered to you  
under this contract or sale, or you may, if you wish, comply with the instructions

1 of the seller regarding the return shipment of the goods at the seller's expense and  
2 risk.

3 If you do make the goods available to the seller and the seller does not  
4 pick them up within 20 days of the date of your notice of cancellation, you may  
5 retain or dispose of the goods without any further obligation. If you fail to make  
6 the goods available to the seller, or if you agree to return the goods to the seller  
7 and fail to do so, then you remain liable for performance of all obligations under  
8 the contract."

### 7 **DISCIPLINARY CONSIDERATION**

8 45. To determine the degree of discipline, if any, to be imposed on Respondent for the  
9 violations alleged above, Complainant alleges that in a prior disciplinary action entitled "In the  
10 Matter of the Accusation Against Louis Concrete, Formerly: R.C. Quinn Enterprises, with Louis  
11 I. Quinn, aka Lou Quintero Jr., Sole Owner," Case Number S2002-253, the Board adopted a  
12 Stipulated Settlement and Disciplinary Order, effective January 26, 2005, in which Contractor's  
13 License Number 537075, classification C-8 (concrete), issued to Respondent's current CEO was  
14 revoked. However, the revocation was stayed and Contractor's License Number 537075 was  
15 placed on probation for a period of three years with certain terms and conditions. The  
16 Contractor's License expired on August 31, 2006, and has not been renewed.

### 17 **OTHER MATTERS**

18 46. Pursuant to Code sections 7097 and 7098, if Contractor's License Number  
19 993913, Classifications B (general building contractor) and D-6 (concrete related services)  
20 issued to Ryan L. Quinn Enterprises, Inc., doing business as All Phases Outdoor Living, with  
21 Louis I. Quinn, as CEO and President, and Joseph Edward Castaneda, as RMO, is suspended or  
22 revoked, the Registrar may suspend or revoke, without notice Contractor's License Number  
23 969628, Classification B (general building contractor) issued to Joseph Edward Castaneda,  
24 Qualifying Partner, and Alex Celis, General Partner, partnership owner of Axcel Construction,  
25 and any other license for which Joseph Edward Castaneda furnishes the qualifying experience or  
26 appearance.

27 47. Pursuant to Code section 7121, if discipline is imposed on Contractor's License  
28 Number 993913, Classifications B (general building contractor) and D-6 (concrete related

1 services) issued to Ryan L. Quinn Enterprises, Inc., doing business as All Phases Outdoor  
2 Living, with Louis I. Quinn, as CEO and President, and Joseph Edward Castaneda, as RMO,  
3 then Louis I. Quinn and Joseph Edward Castaneda shall be prohibited from serving as officers,  
4 directors, associates, partners, managers, members, or qualifying individuals for any licensee  
5 during the time the discipline is imposed, if they had knowledge of and participated in the acts or  
6 omissions alleged above constituting grounds for discipline against them and any licensee which  
7 employs, elects or associates Louis I. Quinn and Joseph Edward Castaneda in any capacity other  
8 than as nonsupervising bona fide employees shall be subject to disciplinary action.

9 48. Pursuant to Code section 7121.5, if discipline is imposed on Contractor's License  
10 Number 993913, Classifications B (general building contractor) and D-6 (concrete related  
11 services) issued to Ryan L. Quinn Enterprises, Inc., doing business as All Phases Outdoor Living,  
12 with Louis I. Quinn, as CEO and President, and Joseph Edward Castaneda, as RMO, then Joseph  
13 Edward Castaneda shall be prohibited from serving as an officer, director, associate, partner, or  
14 qualifying individual for any licensee during the time the discipline is imposed, whether or not he  
15 had knowledge of or participated in the acts or omissions constituting grounds for discipline, and  
16 any licensee which employs, elects or associates Joseph Edward Castaneda shall be subject to  
17 disciplinary action.

18 49. Pursuant to Code section 7122.5, the causes for discipline established as to  
19 Contractor's License Number 993913, Classifications B (general building contractor) and D-6  
20 (concrete related services) issued to Ryan L. Quinn Enterprises, Inc., doing business as All  
21 Phases Outdoor Living, with Louis I. Quinn, as CEO and President, and Joseph Edward  
22 Castaneda, as RMO, constitute causes for discipline against any other license issued to Louis I.  
23 Quinn and Joseph Edward Castaneda, regardless of whether they had knowledge of or  
24 participated in the acts or omissions alleged above.

25 **PRAYER**

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

28 ///

1           1.       Revoking or suspending Contractor's License Number 993913, Classifications B  
2 (general building contractor) and D-6 (concrete related services) issued to Ryan L. Quinn  
3 Enterprises, Inc., doing business as All Phases Outdoor Living, with Louis I. Quinn, as CEO and  
4 President, and Joseph Edward Castaneda, as RMO;

5           2.       Prohibiting Ryan Louis Quinn from serving as an officer, director, associate,  
6 partner, or qualifying individual of any licensee during the period that discipline is imposed on  
7 Contractor's License Number 993913, Classifications B (general building contractor) and D-6  
8 (concrete related services) issued to Ryan L. Quinn Enterprises, Inc., doing business as All Phases  
9 Outdoor Living, with Louis I. Quinn, as CEO and President, and Joseph Edward Castaneda, as  
10 RMO;

11          3.       Revoking or suspending Contractor's License Number 969628, Classification B  
12 (general building contractor), to Joseph Edward Castaneda, Qualifying Partner, and Alex Celis,  
13 General Partner, partnership owner of Axcel Construction, and any other license for which Joseph  
14 Edward Castaneda is furnishing the qualifying experience or appearance;

15          4.       Ordering restitution of all damages according to proof suffered by JJJ and EBK, as  
16 a condition of probation in the event probation is ordered;

17          5.       Ordering restitution of all damages suffered by JJJ and EBK as a result of Ryan L.  
18 Quinn Enterprises, Inc.'s conduct as a contractor, as a condition of restoration of Contractor's  
19 License Number 993913, Classifications B (general building contractor) and D-6 (concrete  
20 related services) issued to Ryan L. Quinn Enterprises, Inc., doing business as All Phases Outdoor  
21 Living, with Louis I. Quinn, as CEO and President, and Joseph Edward Castaneda, as RMO;

22          6.       Ordering Ryan L. Quinn Enterprises, Inc., doing business as All Phases Outdoor  
23 Living, with Louis I. Quinn, as CEO and President, and Joseph Edward Castaneda, as RMO to  
24 pay the Registrar of Contractors her costs in the investigation and enforcement of the case  
25 according to proof at the hearing, under Code section 125.3;

26          7.       Ordering Ryan L. Quinn Enterprises, Inc., doing business as All Phases Outdoor  
27 Living, with Louis I. Quinn, as CEO and President, and Joseph Edward Castaneda, as RMO to

28 ///

1 provide the Registrar with a listing of all contracting projects in progress and the anticipated  
2 completion date of each; and

3 8. Taking such other and further action as deemed necessary and proper.  
4

5  
6 DATED: 05/11/17



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

7 **FILED**  
8 **MAY 11 2017**  
9 **CSLB DSS**

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