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

13 In the Matter of the Accusation Against:

14 **STONEGATE CONSTRUCTION INC**
15 **ABOLGHASSEN ALIZADEH, RMO/CEO/PRES**
3001 Lava Ridge Court, #380
16 Roseville, CA 95661,
17 **Contractor's License No. 766777,**

Respondent.

Case No. N2009-438

A C C U S A T I O N

18 Complainant alleges:

19 **PARTIES**

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

23 2. On or about August 2, 1999, the Registrar of Contractors issued Contractor's License
24 Number 766777, B, to Stonegate Construction Inc, Abolghassen Alizadeh RMO/CEO/Pres
25 (Respondent). The Contractor's License was in full force and effect at all times relevant to the
26 charges brought herein and expired on August 31, 2009 and has not been 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.

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7 **STATUTORY PROVISIONS**

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

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

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

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

25 8. Section 7108 of the Code states:
26 "Diversion of funds or property received for prosecution or completion of a specific
27 construction project or operation, or for a specified purpose in the prosecution or completion of
28 any construction project or operation, or failure substantially to account for the application or use

1 of such funds or property on the construction project or operation for which such funds or
2 property were received constitutes a cause for disciplinary action."

3 9. Section 7108.5 of the Code states:

4 "A prime contractor or subcontractor shall pay to any subcontractor, not later than 10 days
5 of receipt of each progress payment, unless otherwise agreed to in writing, the respective amounts
6 allowed the contractor on account of the work performed by the subcontractors, to the extent of
7 each subcontractor's interest therein. In the event that there is a good faith dispute over all or any
8 portion of the amount due on a progress payment from the prime contractor or subcontractor to a
9 subcontractor, then the prime contractor or subcontractor may withhold no more than 150 percent
10 of the disputed amount.

11 "Any violation of this section shall constitute a cause for disciplinary action and shall
12 subject the licensee to a penalty, payable to the subcontractor, of 2 percent of the amount due per
13 month for every month that payment is not made. In any action for the collection of funds
14 wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs.

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

17 "This section applies to all private works of improvement and to all public works of
18 improvement, except where Section 10262 of the Public Contract Code applies."

19 10. Section 7120 of the Code states:

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

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1 g. American River Caulking, Inc.

2 h. Tri-County Cabinets, Inc

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4 **OTHER MATTERS**

5 15. Pursuant to sections 7097 and 7098 of the Code, if license number 766777 issued to
6 Respondent is suspended or revoked, the Registrar may suspend or revoke, without notice, any
7 other license issued in the name of Abolghassen Alizadeh or for which Abolghassen Alizadeh
8 furnished the qualifying experience and appearance.

9 16. Pursuant to section 7121 of the Code, if discipline is imposed on license number
10 766777 issued to Respondent, Abolghassen Alizadeh shall be prohibited from serving as an
11 officer, director, associate, partner, or qualifying individual of any licensee during the time the
12 discipline is imposed, and any licensee which employs, elects, or associates Abolghassen
13 Alizadeh shall be subject to disciplinary action.

14 17. Pursuant to Section 7121.5 of the Code, if discipline is imposed on license number
15 766777 issued to Respondent, Abolghassen Alizadeh shall be prohibited from serving as an
16 officer, director, associate, partner, or qualifying individual of any licensee during the time the
17 discipline is imposed, whether or not he had knowledge or participated in the acts or omissions
18 constituting grounds for discipline, and any licensee which employs, elects, or associates
19 Abolghassen Alizadeh shall be subject to disciplinary action.

20 18. Section 7095 of the Code provides, in pertinent part, that the Registrar in making his
21 order may:

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

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

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

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4 **PRAYER**

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

7 1. Revoking or suspending Contractor's License Number 766777, B, issued to Stonegate
8 Construction Inc, Abolghassen Alizadeh RMO/CEO/Pres;

9 2. Prohibiting Abolghassen Alizadeh from serving as an officer, director, associate,
10 partner, or qualifying individual of any licensee during the period that discipline is imposed on
11 Contractor's License Number 766777, B, issued to Stonegate Construction Inc, Abolghassen
12 Alizadeh RMO/CEO/Pres;

13 3. Revoking or suspending any other license for which Abolghassen Alizadeh is
14 furnishing the qualifying experience or appearance;

15 4. Ordering restitution of all damages according to proof suffered by Guzman Electric,
16 Inc., Johnson Concrete Sawing & Demo, Inc., Clearwater Compliance Services of California,
17 Inc., Crusader Fence Company, Inc., Hauan & Aregis, Inc., dba JD Specialites, Peterson-Dean
18 Roofing, American River Caulking, Inc., and/or Tri-County Cabinets, Inc., as a condition of
19 probation in the event probation is ordered;

20 5. Ordering restitution of all damages suffered by Guzman Electric, Inc., Johnson
21 Concrete Sawing & Demo, Inc., Clearwater Compliance Services of California, Inc., Crusader
22 Fence Company, Inc., Hauan & Aregis, Inc., dba JD Specialites, Peterson-Dean Roofing,
23 American River Caulking, Inc., and/or Tri-County Cabinets, Inc., as a result of Stonegate
24 Construction Inc 's conduct as a contractor, as a condition of restoration of Contractor's License
25 Number 766777, B, issued to Stonegate Construction Inc, Abolghassen Alizadeh
26 RMO/CEO/Pres;

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6. Ordering Stonegate Construction Inc, Abolghassen Alizadeh RMO/CEO/Pres, to pay the Registrar of Contractors his costs in the investigation and enforcement of the case according to proof at the hearing, pursuant to Business and Professions Code section 125.3;

7. Ordering Stonegate Construction Inc, Abolghassen Alizadeh RMO/CEO/Pres, to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each;

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

DATED: October 13, 2010 
WOOD ROBINSON
Enforcement Supervisor I
Contractors' State License Board
Department of Consumer Affairs
State of California
Complainant

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