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14
15 **BEFORE THE**
16 **REGISTRAR OF CONTRACTORS**
17 **CONTRACTORS' STATE LICENSE BOARD**
18 **DEPARTMENT OF CONSUMER AFFAIRS**
19 **STATE OF CALIFORNIA**

20 In the Matter of the Accusation Against:

21 Case No. N2016-288

22 **CAPITOL CITY CONTRACTORS**
23 **WILLIAM ALAN HUFFMAN, OWNER**
24 2701 Del Paso Blvd. 130-320
25 Sacramento, CA 95835

26 **ACCUSATION**

27 **Contractor's License No. 802576**

28 Respondent.

29 Wood Robinson ("Complainant") alleges:

30 **PARTIES**

31 1. Complainant brings this Accusation solely in his official capacity as the Enforcement
32 Supervisor I of the Contractors' State License Board (the "Board"), Department of Consumer
33 Affairs.

34 2. On or about December 26, 2001, the Registrar of Contractors ("Registrar") issued
35 Contractor's License Number 802576, classifications B (general building contractor), and C-36
36 (plumbing) to William Alan Huffman ("Respondent"), as owner of Capitol City Contractors. The
37 Contractor's License expired under suspension as set forth below on or about December 31, 2015,
38 and has not been renewed.

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	<u>Suspension Date</u>	<u>Violation</u>	<u>Status</u>
2	07/08/15	Business and Professions Code ("Code") section 7125.2 (failure to maintain workers' compensation insurance)	Reinstated 10/13/15
4	10/14/15	Code section 7071.11 (unsatisfied claim in excess of bond)	Reinstated 10/21/15
6	11/23/15	Code section 7071.11 (unsatisfied claim in excess of bond)	Reinstated 11/25/15
8	02/02/16	Code section 7071.11 (unsatisfied claim in excess of bond)	Suspension lifted 10/25/16
10	07/08/16	Code section 7090.1 (automatic suspension for failure to pay civil penalty/comply with order of correction)	Suspension lifted 11/17/16
11	10/11/16	Code section 7071.11 (unsatisfied claim in excess of bond)	Suspension lifted 10/25/16

JURISDICTION

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

4. Code section 7095 provides, in pertinent part, that the Registrar in making his order may:

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

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

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

25 5. Code section 7096 states:

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

1 under the provisions of Section 7068.

2 6. Code section 7097 states:

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

10 7. Code section 7098 states:

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

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

21 9. Code section 7076.5 provides, in pertinent part, that the inactive status of a license
22 shall not bar any disciplinary action for violating provisions of the Contractors' State License Law
23 (Bus. & Prof. Code, section 7000, et seq.).

24 10. Code section 7121 states:

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

11. Code section 7121.5 states:

2 A person who was the qualifying individual on a revoked license, or of a
3 license under suspension, or of a license that was not renewed while it was under
4 suspension, shall be prohibited from serving as an officer, director, associate, partner,
5 manager, or qualifying individual of a licensee, whether or not the individual had
6 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 that person by a licensee shall constitute grounds for disciplinary
9 action.

10 12. Code section 118(b), provides, in pertinent part, that the expiration of a license shall
11 not deprive the Registrar of jurisdiction to proceed with a disciplinary action during the period
12 within which the license may be renewed, restored, reissued or reinstated. Under Code section
13 7076.1, the Registrar may reinstate a cancelled license if the licensee pays all of the fees and
14 meets all of the qualifications and requirements for obtaining an original license.

STATUTORY PROVISION

15 13. Code section 7123 states, "A conviction of a crime substantially related to the
16 qualifications, functions and duties of a contractor constitutes a cause for disciplinary action. The
17 record of the conviction shall be conclusive evidence thereof."

COST RECOVERY

18 14. Code section 125.3 provides, in pertinent part, that the Board may request the
19 administrative law judge to direct a licentiate found to have committed a violation or violations of
20 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
21 enforcement of the case, with failure of the licentiate to comply subjecting the license to not being
22 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be
included in a stipulated settlement.

CAUSE FOR DISCIPLINE

23 (Criminal Conviction)

24 15. Respondent is subject to discipline pursuant to Code section 7123, in that Respondent
25 was convicted of a crime that is substantially related to the qualifications, functions, or duties of a
26 licensed contractor. Specifically, on or about March 24, 2016, in the Superior Court of the State
27 of California, County of Sacramento, in the matter entitled *People v. William Alan Huffman*, Case

1 No. 16F00501, Respondent was convicted by the court on his plea of nolo contendere of violating
2 Insurance Code section 11760(a) (fraudulent/false statement material to determination of a
3 premium, rate, or other cost of a workers' compensation insurance policy for the purpose of
4 reducing cost of same), a felony, and, Unemployment Insurance Code section 2101.5 (false
5 statement or concealment made with intent to lower or avoid required contribution for
6 unemployment/ underemployment funds), a felony. Respondent was sentenced to 364 days of
7 imprisonment; five years of formal probation; and, fees, fines and restitution, including
8 \$14,578.00 restitution to Zurich Insurance, \$173,179.42 restitution to Wesco Insurance, and
9 \$115,922.62 restitution to the Employment Development Department. The circumstances of the
10 crime are that between on or about February 1, 2012, and July 1, 2013, Respondent made
11 fraudulent and false statements orally and in writing to reduce the determination of his workers'
12 compensation insurance premium, rate, and policy; and, between on or about October 1, 2012,
13 and June 30, 2015, Respondent made willful and false statements, representations, or knowingly
14 omitted material facts, to lower or avoid contributions required under Division One of the
15 Unemployment Insurance Code. When questioned by a Board representative in the course of its
16 investigation, Respondent admitted that he "paid employees under the table" and that an
17 employee whom he had fired reported him to the Employment Development Department.

MATTERS IN AGGRAVATION

16. To determine the degree of discipline, if any, to be imposed on Respondent,
Complainant alleges the following:

21 17. On or about July 16, 2014, the Registrar issued Citation No. 2 2014 1070 against
22 Respondent for violation of Code sections 7110(a) (failure to obtain a permit) and 7159 (failure to
23 comply with laws governing home improvement contracts). The Board assessed civil penalties
24 totaling \$750 against Respondent for the violations. Respondent appealed the citation and the
25 penalty was modified to \$600 total. Respondent complied with the citation on or about June 16,
26 2015.

27 18. On or about April 27, 2015, the Registrar issued Citation No. 2 2014 2629 against
28 Respondent for violation of Code sections 7110(a) (failure to obtain a permit) and 7159 (failure to

1 comply with laws governing home improvement contracts). The Board assessed civil penalties
2 totaling \$750 against Respondent for the violations. Respondent complied with the citation on or
3 about June 24, 2015.

4 19. On or about February 12, 2016, the Registrar issued Citation No. 2 2015 2264 against
5 Respondent for violation of Code section 7120 (failure to pay for materials or services). The
6 Board assessed civil penalties totaling \$500 against Respondent for the violation, and issued an
7 Order of Correction in the amount of \$567. Respondent complied with the citation on or about
8 November 17, 2016.

9 **OTHER MATTERS**

10 20. Pursuant to Code sections 7097 and 7098, if Contractor's License Number 802576,
11 issued to William Alan Huffman, as owner of Capitol City Contractors, is suspended or revoked,
12 the Registrar may suspend or revoke without notice, any other license issued in the name of
13 William Alan Huffman or for which he furnished the qualifying experience and appearance.

14 21. Pursuant to Code section 7121, if discipline is imposed on Contractor's License
15 Number 802576, issued to William Alan Huffman, as owner of Capitol City Contractors, then
16 William Alan Huffman shall be prohibited from serving as an officer, director, associate, partner,
17 manager, qualifying individual, or member of the personnel of record of a licensee, and the
18 employment, election, or association of William Alan Huffman by a licensee in any capacity
19 other than as a nonsupervising bona fide employee shall constitute grounds for disciplinary
20 action.

21 22. Pursuant to Code section 7121.5, if discipline is imposed on Contractor's License
22 Number 802576, issued to William Alan Huffman, as owner of Capitol City Contractors, then
23 William Alan Huffman shall be prohibited from serving as an officer, director, associate, partner,
24 or qualifying individual for any licensee during the time the discipline is imposed, whether or not
25 he had knowledge of or participated in the acts or omissions constituting grounds for discipline,
26 and any licensee which employs, elects or associates William Alan Huffman shall be subject to
27 disciplinary action.

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PRAYER

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

1. Revoking or suspending Contractor's License Number 802576, issued to William Alan Huffman, as owner of Capitol City Contractors;

2. Prohibiting William Alan Huffman from serving as an officer, director, associate, partner, manager, or qualifying individual of any licensee during the period that discipline is imposed on Contractor's License Number 802576, issued to William Alan Huffman, as owner of Capitol City Contractors;

3. Revoking or suspending any other license for which William Alan Huffman is furnishing the qualifying experience or appearance;

4. Ordering William Alan Huffman to pay the Registrar of Contractors their costs in the investigation and enforcement of the case according to proof at the hearing, pursuant to Business and Professions Code section 125.3;

5. Ordering William Alan Huffman to provide the Registrar of Contractors with a listing of all contracting projects in progress and the anticipated completion date of each; and,

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

DATED: 12/13/17

FILED

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